



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

**NOTICE OF MEETING**  
**City Council Meeting**  
**Tuesday, August 1, 2017 7:00 P.M.**  
**City of Lake Elmo | 3800 Laverne Avenue North**

**AGENDA**

**A. Call to Order/Pledge of Allegiance**

**B. Approval of Agenda**

**C. Approval of Minutes**

1. July 18, 2017

**D. Public Comments/Inquires**

**E. Presentations**

**F. Consent Agenda**

2. Approve Payment of Disbursements and Payroll
3. Accept 2<sup>nd</sup> Quarter Financials – General Fund and Utility Funds
4. Labor Agreement with Local 49ers, January 1, 2017-December 31, 2019
5. Authorize RFP for Enterprise Resource Planning System (ERP) Software for City
6. 2017 Seal Coat Project – Pay Request No. 1.
7. 2017 Street Improvements – Change Order No. 1.
8. CSAH 13 (Ideal Avenue/Olson Lake Trail) – Approve Cooperative Agreement Payment No. 2.
9. Approve Youth Services Bureau 2018 Agreement
10. Approve Sunfish Lake Park Ski Trail Grant – *Resolution 2017-084*
11. Approve Parks Commission Appointment

**G. Regular Agenda**

12. Variance Amendment for 9359 Jane Rd N – Public Hearing – *Resolution 2017-075*
13. Hidden Meadows Easement Vacation – Public Hearing – *Resolution 2017-082*
14. Glenwood Homes Variance Request - 8690 Lake Jane Trail N. – *Resolution 2017-083*
15. Presentation and Acceptance of 2016 Comprehensive Annual Financial Report
16. Lions Park Improvement Project Bids

**H. Council Reports**

**I. Staff Reports and Announcements**

**J. Adjourn**

**CITY OF LAKE ELMO  
CITY COUNCIL MINUTES  
JULY 18, 2017**

**CALL TO ORDER/PLEDGE OF ALLEGIANCE**

*Mayor Pearson called the meeting to order at 7:00 pm.*

**PRESENT:** Mayor Mike Pearson and Councilmembers Justin Bloyer, Julie Fliflet, Jill Lundgren and Christine Nelson

Staff present: Administrator Handt, City Clerk Johnson, City Attorney Sonsalla, City Engineer Griffin, Planning Director Wensman, Fire Chief Malmquist, Public Works Director Weldon, Building Official Bent and Sergeant Osterman.

**APPROVAL OF AGENDA**

Item 7, “Approve Water Meter Replacements” was moved to the end of the Regular Agenda. Item 18, “Approve Amendments to Chapter 72: Parking Regulations & Chapter 73: Parking Schedules of the City Code” was removed from the agenda.

*Councilmember Bloyer, seconded by Councilmember Nelson moved TO APPROVE THE AGENDA AS AMENDED. Motion passed 5 – 0.*

**ACCEPT MINUTES**

Minutes of the July 5, 2017 Regular Meeting were accepted as presented.

**PUBLIC COMMENTS/INQUIRIES**

Virginia Pleban, 8245 59<sup>th</sup> Street N., announced that there will be an ice cream social held at the historic courthouse in Stillwater on Thursday, July 20<sup>th</sup> and commented on clean up of Kleis Park.

**PRESENTATIONS**

The Cimarron Rowing Club presented information on the history of rowing in Lake Elmo and the upcoming NWIRA Championship Regatta.

**CONSENT AGENDA**

2. Approve Payment of Disbursements
3. Accept June 2017 Assessor’s Report
4. Accept June 2017 Building Department Report
5. Accept June 2017 Fire Department Report
6. Accept June 2017 Public Works Department Report

7. *moved to Regular Agenda*
8. Inwood Water Tower (No. 4) – Approve Pay Request No. 11
9. Old Village Phase 3 Street & Utility Improvements – Approve Pay Request No. 1
10. 2017 Street Improvements – Approve Pay Request No. 1
11. 2017 Mill and Overlay – Accept Quotes and Award Contract
12. CSAH 13 (Ideal Avenue/Olson Lake Trail) – Approve Cooperative Agreement Pmt No. 1
13. Wellhead Protection Plan Phase 2 – Award Engineering Services Task Order
14. Approve Building and Planning Regulations Permit Fee Schedule
15. Approve Revision of Contractor Licensing
16. Approve Adoption of the 2017 Lake Elmo Property Maintenance Code
17. Approve Public Safety Committee Appointments
18. *removed from agenda*

***Councilmember Bloyer, seconded by Councilmember Fliflet, moved TO APPROVE THE CONSENT AGENDA AS PRESENTED. Motion passed 5 - 0.***

**ITEM 19 Fire Department Staffing:**

Fire Chief Malmquist presented information on current staffing, response types and statistics. Staffing cost comparison and potential costs were also reviewed. Discussion was held regarding specific equipment used to respond to specific types of calls.

Dave Moore, Public Safety Committee member, stated that fire department staffing is a nationwide problem and urged the City to avoid taking short cuts.

Cullen Case, Public Safety Committee member, stated that option B presented in the council meeting packet is the best option to meet the City's current and future needs.

Lisa McGinn, Public Safety Committee member, expressed a need to hire firefighters now and continue to plan for the future.

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO APPROVE OPTION A AS PRESENTED WITH A CAP OF 24 HOURS PER WEEK. Motion passed 5 – 0.***

***Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO DIRECT STAFF TO WORK WITH THE PUBLIC SAFETY COMMITTEE AND ANY COUNCILMEMBERS THAT WANT TO BE INVOLVED TO EXPLORE THE OPTION OF AN EAST METRO FIRE DISTRICT AND OTHER LONG TERM SOLUTIONS.***

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO TABLE THE PRIMARY MOTION AND REFER THE MATTER TO THE PUBLIC SAFETY COMMITTEE FOR DISCUSSION. Motion passed 3 – 1 – 1. (Fliflet – nay; Lundgren – present/not voting)***

*Councilmember Bloyer, seconded Councilmember Nelson, moved TO APPROVE THE PART TIME FIREFIGHTER JOB DESCRIPTION AND AUTHORIZE ADVERTISING FOR THE POSITIONS. Motion passed 5 – 0.*

**ITEM 20: Easton Village 3<sup>rd</sup> Addition Final Plat**

Planning Director Wensman presented an overview of the proposed plat for the Easton Village 3<sup>rd</sup> Addition, noting changes from the preliminary plat and outlots proposed for parkland dedication.

*Councilmember Nelson, seconded by Councilmember Bloyer, moved TO ADOPT RESOLUTION 2017-076 APPROVING EASTON VILLAGE 3<sup>RD</sup> ADDITION FINAL PLAT WITH THE 10 CONDITIONS OF APPROVAL AS RECOMMENDED BY STAFF AND THE PLANNING COMMISSION. Motion passed 3 – 1 – 1. (Lundgren – nay; Fliflet – present/not voting)*

**ITEM 21: Easton Village 3<sup>rd</sup> Addition Developers Agreement**

Planning Director Wensman reviewed updates made to the draft agreement prior to the meeting and discussed future need for a railroad crossing. City Attorney Sonsalla suggested language for the Developers Agreement to ensure cost participation in a future railroad crossing.

*Councilmember Nelson, seconded by Mayor Pearson, moved TO ADOPT RESOLUTION 2017-081 APPROVING THE DEVELOPERS AGREEMENT FOR EASTON VILLAGE 3<sup>RD</sup> ADDITION WITH THE ADDITION OF LANGUAGE PERTAINING TO THE DEVELOPER'S CONSENT TO PAY ITS PORTION OF COSTS RELATED TO THE ADDITION OF A RAILROAD CROSSING. Motion passed 3 – 2. (Fliflet, Lundgren – present/not voting)*

**ITEM 22: Library Parking Lot Paving Project**

City Administrator Handt reviewed information related to the cost and design of the library parking lot and discussed funding sources for the project.

Library Board Member Brett Emmons reviewed how the plans for the parking lot evolved and reviewed option 3 provided in the council meeting packet. City Engineer Griffin stated that in his opinion the soils would need improvement prior to paving.

*Councilmember Lundgren, seconded by Councilmember Fliflet, moved TO AWARD THE LIBRARY PARKING LOT PAVING PROJECT TO BUCK BLACKTOP INC FOR \$241,890 AND APPROVE AN ADDITIONAL AMOUNT OF \$4,600 FOR PRE-CONSTRUCTION SITE WORK AND CONSTRUCTION OBSERVATION.*

Mayor Pearson stated he did not support the motion as he doesn't feel sidewalks are necessary and feels unsure about the benefits of the water storage elements.

Susan Dunn, 11018 Upper 33<sup>rd</sup> Street N., stated it is worth investing in a safe downtown.

*Councilmember Bloyer, seconded by Councilmember Lundgren, moved TO AMEND THE PRIMARY MOTION TO ADD THAT ALL FUNDING FOR THE LIBRARY PARKING LOT WILL COME FROM THE PARK DEDICATION FUND. Motion passed 3 – 2. (Pearson, Nelson – nay)*

*Councilmember Bloyer moved TO AMEND THE PRIMARY MOTION TO ADD THAT THE RAINGARDEN PORTION OF THE PROJECT NOT EXCEED \$20,000. Motion failed – no second.*

**Primary motion failed 2 – 3.**

*Mayor Pearson, seconded by Councilmember Nelson, moved TO AWARD THE PARKING LOT PAVING PROJECT TO MILLER EXCAVATING INC FOR \$71,401.80 AND APPROVE AN ADDITIONAL AMOUNT OF \$4,600 FOR PRE-CONSTRUCTION OBSERVATION CONTINGENT UPON LIBRARY BOARD APPROVAL. Motion passed 4 – 1. (Lundgren – nay)*

*Mayor Pearson, seconded by Councilmember Nelson, moved TO REJECT ALL BIDS ASSOCIATED WITH THE 2016 PLAN. Motion passed 3 – 1 – 1. (Lundgren – nay; Fliflet – present/not voting)*

### **ITEM 23: Bee Safe Resolution and IPM**

City Administrator Handt reviewed the background of the Bee Safe Resolution adopted in 2015 and proposed changes to remove “systemic pesticides” from the Integrated Pest Management Plan.

*Councilmember Bloyer, seconded by --- moved TO REPEAL BEE SAFE RESOLUTION 2012-13 AND THE INTEGRATED PEST MANAGEMENT PLAN.*

Tedi Carlson, Environmental Committee Member, suggested allowing the Environmental Committee to come up with another version to keep the City bee friendly.

*Councilmember Lundgren, seconded by Councilmember Fliflet, moved TO SEND THIS ITEM TO THE ENVIRONMENTAL COMMITTEE TO FURTHER WORK. Motion failed 2 – 3. (Pearson, Bloyer, Nelson – nay)*

**Primary motion passed 3 – 2. (Fliflet, Lundgren – nay)**

### **ITEM 7: Approve Water Meter Replacements**

City Administrator Handt provided an overview of the request to purchase water meters to replace existing malfunctioning meters and hire an independent contractor to install them.

*Mayor Pearson, seconded by Councilmember Lundgren, moved TO APPROVE THE PURCHASE OF 250 WATER METERS AND AUTHORIZE HIRING OF AN INDEPENDENT CONTRACTOR TO CONDUCT SCHEDULING, REPLACEMENT AND DATA ENTRY OF THE NEW WATER METERS. Motion passed 4 – 1. (Fliflet – nay)*

**COUNCIL REPORTS**

**Mayor Pearson:** No report

**Councilmember Nelson:** Attended Friends of Sunfish Lake Park meeting.

**Councilmember Lundgren:** Commented on pothole issues on Olson Lake Trail

**Councilmember Bloyer:** No report

**Councilmember Fliflet:** No report

**STAFF REPORTS AND ANNOUNCEMENTS**

**Administrator Handt:** Provided reminder of the upcoming Pankalo open house August 1<sup>st</sup>. Currently working on the space needs study and scheduling a joint meeting of the City Council and Finance Committee.

**City Clerk Johnson:** Reported on projects currently being completed by summer intern staff.

**City Attorney Sonsalla:** Worked with Building Official on the property maintenance code and preparing for a hearing on a hazardous building matter.

**Planning Director Wensman:** Reported on upcoming Comp Plan Advisory Board upcoming public open house and a Village stakeholder meeting.

**City Engineer Griffin:** Working on plan reviews and CSAH 17 Phase 3.

Meeting adjourned at 10:03 pm.

LAKE ELMO CITY COUNCIL

ATTEST:

\_\_\_\_\_  
Mike Pearson, Mayor

\_\_\_\_\_  
Julie Johnson, City Clerk



## **STAFF REPORT**

DATE: August 1, 2017  
CONSENT

**TO:** Mayor and City Council  
**FROM:** Brian Swanson, Finance Director  
**AGENDA ITEM:** Approve Disbursements in the amount of \$441,712.09  
**REVIEWED BY:** Kristina Handt, City Administrator

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### **BACKGROUND INFORMATION/STAFF REPORT:**

The City of Lake Elmo has the fiduciary responsibility to conduct normal business operations. Below is a summary of current claims to be disbursed and paid in accordance with State law and City policies and procedures.

**FISCAL IMPACT:** \$441,712.09

<b>Claim #</b>	<b>Amount</b>	<b>Description</b>
ACH	\$ 17,184.54	Payroll Taxes to IRS & MN Dept. of Revenue 07/20/17
ACH	\$ 7,735.82	Payroll Retirement to PERA 07/20/17
ACH	\$ 1,000.00	Payroll Retirement to MDCP 07/20/17
n/a	\$ 0.00	Payroll Checks (none)
Direct Deposits	\$ 44,079.93	Payroll Deposits 07/20/17
46199-46266	\$ 371,651.80	Accounts Payable 08/01/17
2858	\$ 60.00	Accounts Payable 08/01/17 (Library Checks)
<b>TOTAL</b>	<b>\$ 441,712.09</b>	

### **RECOMMENDATION:**

If removed from the consent agenda, the recommended motion is as follows:

***“Motion to approve the aforementioned disbursements in the amount of \$441,712..09”***

### **ATTACHMENTS:**

1. Accounts Payable – check register

# Accounts Payable To Be Paid Proof List

User: Christine  
 Printed: 07/27/2017 - 12:39 PM  
 Batch: 003-08-2017

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Advanced Auto Parts										
ADVAUTO										
2005-414516	07/11/2017	24.69	0.00	08/03/2017	Brake Pads 12-1		-		No	0000
101-430-3100-42210	Equipment Parts									
	2005-414516 Total:	24.69								
	ADVAUTO Total:	24.69								
	Advanced Auto Parts Total:	24.69								
Allied Blacktop Co.										
ALLBLAC										
Pay Req No. 1	07/24/2017	113,599.75	0.00	08/03/2017	2017 Seal Coat Proj 2017.118 Lake Elmo		-		No	0000
101-430-3120-42240	Street Maintenance Materials									
Pay Req No. 1	07/24/2017	51,040.00	0.00	08/03/2017	2017 Seal Coat Proj 2017.118 WestLakelan		-		No	0000
101-430-3120-42240	Street Maintenance Materials									
	Pay Req No. 1 Total:	164,639.75								
	ALLBLAC Total:	164,639.75								
	Allied Blacktop Co. Total:	164,639.75								
ANCOM Communications, Inc.										
ANCOM										
70831	07/07/2017	12.00	0.00	08/03/2017	70831 - Pager Repair		-		No	0000
101-420-2220-43230	Radio									
	70831 Total:	12.00								
70855	07/07/2017	3,171.00	0.00	08/03/2017	70855 - Replacement Pagers		-		No	0000
101-420-2220-43230	Radio									
	70855 Total:	3,171.00								
	ANCOM Total:	3,183.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
ANCOM Communications, Inc. Total:		3,183.00								
Animal Humane Society										
ANIMALHU										
13040	07/06/2017	792.00	0.00	08/03/2017	Animal Impound Fees - 040117-063017		-		No	0000
101-420-2700-43150	Contract Services									
	13040 Total:	792.00								
	ANIMALHU Total:	792.00								
Animal Humane Society Total:		792.00								
Auto Nation										
AUTONAT										
415214	07/19/2017	647.36	0.00	08/03/2017	Front End Repair 12-1		-		No	0000
101-430-3100-44040	Repairs/Maint Eqpt									
	415214 Total:	647.36								
	AUTONAT Total:	647.36								
Auto Nation Total:		647.36								
Biff's Inc.										
BIFFS										
W643586	07/19/2017	826.00	0.00	08/03/2017	Portable Restrooms		-		No	0000
101-450-5200-44120	Rentals - Buildings									
	W643586 Total:	826.00								
	BIFFS Total:	826.00								
Biff's Inc. Total:		826.00								
Bliss Carol										
L-BLISS										
20170726	07/26/2017	60.00	0.00	08/03/2017	Library Card Reimbursement		-		No	0000
206-450-5300-44300	Miscellaneous									
	20170726 Total:	60.00								
	L-BLISS Total:	60.00								
Bliss Carol Total:		60.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Bolton & Menk, Inc										
boltonme										
0205489	07/13/2017	2,309.97	0.00	08/03/2017	I-94 Lift Station #1 2016.134		-			No 0000
602-495-9450-43030	Engineering Services				construct.					
	0205489 Total:	2,309.97								
0205492	07/13/2017	2,508.00	0.00	08/03/2017	Royal Golf Design Svs 2016.125		-			No 0000
803-490-9070-43030	Engineering Services									
	0205492 Total:	2,508.00								
	BOLTONME Total:	4,817.97								
Bolton & Menk, Inc Total:		4,817.97								
Braun Intertec Corporation										
BRAUN										
B097545	07/12/2017	655.36	0.00	08/03/2017	OV Phase 3 Project 2016-133		-			No 0000
409-480-8000-43150	Contract Services									
B097545	07/12/2017	271.68	0.00	08/03/2017	OV Phase 3 Project 2016-133		-			No 0000
601-494-9400-43150	Contract Services									
B097545	08/11/2017	351.46	0.00	08/03/2017	OV Phase 3 Project 2016-133		-			No 0000
602-495-9450-43150	Contract Services									
	B097545 Total:	1,278.50								
	BRAUN Total:	1,278.50								
Braun Intertec Corporation Total:		1,278.50								
Buberl Black Dirt, Inc										
BUBERL										
19945	06/30/2017	70.00	0.00	08/03/2017	Black Dirt for Reid Park Field		-			No 0000
101-450-5200-42250	Landscaping Materials									
	19945 Total:	70.00								
	BUBERL Total:	70.00								
Buberl Black Dirt, Inc Total:		70.00								
Capstone Homes										
CAPSTONE										
2017-00045	07/21/2017	2,000.00	0.00	08/03/2017	Refund Escrow 2017-045 11614 32nd		-			No 0000
803-000-0000-22900	Deposits Payable				St					
	2017-00045 Total:	2,000.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
CAPSTONE Total:		2,000.00								
Capstone Homes Total:		2,000.00								
Cardmember Service										
cardmemb										
20170720	07/20/2017	64.26	0.00	08/03/2017	Holiday Car Wash		-		No	0000
101-420-2220-44300	Miscellaneous									
20170720	07/20/2017	200.00	0.00	08/03/2017	AMEM Conf		-		No	0000
101-420-2220-44370	Conferences & Training									
20170720	07/20/2017	602.00	0.00	08/03/2017	Hotel Breezy Point		-		No	0000
101-420-2220-44370	Conferences & Training									
20170720	07/20/2017	74.52	0.00	08/03/2017	Office Max- Office Supplies		-		No	0000
206-450-5300-42000	Office Supplies									
20170720	07/20/2017	50.30	0.00	08/03/2017	Office Max- Office Supplies		-		No	0000
206-450-5300-42000	Office Supplies									
20170720	07/20/2017	21.09	0.00	08/03/2017	Shopko		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	61.86	0.00	08/03/2017	Office 365 MSFT Subscription		-		No	0000
206-450-5300-42185	Software									
20170720	07/20/2017	12.59	0.00	08/03/2017	Menards		-		No	0000
206-450-5300-42230	Building Repair Supplies									
20170720	07/20/2017	42.83	0.00	08/03/2017	Office Max Supplies		-		No	0000
206-450-5300-42000	Office Supplies									
20170720	07/20/2017	5.84	0.00	08/03/2017	Hagbergs - Paper Towels		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	24.00	0.00	08/03/2017	Hudson Theatre		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	21.41	0.00	08/03/2017	Target		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	26.73	0.00	08/03/2017	Party City		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	1,411.03	0.00	08/03/2017	Coordinated Business		-		No	0000
206-450-5300-43180	Information Technology									
20170720	07/20/2017	25.37	0.00	08/03/2017	Target		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	21.99	0.00	08/03/2017	Amazon		-		No	0000
206-450-5300-44300	Miscellaneous									
20170720	07/20/2017	11.32	0.00	08/03/2017	UPS Postage - Kwik Trip LOC		-		No	0000
101-410-1910-43220	Postage									
20170720	07/20/2017	9.69	0.00	08/03/2017	Fed Ex - Postage - Kwik Trip LOC		-		No	0000
101-410-1910-43220	Postage									
20170720	07/20/2017	50.00	0.00	08/03/2017	Constant Contact - Weekly email letter		-		No	0000
101-410-1450-43180	Information Technology/Web									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
20170720	07/20/2017	26.94	0.00	08/03/2017	Menards - Drinking Water Brookfield		-			No 0000
101-410-1320-42000	Office Supplies									
20170720	07/20/2017	170.00	0.00	08/03/2017	GFOA Renewal Finance		-			No 0000
101-410-1520-44330	Dues & Subscriptions									
20170720	07/20/2017	370.00	0.00	08/03/2017	GFOA CAFR Finance		-			No 0000
101-410-1520-44300	Miscellaneous									
20170720	07/20/2017	299.21	0.00	08/03/2017	Central State Mueller		-			No 0000
601-494-9400-44030	Repairs\Maint Imp Not Bldgs									
20170720	07/20/2017	79.99	0.00	08/03/2017	Amazon - Office Supplies		-			No 0000
101-430-3100-42000	Office Supplies									
20170720	07/20/2017	52.88	0.00	08/03/2017	UPS - Postage		-			No 0000
601-494-9400-43220	Postage									
20170720	07/20/2017	150.00	0.00	08/03/2017	Asset Mgmt software subscription		-			No 0000
101-430-3100-44300	Miscellaneous									
	20170720 Total:	3,885.85								
	cardmemb Total:	3,885.85								
	Cardmember Service Total:	3,885.85								
Caroon Mark										
caroon										
20170810	07/26/2017	450.00	0.00	08/03/2017	2017 HuffnPuff Days Crowd Control		-			No 0000
101-420-2100-44300	Misc. - Community Event									
	20170810 Total:	450.00								
	caroon Total:	450.00								
	Caroon Mark Total:	450.00								
Century College										
CENCOLLE										
647756	07/13/2017	688.75	0.00	08/03/2017	Firefighter CEU Training		-			No 0000
101-420-2220-44370	Conferences & Training									
	647756 Total:	688.75								
	CENCOLLE Total:	688.75								
	Century College Total:	688.75								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Century Power Equipment										
CENTPOW										
722063	06/22/2017	45.30	0.00	08/03/2017	Zero Turn Drive Belts		-			No 0000
101-450-5200-42210	Equipment Parts									
	722063 Total:	45.30								
7220889	06/22/2017	82.03	0.00	08/03/2017	Chain Saw Repair		-			No 0000
101-450-5200-42210	Equipment Parts									
	7220889 Total:	82.03								
	CENTPOW Total:	127.33								
Century Power Equipment Total:		127.33								
Chris Amdahl Locksmith, Inc										
amdahl										
14059	07/05/2017	96.00	0.00	08/03/2017	New Shop Keys		-			No 0000
101-430-3100-44010	Repairs/Maint Bldg									
	14059 Total:	96.00								
14073	07/12/2017	98.70	0.00	08/03/2017	New Water Keys /Adjust Lock		-			No 0000
601-494-9400-43150	Contract Services									
	14073 Total:	98.70								
602495945043150	07/12/2017	17.70	0.00	08/03/2017	New Sewer Keys		-			No 0000
602-495-9450-43150	Contract Services									
	602495945043150 Total:	17.70								
	amdahl Total:	212.40								
Chris Amdahl Locksmith, Inc Total:		212.40								
Cintas Corporation #754										
CINTAS										
754749000	07/12/2017	116.54	0.00	08/03/2017	Uniforms		-			No 0000
101-430-3100-44170	Uniforms									
	754749000 Total:	116.54								
754751091	07/18/2017	106.68	0.00	08/03/2017	Cleaning & Maintenance Supplies		-			No 0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
	754751091 Total:	106.68								
754751502	07/19/2017	112.64	0.00	08/03/2017	Uniforms		-			No 0000
101-430-3100-44170	Uniforms									
	754751502 Total:	112.64								
754753991	07/26/2017	262.73	0.00	08/03/2017	Uniforms		-			No 0000
101-430-3100-44170	Uniforms									
	754753991 Total:	262.73								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
CINTAS Total:		598.59								
Cintas Corporation #754 Total:		598.59								
City of Oakdale										
ctyoakda										
2017630 con	07/26/2017	7,000.00	0.00	08/03/2017	New Connections - Water - Jan 2017		-		No	0000
601-000-0000-37150	Water Connections - Municipal									
2017630 con	07/26/2017	5,500.00	0.00	08/03/2017	New Connections - Water - Feb 2017		-		No	0000
601-000-0000-37150	Water Connections - Municipal									
2017630 con	07/26/2017	4,500.00	0.00	08/03/2017	New Connections - Water - March		-		No	0000
601-000-0000-37150	Water Connections - Municipal				2017					
2017630 con	07/26/2017	11,000.00	0.00	08/03/2017	New Connections - Water - April 2017		-		No	0000
601-000-0000-37150	Water Connections - Municipal									
2017630 con	07/26/2017	4,500.00	0.00	08/03/2017	New Connections - Water - May 2017		-		No	0000
601-000-0000-37150	Water Connections - Municipal									
2017630 con	07/26/2017	3,500.00	0.00	08/03/2017	New Connections - Water - June 2017		-		No	0000
601-000-0000-37150	Water Connections - Municipal									
2017630 con Total:		36,000.00								
ctyoakda Total:		36,000.00								
City of Oakdale Total:		36,000.00								
Clifton, Larson, Allen LLP										
CLIFTON										
1473543	05/01/2017	42,252.00	0.00	08/03/2017	Mar 28- May 30 Services		-		No	0000
101-410-1520-43150	Contract Services									
1473543	05/01/2017	5,281.50	0.00	08/03/2017	Mar 28- May 30 Services		-		No	0000
601-494-9400-43150	Contract Services									
1473543	05/01/2017	2,640.75	0.00	08/03/2017	Mar 28- May 30 Services		-		No	0000
602-495-9450-43150	Contract Services									
1473543	05/01/2017	2,640.75	0.00	08/03/2017	Mar 28- May 30 Services		-		No	0000
603-496-9500-43150	Contract Services									
1473543 Total:		52,815.00								
CLIFTON Total:		52,815.00								
Clifton, Larson, Allen LLP Total:		52,815.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Creative Home Construction										
CREATHOM										
2017-00076	07/21/2017	2,000.00	0.00	08/03/2017	Refund Escrow 2017-076 9111 Jade Ct		-			No 0000
803-000-0000-22900	Deposits Payable									
	2017-00076 Total:	2,000.00								
2017-00138	07/21/2017	2,000.00	0.00	08/03/2017	Refund Escrow 2017-138 11238 40th St		-			No 0000
803-000-0000-22900	Deposits Payable									
	2017-00138 Total:	2,000.00								
	CREATHOM Total:	4,000.00								
Creative Home Construction Total:		4,000.00								
Delta Dental Of Minnesota										
DELTA										
39530213	07/15/2017	1,550.20	0.00	08/03/2017	August 2017 Premium		-			No 0000
101-000-0000-21706	Medical Insurance									
	39530213 Total:	1,550.20								
	DELTA Total:	1,550.20								
Delta Dental Of Minnesota Total:		1,550.20								
DPC Industries, Inc.										
DPCINDUS										
DE82000076-17	06/30/2017	20.00	0.00	08/03/2017	Chlorine		-			No 0000
601-494-9400-42160	Chemicals									
	DE82000076-17 Total:	20.00								
	DPCINDUS Total:	20.00								
DPC Industries, Inc. Total:		20.00								
Emergency Apparatus Maint. Inc										
EMERGAPP										
93790	07/12/2017	387.58	0.00	08/03/2017	R1 Annual Safety Inspection - Serv Pump		-			No 0000
101-420-2220-44040	Repairs/Maint Eqpt									
	93790 Total:	387.58								
	EMERGAPP Total:	387.58								
Emergency Apparatus Maint. Inc Total:		387.58								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Francotyp-Postalia, Inc										
francoty										
RI103318310	07/19/2017	8.39	0.00	08/03/2017	Postage Maching Sealer Kit		-			0000
101-410-1320-42000	Office Supplies				Replacement				No	
	RI103318310 Total:	8.39								
	francoty Total:	8.39								
	Francotyp-Postalia, Inc Total:	8.39								
G&N Enterprises										
G&NENTER										
1182207293	06/28/2017	161.75	0.00	08/03/2017	Lift Station Cleaner		-			0000
602-495-9450-42270	Utility System Maint Supplies								No	
	1182207293 Total:	161.75								
	G&NENTER Total:	161.75								
	G&N Enterprises Total:	161.75								
Goodpoint Technology, Inc										
goodtech										
3705	05/05/2017	2,800.00	0.00	08/03/2017	City Pavement Assmt - Image		-			0000
101-430-3120-43150	Contract Services				Collection				No	
3705	05/05/2017	280.00	0.00	08/03/2017	City Pavement Assmt - Street Width&		-			0000
101-430-3120-43150	Contract Services				Curb				No	
	3705 Total:	3,080.00								
	goodtech Total:	3,080.00								
	Goodpoint Technology, Inc Total:	3,080.00								
Great America Financial										
GREATAM										
20992667	07/17/2017	1,071.96	0.00	08/03/2017	Copier Maint- Sharp MX- 5141N June		-			0000
101-410-1940-44040	Repairs/Maint Contractual Eqpt				17				No	
	20992667 Total:	1,071.96								
	GREATAM Total:	1,071.96								
	Great America Financial Total:	1,071.96								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
Hartman Homes										
HARTMAN										
2017-00091	07/21/2017	2,000.00	0.00	08/03/2017	Refund Excrow 2017-091 11411		-			No 0000
803-000-0000-22900	Deposits Payable				BlazingStar					
	2017-00091 Total:	2,000.00								
20170725	07/25/2017	5,000.00	0.00	08/03/2017	Refund Escrow 2015-1398 11367		-			No 0000
803-000-0000-22900	Deposits Payable				Wildflower					
	20170725 Total:	5,000.00								
	HARTMAN Total:	7,000.00								
	Hartman Homes Total:	7,000.00								
Hawkins, Inc.										
HAWKINS										
4112117	07/11/2017	1,364.50	0.00	08/03/2017	Water Treatment Chemicals		-			No 0000
601-494-9400-42160	Chemicals									
	4112117 Total:	1,364.50								
	HAWKINS Total:	1,364.50								
	Hawkins, Inc. Total:	1,364.50								
Hildi Inc.										
hildiinc										
8539	07/13/2017	2,400.00	0.00	08/03/2017	FF Relief Assoc. Actuarial Services		-			No 0000
101-410-1320-43150	Contract Services									
	8539 Total:	2,400.00								
	hildiinc Total:	2,400.00								
	Hildi Inc. Total:	2,400.00								
Innovative Office Solutions										
INNOVAT										
IN1677246	07/14/2017	11.38	0.00	08/03/2017	Name Plate: Stuart Johnson		-			No 0000
101-410-1320-42000	Office Supplies									
	IN1677246 Total:	11.38								
IN1678314	07/14/2017	6.07	0.00	08/03/2017	Legal Pads		-			No 0000
101-420-2400-42000	Office Supplies									
	IN1678314 Total:	6.07								
IN1685241	07/14/2017	13.58	0.00	08/03/2017	Name Badge: Jill Lundgren		-			No 0000
101-410-1110-42000	Office Supplies									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
	IN1685241 Total:	13.58								
IN1686032	07/14/2017	65.47	0.00	08/03/2017	Office Supplies		-		No	0000
101-410-1320-42000	Office Supplies									
IN1686032	07/14/2017	41.94	0.00	08/03/2017	Office Supplies		-		No	0000
101-420-2400-42000	Office Supplies									
IN1686032	07/14/2017	11.16	0.00	08/03/2017	Office Supplies		-		No	0000
101-410-1910-42000	Office Supplies									
	IN1686032 Total:	118.57								
	INNOVAT Total:	149.60								
	Innovative Office Solutions Total:	149.60								
Jani-King of Minnesota, Inc										
JANIKING										
MNIN 07170339	07/01/2017	204.00	0.00	08/03/2017	Cleaning Services - Public Works		-		No	0000
101-430-3100-43150	Contract Services									
	MNIN 07170339 Total:	204.00								
	JANIKING Total:	204.00								
	Jani-King of Minnesota, Inc Total:	204.00								
Johnson & Turner Attorneys										
johnson&										
63216	06/30/2017	3,500.00	0.00	08/03/2017	Prosecution Svs June 2017		-		No	0000
101-420-2150-43045	Attorney Criminal									
	63216 Total:	3,500.00								
	johnson& Total:	3,500.00								
	Johnson & Turner Attorneys Total:	3,500.00								
Kath Fuel Oil Service Co										
kathfuel										
595317	07/07/2017	927.70	0.00	08/03/2017	Fuel Unleaded		-		No	0000
101-430-3100-42120	Fuel, Oil and Fluids									
	595317 Total:	927.70								
	kathfuel Total:	927.70								
	Kath Fuel Oil Service Co Total:	927.70								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
Kennedy & Graven, Chartered										
kengrave										
138366	06/27/2017	5,491.93	0.00	08/03/2017	Civil Matters		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	271.25	0.00	08/03/2017	Library Matters		-			No 0000
206-450-5300-43040	Legal Services									
138366	06/27/2017	53.75	0.00	08/03/2017	Savona 4th - Final Plat		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	17,674.73	0.00	08/03/2017	3M Litigation		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	3,093.00	0.00	08/03/2017	Haz Bldg - 9240 31st St		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	350.50	0.00	08/03/2017	Verizon Lease		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	296.92	0.00	08/03/2017	Danielson Property Condemnation		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	38.75	0.00	08/03/2017	Personnel Matters		-			No 0000
101-410-1320-43040	Legal Services									
138366	06/27/2017	483.75	0.00	08/03/2017	Wildflower 2nd Addition		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	1,148.75	0.00	08/03/2017	Inwood 5th Addition		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	663.75	0.00	08/03/2017	Hammes 2nd		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	485.00	0.00	08/03/2017	Lakewood Crossing 2nd		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	430.00	0.00	08/03/2017	Easton Village 2nd Addition		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	1,861.71	0.00	08/03/2017	Southwind of Lake Elmo		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	28.75	0.00	08/03/2017	Easton Village 3rd		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	1,494.25	0.00	08/03/2017	Wasatch Storage Partners		-			No 0000
803-000-0000-22910	Developer Payments									
138366	06/27/2017	698.75	0.00	08/03/2017	The Royal Gold		-			No 0000
803-000-0000-22910	Developer Payments									
	138366 Total:	34,565.54								
	kengrave Total:	34,565.54								
	<hr/>									
	Kennedy & Graven, Chartered Total:	34,565.54								
	<hr/>									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
King Kassidy										
KINGK										
071317 Meeting	07/24/2017	55.00	0.00	08/03/2017	Cable Operations - 7/18/17		-		No	0000
101-410-1450-43620	Cable Operations									
071317 Meeting	07/24/2017	25.00	0.00	08/03/2017	Cable Operations - after 10PM bonus		-		No	0000
101-410-1450-43620	Cable Operations									
	071317 Meeting Total:	80.00								
071817 Meeting	07/24/2017	55.00	0.00	08/03/2017	Cable Operations - 7/13/17		-		No	0000
101-410-1450-43620	Cable Operations									
	071817 Meeting Total:	55.00								
072417 Meeting	07/24/2017	55.00	0.00	08/03/2017	Cable Operations - 7/24/17		-		No	0000
101-410-1450-43620	Cable Operations									
	072417 Meeting Total:	55.00								
	KINGK Total:	190.00								
	King Kassidy Total:	190.00								
Lake Elmo Oil, Inc.										
LEOIL										
2256	07/17/2017	22.56	0.00	08/03/2017	Fuel		-		No	0000
101-430-3100-42120	Fuel, Oil and Fluids									
	2256 Total:	22.56								
	LEOIL Total:	22.56								
	Lake Elmo Oil, Inc. Total:	22.56								
Landscape Architecture, Inc										
Landscap										
20170713	07/13/2017	50.00	0.00	08/03/2017	Drummherhausen Residence - Variance		-		No	0000
803-000-0000-22910	Developer Payments									
	20170713 Total:	50.00								
	Landscap Total:	50.00								
	Landscape Architecture, Inc Total:	50.00								
League of MN Cities Ins. Trust										
LMCIT										
2781	03/01/2017	500.00	0.00	08/03/2017	Deductible - Zuilger Settlement		-		No	0000
101-410-1320-43610	Insurance									
	2781 Total:	500.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
LMCIT Total:		500.00								
League of MN Cities Ins. Trust Total:		500.00								
Lennar Family of Builders										
LENNAR										
2016-00009	07/21/2017	2,000.00	0.00	08/03/2017	Refund Escrow 2016-009 612 James Ave		-		No	0000
803-000-0000-22900	Deposits Payable									
2016-00009 Total:		2,000.00								
2016-00672	07/21/2017	5,000.00	0.00	08/03/2017	Refund Escrow 2016-672 649 James Ave		-		No	0000
803-000-0000-22900	Deposits Payable									
2016-00672 Total:		5,000.00								
LENNAR Total:		7,000.00								
Lennar Family of Builders Total:		7,000.00								
Lindholm Mike										
lindholm										
20170810	07/26/2017	270.00	0.00	08/03/2017	2017 HuffnPuff Days Crowd Control		-		No	0000
101-420-2100-44300	Misc. - Community Event									
20170810 Total:		270.00								
lindholm Total:		270.00								
Lindholm Mike Total:		270.00								
Linner Electric Company, Inc.										
LINNER										
6052	10/09/2015	931.93	0.00	08/03/2017	VFW Ballfield Lights		-		No	0000
101-450-5200-44030	Repairs/Maint Imp Not Bldgs									
6052 Total:		931.93								
LINNER Total:		931.93								
Linner Electric Company, Inc. Total:		931.93								
Little Falls Machine, Inc										
LTLFALLS										
60709	07/12/2017	56.64	0.00	08/03/2017	Plow Parts		-		No	0000
101-430-3125-42210	Equipment Parts									
60709 Total:		56.64								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
LTLFALLS Total:		56.64								
Little Falls Machine, Inc Total:		56.64								
Maroney's Sanitation, Inc										
MARONEYS										
682538	06/07/2017	121.72	0.00	08/03/2017	Trash Service - City Hall 06/01-06/30		-		No	0000
101-410-1940-43840	Refuse									
682538	06/07/2017	50.77	0.00	08/03/2017	Trash Service - Fire Station 06/01-06/30		-		No	0000
101-420-2220-43840	Refuse									
682538	06/07/2017	221.17	0.00	08/03/2017	Trash Service - Parks Building 6/1-6/30		-		No	0000
101-450-5200-43840	Refuse									
682538	06/07/2017	231.04	0.00	08/03/2017	Trash Service - Public works 06/01-06/30		-		No	0000
101-420-2220-43840	Refuse									
682538	06/07/2017	50.88	0.00	08/03/2017	Trash Service - Library 06/01-06/30		-		No	0000
206-450-5300-43840	Refuse									
682538 Total:		675.58								
MARONEYS Total:		675.58								
Maroney's Sanitation, Inc Total:		675.58								
McDonough Justin										
MCDONOUG										
20170810	07/26/2017	270.00	0.00	08/03/2017	2017 HuffnPuff Days Crowd Control		-		No	0000
101-420-2100-44300	Misc. - Community Event									
20170810 Total:		270.00								
MCDONOUG Total:		270.00								
McDonough Justin Total:		270.00								
Menards - Oakdale										
MENARDSO										
33775	06/29/2017	106.72	0.00	08/03/2017	System Maint. Supplies		-		No	0000
601-494-9400-42270	Utility System Maintenance									
33775	06/29/2017	7.90	0.00	08/03/2017	Meter Supplies		-		No	0000
601-494-9400-42300	Water Meters & Supplies									
33775	06/29/2017	39.96	0.00	08/03/2017	Misc. Shope Supplies		-		No	0000
101-430-3100-42150	Shop Materials									
33775 Total:		154.58								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
34669	07/13/2017	19.98	0.00	08/03/2017	Trailer Light Adapter		-			No 0000
101-450-5200-42210	Equipment Parts									
	34669 Total:	19.98								
34674	07/13/2017	15.91	0.00	08/03/2017	System Maint. Supplies		-			No 0000
101-450-5200-42000	Office Supplies									
	34674 Total:	15.91								
35082	07/19/2017	10.39	0.00	08/03/2017	Bench Repair		-			No 0000
101-450-5200-44030	Repairs/Maint Imp Not Bldgs									
	35082 Total:	10.39								
	MENARDSO Total:	200.86								
	Menards - Oakdale Total:	200.86								
Menards - Stillwater										
MENARDST										
10477	07/15/2017	15.38	0.00	08/03/2017	Station Maintenance Supplies		-			No 0000
101-420-2220-44010	Repairs/Maint Bldg									
	10477 Total:	15.38								
	MENARDST Total:	15.38								
	Menards - Stillwater Total:	15.38								
Miller Excavating, Inc.										
MILLEREX										
23135	06/26/2017	230.00	0.00	08/03/2017	Street Sweeping - Deer Path		-			No 0000
603-496-9500-44010	Street Sweeping									
	23135 Total:	230.00								
	MILLEREX Total:	230.00								
	Miller Excavating, Inc. Total:	230.00								
Montage Enterprise Inc.										
MONTAGE										
55578	06/30/2017	140.45	0.00	08/03/2017	Ditch Mower Parts		-			No 0000
101-430-3100-42210	Equipment Parts									
	55578 Total:	140.45								
55771	07/10/2017	260.77	0.00	08/03/2017	Ditch Mower Parts		-			No 0000
101-430-3100-42210	Equipment Parts									
	55771 Total:	260.77								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
55842	07/10/2017	164.38	0.00	08/03/2017	Ditch Mower Parts		-			No 0000
101-430-3100-42210	Equipment Parts									
	55842 Total:	164.38								
	MONTAGE Total:	565.60								
	Montage Enterprise Inc. Total:	565.60								
NCPERS Minnesota										
ncpers										
5662817	06/29/2017	32.00	0.00	08/03/2017	Aug 2017 Premium		-			No 0000
101-000-0000-21708	Other Benefits									
	5662817 Total:	32.00								
	ncpers Total:	32.00								
	NCPERS Minnesota Total:	32.00								
Niebur Tractor & Equipment										
niebur										
01-100487	06/28/2017	82.40	0.00	08/03/2017	Kubota Track/Tire Change over		-			No 0000
101-450-5200-44040	Repairs/Maint Eqpt									
	01-100487 Total:	82.40								
	niebur Total:	82.40								
	Niebur Tractor & Equipment Total:	82.40								
Osterman Larry										
OSTERMAN										
20170810	07/26/2017	450.00	0.00	08/03/2017	2017 HuffnPuff Days Crowd Control		-			No 0000
101-420-2100-44300	Misc. - Community Event									
	20170810 Total:	450.00								
	OSTERMAN Total:	450.00								
	Osterman Larry Total:	450.00								
RABOUIN, INC										
rabouin										
101410132043100	08/01/2017	2,500.00	0.00	08/03/2017	Aug 2017- Contracted Monthly Assr		-			No 0000
101-410-1320-43100	Assessing Services				Fee					
	101410132043100 Total:	2,500.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
	rabouin Total:	2,500.00								
	RABOUIN, INC Total:	2,500.00								
Retail Construction Service										
retailco										
20170721	07/21/2017	5,000.00	0.00	08/03/2017	Refund Escrow - 2017-117 11455 20rh		-		No	0000
803-000-0000-22900	Deposits Payable				St					
	20170721 Total:	5,000.00								
	retailco Total:	5,000.00								
	Retail Construction Service Total:	5,000.00								
Rivard Companies										
rivard										
373851	07/06/2017	1,700.00	0.00	08/03/2017	Playground Mulch		-		No	0000
101-450-5200-42250	Landscaping Materials									
	373851 Total:	1,700.00								
	rivard Total:	1,700.00								
	Rivard Companies Total:	1,700.00								
Safe-Fast, Inc.										
SAFEFAST										
184774	06/08/2017	259.75	0.00	08/03/2017	High-Vis t-shirts & glasses		-		No	0000
101-430-3100-44375	Personal Protection Equipment									
184774	06/08/2017	259.75	0.00	08/03/2017	High-Vis t-shirts & glasses		-		No	0000
101-450-5200-44375	Personal Protection Equipment									
	184774 Total:	519.50								
186173	06/08/2017	258.27	0.00	08/03/2017	Confined Space Blower		-		No	0000
601-494-9400-42400	Small Tools & Minor Equipment									
186173	06/08/2017	258.28	0.00	08/03/2017	Confined Space Blower		-		No	0000
602-495-9450-42400	Small Tools & Minor Equipment									
186173	06/08/2017	52.43	0.00	08/03/2017	Gas Monitor Calibration		-		No	0000
601-494-9400-43150	Contract Services									
186173	06/08/2017	52.42	0.00	08/03/2017	Gas Monitor Calibration		-		No	0000
602-495-9450-43150	Contract Services									
	186173 Total:	621.40								
186479	07/18/2017	107.50	0.00	08/03/2017	Hi-Vis Shirts		-		No	0000
101-430-3100-44375	Personal Protection Equipment									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
186479	07/18/2017	107.50	0.00	08/03/2017	Hi-Vis Shirts		-			No 0000
101-450-5200-44375	Personal Protection Equipment									
	186479 Total:	215.00								
186606	07/18/2017	88.70	0.00	08/03/2017	Safety Vests		-			No 0000
101-430-3100-44375	Personal Protection Equipment									
186606	07/18/2017	88.70	0.00	08/03/2017	Safety Vests		-			No 0000
101-450-5200-44375	Personal Protection Equipment									
	186606 Total:	177.40								
	SAFEFAST Total:	1,533.30								
	Safe-Fast, Inc. Total:	1,533.30								
Schlomka Services LLC										
SCHLOMKA										
20020	06/29/2017	1,000.00	0.00	08/03/2017	Keats Lift Station Cleaning		-			No 0000
602-495-9450-44030	Repairs\Maint Imp Not Bldgs									
	20020 Total:	1,000.00								
	SCHLOMKA Total:	1,000.00								
	Schlomka Services LLC Total:	1,000.00								
SelectAccount										
SELECTAC										
20170707	07/07/2017	12.66	0.00	08/03/2017	Participant Fee 7/1/17- 7/31/17		-			No 0000
101-410-1520-43150	Contract Services									
	20170707 Total:	12.66								
	SELECTAC Total:	12.66								
	SelectAccount Total:	12.66								
Sprint										
sprint										
761950227	07/18/2017	16.76	0.00	08/03/2017	Cell Phone Service - Planning Dept		-			No 0000
101-410-1910-43210	Telephone									
761950227	07/18/2017	68.70	0.00	08/03/2017	Cell Phone Service - Admin		-			No 0000
101-410-1940-43210	Telephone									
761950227	07/18/2017	249.21	0.00	08/03/2017	Cell Phone Service - Fire Dept		-			No 0000
101-420-2220-43210	Telephone									
761950227	07/18/2017	216.68	0.00	08/03/2017	Cell Phone Service - Building Dept		-			No 0000
101-420-2400-43210	Telephone									

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
761950227	07/18/2017	133.96	0.00	08/03/2017	Cell Phone Service - Public Works		-			No 0000
101-430-3100-43210	Telephone				Dept					
761950227	07/18/2017	62.45	0.00	08/03/2017	Cell Phone Service - Parks Dept		-			No 0000
101-450-5200-43210	Telephone									
	761950227 Total:	747.76								
	sprint Total:	747.76								
	Sprint Total:	747.76								
T.A. Schifsky & Sons Inc										
TASCH										
40926	01/30/2017	255.60	0.00	08/03/2017	Cold Mix		-			No 0000
101-430-3120-42240	Street Maintenance Materials									
	40926 Total:	255.60								
	TASCH Total:	255.60								
	T.A. Schifsky & Sons Inc Total:	255.60								
Telemetry & Process Controls										
TELEMETR										
106089	07/25/2017	558.00	0.00	08/03/2017	Contract Services - SCADA		-			No 0000
601-494-9400-43150	Contract Services									
106089	07/25/2017	558.00	0.00	08/03/2017	Contract Services - SCADA		-			No 0000
602-495-9450-43150	Contract Services									
	106089 Total:	1,116.00								
	TELEMETR Total:	1,116.00								
	Telemetry & Process Controls Total:	1,116.00								
TJB Homes Construction										
TJBHOMCO										
2016-00633	07/21/2017	5,000.00	0.00	08/03/2017	Refund Escrow 2016-633 11339		-			No 0000
803-000-0000-22900	Deposits Payable				Wildflower					
	2016-00633 Total:	5,000.00								
	TJBHOMCO Total:	5,000.00								
	TJB Homes Construction Total:	5,000.00								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close PO Line #
Van Klei Lonnie										
vanklei										
20170810	07/26/2017	360.00	0.00	08/03/2017	2017 HuffnPuff Days Crowd Control		-			No 0000
101-420-2100-44300	Misc. - Community Event									
	20170810 Total:	360.00								
	vanklei Total:	360.00								
	Van Klei Lonnie Total:	360.00								
Volunteer Firefighter's Assn										
VOLFIRE										
20170717	07/17/2017	255.00	0.00	08/03/2017	Renewals		-			No 0000
101-420-2220-44330	Dues & Subscriptions									
20170717	07/17/2017	11.00	0.00	08/03/2017	1 new member		-			No 0000
101-420-2220-44330	Dues & Subscriptions									
	20170717 Total:	266.00								
	VOLFIRE Total:	266.00								
	Volunteer Firefighter's Assn Total:	266.00								
Washington Conservation Dist.										
WASHCONS										
3843	06/30/2017	625.00	0.00	08/03/2017	2nd of 4 Quarterly Billings for ShareEdu		-			No 0000
603-496-9500-44370	Conferences & Training									
	3843 Total:	625.00								
	WASHCONS Total:	625.00								
	Washington Conservation Dist. Total:	625.00								
WASHINGTON COUNTY										
WACO-PW										
125153	07/18/2017	867.46	0.00	08/03/2017	CSAH 13 Proj 2015.125 #10904		-			No 0000
409-480-8000-43150	Contract Services									
125153	07/18/2017	389.37	0.00	08/03/2017	CSAH 13 Proj 2015.125 #10904		-			No 0000
602-495-9450-43150	Contract Services									
	125153 Total:	1,256.83								
	WACO-PW Total:	1,256.83								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
WASHINGTON COUNTY Total:		1,256.83								
Xcel Energy										
xcel										
554691695	07/20/2017	264.98	0.00	08/03/2017	New Lift Station		-			No 0000
602-495-9450-43810	Electric Utility									
	554691695 Total:	264.98								
554744357	07/20/2017	12.06	0.00	08/03/2017	Tennis Court		-			No 0000
101-450-5200-43810	Electric Utility									
	554744357 Total:	12.06								
554752202	07/20/2017	22.15	0.00	08/03/2017	Pebble Park		-			No 0000
101-450-5200-43810	Electric Utility									
	554752202 Total:	22.15								
554757116	07/20/2017	47.17	0.00	08/03/2017	Traffic Lights		-			No 0000
101-430-3160-43810	Street Lighting									
	554757116 Total:	47.17								
554759001	07/20/2017	17.52	0.00	08/03/2017	Lift Station		-			No 0000
602-495-9450-43810	Electric Utility									
	554759001 Total:	17.52								
554760156	07/20/2017	93.85	0.00	08/03/2017	Arts Center		-			No 0000
101-450-5200-43810	Electric Utility									
	554760156 Total:	93.85								
554764725	07/20/2017	17.89	0.00	08/03/2017	Lift Station		-			No 0000
602-495-9450-43810	Electric Utility									
	554764725 Total:	17.89								
554766959	07/20/2017	42.88	0.00	08/03/2017	Parks Bldg		-			No 0000
101-450-5200-43810	Electric Utility									
	554766959 Total:	42.88								
554768891	07/20/2017	64.53	0.00	08/03/2017	Legion Park		-			No 0000
101-450-5200-43810	Electric Utility									
	554768891 Total:	64.53								
554770993	07/20/2017	353.02	0.00	08/03/2017	Fire Station 1		-			No 0000
101-420-2220-43810	Electric Utility									
	554770993 Total:	353.02								
554774158	07/20/2017	33.61	0.00	08/03/2017	Traffic Manning & Stillwater Blvd		-			No 0000
101-430-3160-43810	Street Lighting									
	554774158 Total:	33.61								
554781953	07/20/2017	28.92	0.00	08/03/2017	Water Tower 2		-			No 0000
601-494-9400-43810	Electric Utility									
	554781953 Total:	28.92								
554789404	07/20/2017	13.22	0.00	08/03/2017	Speed Sign Hwy 5		-			No 0000
101-430-3160-43810	Street Lighting									
	554789404 Total:	13.22								

Invoice #	Inv Date	Amount	Quantity	Pmt Date	Description	Reference	Task	Type	PO #	Close POLine #
554801115	07/20/2017	2,172.34	0.00	08/03/2017	Pumphouse		-			No 0000
601-494-9400-43810	Electric Utility									
	554801115 Total:	2,172.34								
554803618	07/20/2017	129.00	0.00	08/03/2017	Pumphouse		-			No 0000
601-494-9400-43810	Electric Utility									
	554803618 Total:	129.00								
554809641	07/20/2017	14.60	0.00	08/03/2017	Gates at Sunfish Park		-			No 0000
101-450-5200-43810	Electric Utility									
	554809641 Total:	14.60								
554815342	07/20/2017	40.71	0.00	08/03/2017	Traffic Lights		-			No 0000
101-430-3160-43810	Street Lighting									
	554815342 Total:	40.71								
554840872	07/20/2017	48.46	0.00	08/03/2017	Traffic Lights		-			No 0000
101-430-3160-43810	Street Lighting									
	554840872 Total:	48.46								
554851710	07/21/2017	625.35	0.00	08/03/2017	Library		-			No 0000
206-450-5300-43810	Electric Utility									
	554851710 Total:	625.35								
554897772	07/21/2017	329.09	0.00	08/03/2017	Fire Station 2		-			No 0000
101-420-2220-43810	Electric Utility									
	554897772 Total:	329.09								
	xcel Total:	4,371.35								
	Xcel Energy Total:	4,371.35								
Yale Mechanical										
yalemech										
179298	07/13/2017	516.56	0.00	08/03/2017	HVAC Maint		-			No 0000
101-430-3100-44010	Repairs/Maint Bldg									
	179298 Total:	516.56								
179304	07/13/2017	399.38	0.00	08/03/2017	Building Repairs		-			No 0000
101-410-1940-44010	Repairs/Maint Contractual Bldg									
	179304 Total:	399.38								
	yalemech Total:	915.94								
	Yale Mechanical Total:	915.94								
	Report Total:	371,711.80								



## STAFF REPORT

DATE: August 1, 2017

**CONSENT**

**MOTION**

**TO:** City Council  
**FROM:** Brian A. Swanson – Finance Director  
**AGENDA ITEM:** Accept 2<sup>nd</sup> Quarter Financials  
**REVIEWED BY:** Kristina Handt – City Administrator

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### **BACKGROUND:**

The City of Lake Elmo has fiduciary authority and responsibility to conduct normal business operations and report the unaudited financial information to the City Council on a regular basis.

### **QUESTIONS BEFORE THE CITY COUNCIL:**

- 1) Does the City Council have any questions regarding the attached 2<sup>nd</sup> Quarter Financial information?
- 2) Is the City Council comfortable approving the 2<sup>nd</sup> Quarter Financial information for approval?

### **DISCUSSION:**

As part of informing the City Council and community on the financial position of the City, staff prepared budget to actual information for the General Fund and Utility Funds in the attachment.

This format more closely follows the City's Comprehensive Annual Financial Report (CAFR) by providing budget to actual figures and in similar revenue and expenditure/expense categories. This also aligns with the updated budget worksheets the City Council will receive for the upcoming budget cycle.

### **FISCAL IMPACT:**

N/A

### **RECOMMENDATION:**

- 1) Motion to recommend approval of the 2<sup>nd</sup> Quarter Financial Statements which include the General Fund and Utility Funds.

### **ATTACHMENTS:**

- 1) 2<sup>nd</sup> Quarter Financials – General Fund and Utility Funds

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
<b>General Fund Revenues:</b>					
<b>Taxes</b>					
101-000-0000-31010	Current Ad Valorem Taxes	\$ 2,019,331	\$ 1,629,875	\$ -	0.00%
101-000-0000-31020	Delinquent Ad Valorem Taxes	13,546	15,000	-	0.00%
101-000-0000-31030	Mobile Home Tax	14,366	12,000	-	0.00%
101-000-0000-31040	Fiscal Disparities	157,096	161,272	-	0.00%
101-000-0000-31910	Penalty & Interest on Taxes	185	700	-	0.00%
101-000-0000-33622	Cable Franchise Revenue	98,218	72,000	67,178	93.30%
<b>Total Taxes</b>		<b>\$ 2,302,741</b>	<b>\$ 1,890,847</b>	<b>\$ 67,178</b>	<b>3.55%</b>
<b>Licenses and Permits</b>					
101-000-0000-32110	Liquor License	7,025	9,000	8,300	92.22%
101-000-0000-32180	Wastehauler License	1,560	1,000	-	0.00%
101-000-0000-32181	General Contractor License	150	150	-	0.00%
101-000-0000-32183	Heating Contractor License	3,450	2,850	600	21.05%
101-000-0000-32210	Building Permits	902,690	808,157	468,554	57.98%
101-000-0000-32211	Building Permits	10,190	-	6,320	
101-000-0000-32220	Heating Permits	128,558	44,820	92,881	207.23%
101-000-0000-32230	Plumbing Permits	92,752	44,820	43,301	96.61%
101-000-0000-32240	Animal License	1,900	1,720	1,305	75.87%
101-000-0000-32250	Utility Permits	60,234	33,000	8,134	24.65%
101-000-0000-32260	Burning Permit	2,035	3,750	1,280	34.13%
101-000-0000-32270	Massage Therapy Licenses	75	100	-	0.00%
<b>Total Licenses and Permits</b>		<b>\$ 1,210,619</b>	<b>\$ 949,367</b>	<b>\$ 630,675</b>	<b>66.43%</b>
<b>Intergovernmental</b>					
101-000-0000-33418	MSA - Maintenance	123,433	130,838	-	0.00%
101-000-0000-33420	State Fire Aid	59,136	47,000	-	0.00%
101-000-0000-33422	PERA Aid	2,749	2,749	-	0.00%
101-000-0000-33426	Miscellaneous State Grants	8,367	4,820	541	11.22%
101-000-0000-33621	Recycling Grant	15,688	15,688	-	0.00%
<b>Total Intergovernmental</b>		<b>\$ 209,373</b>	<b>\$ 201,095</b>	<b>\$ 541</b>	<b>0.27%</b>
<b>Charges for Services</b>					
101-000-0000-34103	Zoning & Subdivision Fees	33,490	23,000	18,048	78.47%
101-000-0000-34104	Plan Check Fees	500,965	513,002	281,479	54.87%
101-000-0000-34105	Sale of Copies, Books, Maps	213	280	9	3.04%
101-000-0000-34107	Assessment Searches	4,905	1,395	630	45.16%
101-000-0000-34110	Rent	-	-	12	
101-000-0000-34111	Cable Operation Reimbursement	1,600	4,000	1,710	42.75%
<b>Total Charges for Services</b>		<b>\$ 541,173</b>	<b>\$ 541,677</b>	<b>\$ 301,888</b>	<b>55.73%</b>
<b>Fines and Forfeits</b>					
101-000-0000-35100	Fines	49,505	46,500	23,751	51.08%
101-000-0000-35101	Fire Sprinkler Alarm Fees	-	15,000	8,638	57.59%
<b>Total Fines and Forfeits</b>		<b>\$ 49,505</b>	<b>\$ 61,500</b>	<b>\$ 32,389</b>	<b>52.67%</b>
<b>Investment Earnings</b>					

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
101-000-0000-36210	Interest Earnings	20,437	40,000	-	0.00%
<b>Total Investment Earnings</b>		<b>\$ 20,437</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Miscellaneous</b>					
101-000-0000-36200	Miscellaneous Revenue	28,205	4,000	25,062	626.55%
101-000-0000-36204	Reimbursements - Fire	1,500	500	-	0.00%
101-000-0000-36206	Miscellaneous Revenue	2,800	24,900	12,700	51.00%
101-000-0000-36207	ISD Service Fee In Lieu of Tax	-	31,500	-	0.00%
101-000-0000-36230	Donations	10,000	10,000	4,437	44.37%
101-000-0000-37180	Tower Rent	-	46,000	30,808	66.97%
101-000-0000-38000	Use of Fund Balance	-	150,000	-	0.00%
<b>Total Miscellaneous</b>		<b>\$ 42,505</b>	<b>\$ 266,900</b>	<b>\$ 73,007</b>	<b>27.35%</b>
<b>Total General Fund Revenues:</b>		<b>\$ 4,376,355</b>	<b>\$ 3,951,386</b>	<b>\$ 1,105,677</b>	<b>27.98%</b>

**General Fund Expenditures:**

<b>1110</b>	<b>Mayor &amp; Council</b>				
<b>Personnel</b>					
101-410-1110-41030	Part-time Salaries	25,690	25,690	12,845	50.00%
101-410-1110-41220	FICA Contributions	1,593	1,593	796	49.99%
101-410-1110-41230	Medicare Contributions	373	373	186	49.94%
101-410-1110-41510	Workers Compensation	-	300	67	22.46%
<b>Total Personnel</b>		<b>\$ 27,655</b>	<b>\$ 27,956</b>	<b>\$ 13,895</b>	<b>49.70%</b>
<b>Materials and Supplies</b>					
101-410-1110-42000	Office Supplies	72	-	36	
101-410-1110-43310	Mileage	-	375	-	0.00%
<b>Total Materials and Supplies</b>		<b>\$ 72</b>	<b>\$ 375</b>	<b>\$ 36</b>	<b>9.66%</b>
<b>Charges and Services</b>					
101-410-1110-44300	Miscellaneous	15,691	5,250	6,568	125.11%
101-410-1110-44330	Dues & Subscriptions	11,986	11,813	3,622	30.66%
101-410-1110-44370	Conferences & Training	520	1,500	180	12.00%
<b>Total Charges and Services</b>		<b>\$ 28,197</b>	<b>\$ 18,563</b>	<b>\$ 10,370</b>	<b>55.86%</b>
<b>1110</b>	<b>Total Mayor &amp; Council</b>	<b>\$ 55,924</b>	<b>\$ 46,894</b>	<b>\$ 24,301</b>	<b>51.82%</b>

<b>1320</b>	<b>Administration</b>				
<b>Personnel</b>					
101-410-1320-41010	Full-time Salaries	195,150	153,083	157,649	102.98%
101-410-1320-41030	Part-time Salaries	5,613	-	3,438	
101-410-1320-41210	PERA Contributions	14,378	11,481	8,173	71.19%
101-410-1320-41220	FICA Contributions	11,823	9,491	9,565	100.78%
101-410-1320-41230	Medicare Contributions	2,765	2,220	2,237	100.77%
101-410-1320-41300	Insurance	28,335	26,787	23,101	86.24%
101-410-1320-41510	Workers Compensation	6,252	6,300	693	10.99%
<b>Total Personnel</b>		<b>\$ 264,317</b>	<b>\$ 209,362</b>	<b>\$ 204,856</b>	<b>97.85%</b>

**Materials and Supplies**

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
101-410-1320-42000	Office Supplies	5,113	5,500	1,711	31.11%
101-410-1320-42030	Printed Forms	771	700	84	11.99%
101-410-1320-43040	Legal Services	322,842	170,000	95,291	56.05%
101-410-1320-43090	Newsletter/Website	-	8,000	90	1.13%
<b>Total Materials and Supplies</b>		<b>\$ 328,727</b>	<b>\$ 184,200</b>	<b>\$ 97,176</b>	<b>52.76%</b>
<b>Charges and Services</b>					
101-410-1320-43100	Assessing Services	52,049	38,000	21,626	56.91%
101-410-1320-43150	Contract Services	1,019	-	12,173	
101-410-1320-43180	Information Technology/Web	470	-	609	
101-410-1320-43190	Software Programs	2,338	-	2,205	
101-410-1320-43210	Telephone	1,574	1,500	972	64.80%
101-410-1320-43220	Postage	3,741	3,000	(554)	-18.48%
101-410-1320-43310	Mileage	418	348	137	39.47%
101-410-1320-43510	Legal Publishing	8,003	7,088	2,324	32.79%
101-410-1320-43610	Insurance	26,121	28,000	27,130	96.89%
101-410-1320-43620	Cable Operation Expense	-	31,400	-	0.00%
101-410-1320-44330	Dues & Subscriptions	1,877	2,500	1,642	65.68%
101-410-1320-44370	Conferences & Training	844	2,170	668	30.80%
<b>Total Charges and Services</b>		<b>\$ 98,454</b>	<b>\$ 114,006</b>	<b>\$ 68,932</b>	<b>60.46%</b>
<b>Miscellaneous</b>					
101-410-1320-44300	Miscellaneous	538	600	212	35.33%
<b>Total Miscellaneous</b>		<b>\$ 538</b>	<b>\$ 600</b>	<b>\$ 212</b>	<b>35.33%</b>
<b>1320</b>	<b>Total Administration</b>	<b>\$ 692,035</b>	<b>\$ 508,168</b>	<b>\$ 371,175</b>	<b>73.04%</b>
<b>1410 Elections</b>					
<b>Personnel</b>					
101-410-1410-41030	Part-time Salaries	7,037	-	-	#DIV/0!
101-410-1410-41510	Workers Compensation	-	-	-	#DIV/0!
<b>Total Personnel</b>		<b>\$ 7,037</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>Charges and Services</b>					
101-410-1410-43150	Contract Services	1,200	1,200	1,660	138.33%
<b>Total Charges and Services</b>		<b>\$ 1,200</b>	<b>\$ 1,200</b>	<b>\$ 1,660</b>	<b>138.33%</b>
<b>Capital Outlay</b>					
101-410-1410-45800	Other Equipment	20	-	-	#DIV/0!
<b>Total Capital Outlay</b>		<b>\$ 20</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>Miscellaneous</b>					
101-410-1410-44300	Miscellaneous	835	-	-	#DIV/0!
<b>Total Miscellaneous</b>		<b>\$ 835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>1410</b>	<b>Total Elections</b>	<b>\$ 9,092</b>	<b>\$ 1,200</b>	<b>\$ 1,660</b>	<b>138.33%</b>
<b>1450 Communications</b>					
<b>Personnel</b>					
101-410-1450-41010	Full-time Salaries	-	-	-	#DIV/0!

**CITY OF LAKE ELMO**  
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**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
101-410-1450-41030	Part-time Salaries	-	-	-	#DIV/0!
101-410-1450-41210	PERA Contributions	-	-	-	#DIV/0!
101-410-1450-41220	FICA Contributions	-	-	-	#DIV/0!
101-410-1450-41230	Medicare Contributions	-	-	-	#DIV/0!
101-410-1450-41300	Insurance	-	-	-	#DIV/0!
101-410-1450-41510	Workers Compensation	-	-	-	#DIV/0!
<b>Total Personnel</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>Charges and Services</b>					
101-410-1450-43090	Newsletter	-	-	-	#DIV/0!
101-410-1450-43180	Information Technology/Web	50,580	67,396	11,156	16.55%
101-410-1450-43210	Telephone	308	-	-	#DIV/0!
101-410-1450-43220	Postage	-	-	-	#DIV/0!
101-410-1450-43310	Mileage	-	-	-	#DIV/0!
101-410-1450-43510	Public Notices	-	-	-	#DIV/0!
101-410-1450-43620	Cable Operations	3,955	-	2,940	#DIV/0!
101-410-1450-44370	Conferences and Training	-	-	-	#DIV/0!
<b>Total Charges and Services</b>		<b>\$ 54,843</b>	<b>\$ 67,396</b>	<b>\$ 14,096</b>	<b>20.91%</b>
<b>1450</b>	<b>Total Communications</b>	<b>\$ 54,843</b>	<b>\$ 67,396</b>	<b>\$ 14,096</b>	<b>20.91%</b>
<b>1520 Finance</b>					
<b>Personnel</b>					
101-410-1520-41010	Full-time Salaries	63,053	59,561	18,416	30.92%
101-410-1520-41030	Part-time Salaries	12,702	10,000	4,882	48.82%
101-410-1520-41210	PERA Contributions	5,281	4,835	1,629	33.68%
101-410-1520-41220	FICA Contributions	4,500	3,997	1,584	39.64%
101-410-1520-41230	Medicare Contributions	1,052	935	371	39.63%
101-410-1520-41300	Insurance	10,938	11,994	5,309	44.27%
101-410-1520-41420	Unemployment Benefits	-	-	1,843	#DIV/0!
101-410-1520-41510	Workers Compensation	204	600	315	52.45%
<b>Total Personnel</b>		<b>\$ 97,731</b>	<b>\$ 91,922</b>	<b>\$ 34,348</b>	<b>37.37%</b>
<b>Materials and Supplies</b>					
101-410-1520-42000	Office Supplies	338	600	446	74.30%
101-410-1520-42030	Printed Forms	1,117	375	-	0.00%
<b>Total Materials and Supplies</b>		<b>\$ 1,456</b>	<b>\$ 975</b>	<b>\$ 446</b>	<b>45.72%</b>
<b>Charges and Services</b>					
101-410-1520-43010	Audit Services	29,345	29,500	10,475	35.51%
101-410-1520-43150	Contract Services	114	101	14,136	13995.80%
101-410-1520-43190	Software Programs	-	-	6,068	
101-410-1520-43210	Telephone	427	900	619	68.78%
101-410-1520-43310	Mileage	-	50	-	0.00%
101-410-1520-44330	Dues & Subscriptions	170	670	-	0.00%
101-410-1520-44370	Conferences & Training	-	500	254	50.80%
<b>Total Charges and Services</b>		<b>\$ 30,056</b>	<b>\$ 31,721</b>	<b>\$ 31,552</b>	<b>99.47%</b>
<b>Miscellaneous</b>					
101-410-1520-44300	Miscellaneous	1,627	220	130	59.09%

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Total Miscellaneous		\$ 1,627	\$ 220	\$ 130	59.09%
<b>1520</b>	<b>Total Finance</b>	<b>\$ 130,869</b>	<b>\$ 124,838</b>	<b>\$ 66,476</b>	<b>53.25%</b>
<b>1910</b>	<b>Planning &amp; Zoning</b>				
<b>Personnel</b>					
101-410-1910-41010	Full-time Salaries	149,034	145,407	87,776	60.37%
101-410-1910-41210	PERA Contributions	11,211	10,906	6,583	60.36%
101-410-1910-41220	FICA Contributions	9,075	9,015	5,158	57.22%
101-410-1910-41230	Medicare Contributions	2,122	2,109	1,206	57.18%
101-410-1910-41300	Insurance	23,249	25,772	16,335	63.38%
101-410-1910-41510	Workers Compensation	415	750	658	87.70%
<b>Total Personnel</b>		<b>\$ 195,105</b>	<b>\$ 193,959</b>	<b>\$ 117,716</b>	<b>60.69%</b>
<b>Materials and Supplies</b>					
101-410-1910-42000	Office Supplies	810	1,800	104	5.78%
101-410-1910-42030	Printed Forms	-	500	-	0.00%
<b>Total Materials and Supplies</b>		<b>\$ 810</b>	<b>\$ 2,300</b>	<b>\$ 104</b>	<b>4.52%</b>
<b>Charges and Services</b>					
101-410-1910-43020	Comprehensive Planning	-	-	10,911	
101-410-1910-43030	Engineering Services	18,688	12,000	4,242	35.35%
101-410-1910-43150	Contract Services	25,133	113,500	5,452	4.80%
101-410-1910-43190	Software Programs	-	-	407	
101-410-1910-43210	Telephone	775	1,020	387	37.94%
101-410-1910-43220	Postage	6	150	-	0.00%
101-410-1910-43310	Mileage	342	150	-	0.00%
101-410-1910-43510	Legal Publishing	-	-	531	
101-410-1910-44330	Dues & Subscriptions	617	390	-	0.00%
101-410-1910-44350	Books	-	175	-	0.00%
101-410-1910-44370	Conferences & Training	1,520	1,560	315	20.19%
<b>Total Charges and Services</b>		<b>\$ 47,081</b>	<b>\$ 128,945</b>	<b>\$ 22,245</b>	<b>17.25%</b>
<b>Miscellaneous</b>					
101-410-1910-44300	Miscellaneous	31	300	10	3.33%
<b>Total Miscellaneous</b>		<b>\$ 31</b>	<b>\$ 300</b>	<b>\$ 10</b>	<b>3.33%</b>
<b>1910</b>	<b>Total Planning &amp; Zoning</b>	<b>\$ 243,027</b>	<b>\$ 325,504</b>	<b>\$ 140,074</b>	<b>43.03%</b>
<b>1930</b>	<b>Engineering Services</b>				
<b>Charges and Services</b>					
101-410-1930-43030	Engineering Services	34,034	36,000	12,743	35.40%
101-410-1930-43210	Telephone	195	-	71	
<b>Total Charges and Services</b>		<b>\$ 34,229</b>	<b>\$ 36,000</b>	<b>\$ 12,814</b>	<b>35.59%</b>
<b>1930</b>	<b>Total Engineering Services</b>	<b>\$ 34,229</b>	<b>\$ 36,000</b>	<b>\$ 12,814</b>	<b>35.59%</b>
<b>1940</b>	<b>City Hall</b>				
<b>Materials and Supplies</b>					
101-410-1940-42110	Cleaning Supplies	-	50	-	0.00%

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101-410-1940-42230	Building Repair Supplies	4	300	526	175.25%
<b>Total Materials and Supplies</b>		<b>\$ 4</b>	<b>\$ 350</b>	<b>\$ 526</b>	<b>150.21%</b>
<b>Charges and Services</b>					
101-410-1940-43180	Information Technology/Web	-	-	185	
101-410-1940-43210	Telephone	614	900	138	15.34%
101-410-1940-43810	Electric Utility	3,851	6,500	2,169	33.37%
101-410-1940-43840	Refuse	1,129	1,355	709	52.32%
101-410-1940-44010	Repairs/Maint Contractual Bldg	21,350	6,000	2,469	41.15%
101-410-1940-44040	Repairs/Maint Contractual Eqpt	11,365	15,540	5,681	36.56%
101-410-1940-44120	Rentals - Building	30,147	31,992	15,996	50.00%
<b>Total Charges and Services</b>		<b>\$ 68,457</b>	<b>\$ 62,287</b>	<b>\$ 27,347</b>	<b>43.90%</b>
<b>Miscellaneous</b>					
101-410-1940-44300	Miscellaneous	1,981	1,016	375	36.90%
<b>Total Miscellaneous</b>		<b>\$ 1,981</b>	<b>\$ 1,016</b>	<b>\$ 375</b>	<b>36.90%</b>
<b>1940</b>	<b>Total City Hall</b>	<b>\$ 70,442</b>	<b>\$ 63,653</b>	<b>\$ 28,248</b>	<b>44.38%</b>
<b>2100 Police</b>					
<b>Charges and Services</b>					
101-420-2100-43150	Law Enforcement Contract	536,330	618,357	634	0.10%
101-420-2100-44300	Misc. - Community Event	-	1,000	-	0.00%
<b>Total Charges and Services</b>		<b>\$ 536,330</b>	<b>\$ 619,357</b>	<b>\$ 634</b>	<b>0.10%</b>
<b>2100</b>	<b>Total Police</b>	<b>\$ 536,330</b>	<b>\$ 619,357</b>	<b>\$ 634</b>	<b>0.10%</b>
<b>2150 Prosecution</b>					
<b>Charges and Services</b>					
101-420-2150-43045	Attorney Criminal	44,144	43,200	14,669	33.96%
<b>Total Charges and Services</b>		<b>\$ 44,144</b>	<b>\$ 43,200</b>	<b>\$ 14,669</b>	<b>33.96%</b>
<b>2150</b>	<b>Total Prosecution</b>	<b>\$ 44,144</b>	<b>\$ 43,200</b>	<b>\$ 14,669</b>	<b>33.96%</b>
<b>2220 Fire</b>					
<b>Personnel</b>					
101-420-2220-41010	Full-time Salaries	71,918	72,970	40,215	55.11%
101-420-2220-41030	Part-time Salaries	96,663	97,724	57,011	58.34%
101-420-2220-41210	PERA Contributions	14,699	11,821	8,353	70.66%
101-420-2220-41220	FICA Contributions	6,038	6,059	3,535	58.34%
101-420-2220-41230	Medicare Contributions	2,364	2,475	1,364	55.11%
101-420-2220-41300	Insurance	13,673	14,993	7,360	49.09%
101-420-2220-41510	Workers Compensation	12,879	15,000	16,687	111.24%
<b>Total Personnel</b>		<b>\$ 218,234</b>	<b>\$ 221,042</b>	<b>\$ 134,525</b>	<b>60.86%</b>
<b>Materials and Supplies</b>					
101-420-2220-42000	Office Supplies	1,444	1,850	122	6.61%
101-420-2220-42080	EMS Supplies	888	5,800	3,819	65.84%
101-420-2220-42090	Fire Prevention	722	3,000	-	0.00%
101-420-2220-42120	Fuel, Oil and Fluids	7,644	11,000	2,806	25.51%

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<u>Account Number</u>	<u>Description</u>	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Adopted</u>	<u>2017</u> <u>YTD</u>	<u>2017</u> <u>Percent Used</u>
101-420-2220-42400	Small Tools & Equipment	10,539	11,700	473	4.04%
<b>Total Materials and Supplies</b>		<b>\$ 21,237</b>	<b>\$ 33,350</b>	<b>\$ 7,220</b>	<b>21.65%</b>
<b>Charges and Services</b>					
101-420-2220-43050	Physicals	4,221	2,400	607	25.29%
101-420-2220-43210	Telephone	3,682	4,200	2,041	48.60%
101-420-2220-43230	Radio	18,917	22,018	4,816	21.87%
101-420-2220-43310	Mileage	814	500	-	0.00%
101-420-2220-43630	Vehicle Insurance	7,290	8,300	7,571	91.22%
101-420-2220-43810	Electric Utility	9,520	15,500	7,814	50.41%
101-420-2220-43840	Refuse	2,948	2,400	1,685	70.21%
101-420-2220-44010	Repairs/Maint Bldg	17,938	7,800	6,696	85.85%
101-420-2220-44040	Repairs/Maint Eqpt	41,975	22,967	23,290	101.41%
101-420-2220-44170	Uniforms	5,255	2,500	610	24.39%
101-420-2220-44330	Dues & Subscriptions	3,275	3,733	2,690	72.06%
101-420-2220-44350	Books	230	220	180	81.82%
101-420-2220-44370	Conferences & Training	17,663	19,891	8,414	42.30%
<b>Total Charges and Services</b>		<b>\$ 133,727</b>	<b>\$ 112,429</b>	<b>\$ 66,414</b>	<b>59.07%</b>
<b>Capital Outlay</b>					
101-420-2220-45500	Vehicle	-	-	7,370	
<b>Total Capital Outlay</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,370</b>	
<b>Miscellaneous</b>					
101-420-2220-44300	Miscellaneous	2,290	2,000	583	29.15%
<b>Total Miscellaneous</b>		<b>\$ 2,290</b>	<b>\$ 2,000</b>	<b>\$ 583</b>	<b>29.15%</b>
<b>2220</b>	<b>Total Fire</b>	<b>\$ 375,488</b>	<b>\$ 368,821</b>	<b>\$ 216,112</b>	<b>58.60%</b>
<b>2250</b>	<b>Fire Relief</b>				
<b>Charges and Services</b>					
101-420-2250-44920	Fire State Aid	59,136	47,000	-	0.00%
<b>Total Charges and Services</b>		<b>\$ 59,136</b>	<b>\$ 47,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>2250</b>	<b>Total Fire Relief</b>	<b>\$ 59,136</b>	<b>\$ 47,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>2400</b>	<b>Building Inspection</b>				
<b>Personnel</b>					
101-420-2400-41010	Full-time Salaries	167,498	232,801	111,280	47.80%
101-420-2400-41210	PERA Contributions	12,102	15,132	8,346	55.15%
101-420-2400-41220	FICA Contributions	10,062	14,434	6,606	45.77%
101-420-2400-41230	Medicare Contributions	2,353	3,376	1,545	45.76%
101-420-2400-41300	Insurance	24,554	42,432	24,164	56.95%
101-420-2400-41510	Workers Compensation	1,260	4,800	794	16.53%
<b>Total Personnel</b>		<b>\$ 217,830</b>	<b>\$ 312,975</b>	<b>\$ 152,735</b>	<b>48.80%</b>
<b>Materials and Supplies</b>					
101-420-2400-42000	Office Supplies	1,602	1,750	1,055	60.29%
101-420-2400-42030	Printed Forms	-	350	-	0.00%
101-420-2400-42120	Fuel, Oil and Fluids	521	3,600	-	0.00%
<b>Total Materials and Supplies</b>		<b>\$ 2,122</b>	<b>\$ 5,700</b>	<b>\$ 1,055</b>	<b>18.51%</b>

**CITY OF LAKE ELMO  
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GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
<b>Charges and Services</b>					
101-420-2400-43030	Engineering	2,465	6,000	248	4.13%
101-420-2400-43180	Information Technology/Web	6,010	-	5,164	
101-420-2400-43210	Telephone	1,912	1,800	1,318	73.22%
101-420-2400-43630	Insurance	178	400	185	46.22%
101-420-2400-44040	Repairs/Maint Eqpt	965	1,000	786	78.58%
101-420-2400-44170	Uniforms	80	1,200	-	0.00%
101-420-2400-44330	Dues & Subscriptions	185	740	310	41.89%
101-420-2400-44350	Books	870	500	345	69.09%
101-420-2400-44370	Conferences & Training	2,596	4,825	305	6.32%
<b>Total Charges and Services</b>		<b>\$ 15,261</b>	<b>\$ 16,465</b>	<b>\$ 8,661</b>	<b>52.60%</b>
<b>Miscellaneous</b>					
101-420-2400-44300	Miscellaneous	266	845	3,793	448.82%
<b>Total Miscellaneous</b>		<b>\$ 266</b>	<b>\$ 845</b>	<b>\$ 3,793</b>	<b>448.82%</b>
<b>2400</b>	<b>Total Building Inspection</b>	<b>\$ 235,479</b>	<b>\$ 335,985</b>	<b>\$ 166,243</b>	<b>49.48%</b>
<b>2500</b>	<b>Emergency Communications</b>				
<b>Charges and Services</b>					
101-420-2500-43150	Contract Services	4,945	5,395	900	16.68%
<b>Total Charges and Services</b>		<b>\$ 4,945</b>	<b>\$ 5,395</b>	<b>\$ 900</b>	<b>16.68%</b>
<b>2500</b>	<b>Total Emergency Communications</b>	<b>\$ 4,945</b>	<b>\$ 5,395</b>	<b>\$ 900</b>	<b>16.68%</b>
<b>2700</b>	<b>Animal Control</b>				
<b>Charges and Services</b>					
101-420-2700-43150	Contract Services	3,086	7,725	2,345	30.36%
<b>Total Charges and Services</b>		<b>\$ 3,086</b>	<b>\$ 7,725</b>	<b>\$ 2,345</b>	<b>30.36%</b>
<b>2700</b>	<b>Total Animal Control</b>	<b>\$ 3,086</b>	<b>\$ 7,725</b>	<b>\$ 2,345</b>	<b>30.36%</b>
<b>3100</b>	<b>Public Works</b>				
<b>Personnel</b>					
101-430-3100-41010	Full-time Salaries	253,303	238,857	135,379	56.68%
101-430-3100-41030	Part-time Salaries	-	9,680	-	0.00%
101-430-3100-41210	PERA Contributions	18,494	18,640	10,154	54.47%
101-430-3100-41220	FICA Contributions	15,066	13,312	8,139	61.14%
101-430-3100-41230	Medicare Contributions	3,524	3,604	1,904	52.83%
101-430-3100-41300	Insurance	44,655	42,141	17,214	40.85%
101-430-3100-41510	Workers Compensation	12,028	14,000	14,990	107.07%
<b>Total Personnel</b>		<b>\$ 347,071</b>	<b>\$ 340,234</b>	<b>\$ 187,780</b>	<b>55.19%</b>
<b>Materials and Supplies</b>					
101-430-3100-42000	Office Supplies	1,666	2,000	398	19.88%
101-430-3100-42120	Fuel, Oil and Fluids	24,049	15,000	13,506	90.04%
101-430-3100-42150	Shop Materials	2,431	3,000	1,345	44.85%
101-430-3100-42210	Equipment Parts	2,620	9,600	2,673	27.84%
101-430-3100-42250	Landscaping Materials	1,007	1,000	-	0.00%

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101-430-3100-42400	Small Tools & Minor Equipment	2,788	3,000	1,768	58.95%
<b>Total Materials and Supplies</b>		<b>\$ 34,560</b>	<b>\$ 33,600</b>	<b>\$ 19,690</b>	<b>58.60%</b>
<b>Charges and Services</b>					
101-430-3100-43030	Engineering Services	4,676	4,800	1,116	23.24%
101-430-3100-43150	Contract Services	6,289	5,350	684	12.78%
101-430-3100-43210	Telephone	7,347	7,800	3,039	38.96%
101-430-3100-43230	Radio	1,236	1,300	300	23.08%
101-430-3100-43630	Insurance	15,105	17,000	15,688	92.28%
101-430-3100-43810	Electric Utility	12,450	28,000	11,083	39.58%
101-430-3100-43840	Refuse	2,407	2,625	1,395	53.14%
101-430-3100-44010	Repairs/Maint Bldg	10,996	4,000	6,978	174.46%
101-430-3100-44030	Repairs/Maint Imp Not Bldgs	165	500	985	196.98%
101-430-3100-44040	Repairs/Maint Eqpt	11,373	7,900	28,607	362.12%
101-430-3100-44170	Uniforms	5,886	5,000	2,874	57.47%
101-430-3100-44330	Dues & Subscriptions	294	600	488	81.25%
101-430-3100-44370	Conferences & Training	3,889	4,800	2,092	43.58%
101-430-3100-44375	Personal Protection Equipment	1,465	2,400	702	29.27%
101-430-3100-44380	Clean-up Days	9,557	10,212	-	0.00%
<b>Total Charges and Services</b>		<b>\$ 93,134</b>	<b>\$ 102,287</b>	<b>\$ 76,031</b>	<b>74.33%</b>
<b>Miscellaneous</b>					
101-430-3100-44300	Miscellaneous	762	1,450	321	22.14%
<b>Total Miscellaneous</b>		<b>\$ 762</b>	<b>\$ 1,450</b>	<b>\$ 321</b>	<b>22.14%</b>
<b>3100</b>	<b>Total Public Works</b>	<b>\$ 475,527</b>	<b>\$ 477,571</b>	<b>\$ 283,822</b>	<b>59.43%</b>
<b>3120 Streets</b>					
<b>Materials and Supplies</b>					
101-430-3120-42120	Fuel, Oil and Fluids	-	15,000	15	0.10%
101-430-3120-42210	Equipment Parts	600	3,000	1,264	42.13%
101-430-3120-42240	Street Maintenance Materials	16,112	445,000	34,197	7.68%
101-430-3120-42250	Street Maintenance Materials	258,223	-	5,734	
101-430-3120-42260	Sign Repair Materials	2,389	3,000	562	18.74%
101-430-3120-42400	Small Tools & Minor Equipment	-	-	47	
<b>Total Materials and Supplies</b>		<b>\$ 277,325</b>	<b>\$ 466,000</b>	<b>\$ 41,819</b>	<b>8.97%</b>
<b>Charges and Services</b>					
101-430-3120-43150	Contract Services	17,252	14,000	6,003	42.88%
101-430-3120-44040	Repairs/Maint Eqpt	758	2,500	66	2.64%
<b>Total Charges and Services</b>		<b>\$ 18,010</b>	<b>\$ 16,500</b>	<b>\$ 6,069</b>	<b>36.78%</b>
<b>3120</b>	<b>Total Streets</b>	<b>\$ 295,335</b>	<b>\$ 482,500</b>	<b>\$ 47,888</b>	<b>9.92%</b>
<b>3125 Ice and Snow Removal</b>					
<b>Materials and Supplies</b>					
101-430-3125-42210	Equipment Parts	1,044	-	11	
101-430-3125-42250	Landscaping Materials	300	750	217	28.99%
101-430-3125-42290	Sand/Salt	49,616	65,000	74,202	114.16%
<b>Total Materials and Supplies</b>		<b>\$ 50,960</b>	<b>\$ 65,750</b>	<b>\$ 74,430</b>	<b>113.20%</b>

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
<b>Charges and Services</b>					
101-430-3125-43150	Contract Services	-	4,000	-	0.00%
101-430-3125-44040	Repairs/Maint Eqpt	13,233	6,500	1,415	21.77%
<b>Total Charges and Services</b>		<b>\$ 13,233</b>	<b>\$ 10,500</b>	<b>\$ 1,415</b>	<b>13.48%</b>
<b>3125</b>	<b>Total Ice and Snow Removal</b>	<b>\$ 64,193</b>	<b>\$ 76,250</b>	<b>\$ 75,845</b>	<b>99.47%</b>
<b>3160 Street Lighting</b>					
<b>Charges and Services</b>					
101-430-3160-43810	Street Lighting	22,485	26,400	12,340	46.74%
<b>Total Charges and Services</b>		<b>\$ 22,485</b>	<b>\$ 26,400</b>	<b>\$ 12,340</b>	<b>46.74%</b>
<b>3160</b>	<b>Total Street Lighting</b>	<b>\$ 22,485</b>	<b>\$ 26,400</b>	<b>\$ 12,340</b>	<b>46.74%</b>
<b>3200 Recycling</b>					
<b>Miscellaneous</b>					
101-430-3200-44300	Miscellaneous	-	-	-	
<b>Total Miscellaneous</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>3200</b>	<b>Total Recycling</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>3250 Tree Program</b>					
<b>Charges and Services</b>					
101-430-3250-43150	Contract Services	615	1,000	450	45.00%
<b>Total Charges and Services</b>		<b>\$ 615</b>	<b>\$ 1,000</b>	<b>\$ 450</b>	<b>45.00%</b>
<b>3250</b>	<b>Total Tree Program</b>	<b>\$ 615</b>	<b>\$ 1,000</b>	<b>\$ 450</b>	<b>45.00%</b>
<b>5200 Parks &amp; Recreation</b>					
<b>Personnel</b>					
101-450-5200-41010	Full-time Salaries	70,421	77,429	32,316	41.74%
101-450-5200-41030	Part-time Salaries	30,934	48,000	9,605	20.01%
101-450-5200-41210	PERA Contributions	5,798	6,162	2,402	38.98%
101-450-5200-41220	FICA Contributions	6,027	7,777	2,478	31.86%
101-450-5200-41230	Medicare Contributions	1,410	1,819	579	31.83%
101-450-5200-41300	Insurance	18,232	19,992	8,828	44.16%
101-450-5200-41510	Workers Compensation	3,735	4,000	3,956	98.90%
<b>Total Personnel</b>		<b>\$ 136,556</b>	<b>\$ 165,179</b>	<b>\$ 60,164</b>	<b>36.42%</b>
<b>Materials and Supplies</b>					
101-450-5200-42000	Office Supplies	60	900	288	31.98%
101-450-5200-42150	Shop Materials	1,338	-	140	
101-450-5200-42160	Chemicals	1,057	1,500	100	6.67%
101-450-5200-42210	Equipment Parts	1,851	4,000	1,622	40.55%
101-450-5200-42230	Building Repair Supplies	619	500	100	20.00%
101-450-5200-42250	Landscaping Materials	2,654	2,000	-	0.00%
101-450-5200-42400	Small Tools & Minor Equipment	2,365	2,150	1,292	60.08%
<b>Total Materials and Supplies</b>		<b>\$ 9,944</b>	<b>\$ 11,050</b>	<b>\$ 3,541</b>	<b>32.05%</b>

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Adopted</u>	<u>2017</u> <u>YTD</u>	<u>2017</u> <u>Percent Used</u>
<b>Charges and Services</b>					
101-450-5200-43210	Telephone	1,358	1,200	553	46.08%
101-450-5200-43630	Insurance	3,079	3,800	3,198	84.15%
101-450-5200-43810	Electric Utility	6,446	9,600	4,674	48.69%
101-450-5200-43840	Refuse	20	1,000	442	44.20%
101-450-5200-44010	Repairs/Maint Bldg	63	1,800	-	0.00%
101-450-5200-44030	Repairs/Maint Imp Not Bldgs	2,959	3,000	4,511	150.37%
101-450-5200-44040	Repairs/Maint Eqpt	2,235	1,500	-	0.00%
101-450-5200-44120	Rentals - Buildings	6,476	6,000	1,780	29.67%
101-450-5200-44170	Uniforms	67	-	58	
101-450-5200-44301	Events	-	5,000	-	0.00%
101-450-5200-44302	Lakes	-	40,000	4,578	11.45%
101-450-5200-44375	Personal Protection Equipment	341	1,200	753	62.75%
<b>Total Charges and Services</b>		<b>\$ 23,044</b>	<b>\$ 74,100</b>	<b>\$ 20,547</b>	<b>27.73%</b>
<b>Miscellaneous</b>					
101-450-5200-44300	Miscellaneous	521	1,200	266	22.16%
<b>Total Miscellaneous</b>		<b>\$ 521</b>	<b>\$ 1,200</b>	<b>\$ 266</b>	<b>22.16%</b>
<b>5200</b>	<b>Total Parks &amp; Recreation</b>	<b>\$ 170,065</b>	<b>\$ 251,529</b>	<b>\$ 84,518</b>	<b>33.60%</b>
<b>9000 Compensation Adjustment</b>					
<b>Personnel</b>					
101-460-9000-41010	Compensation Adjustment	-	35,000	-	0.00%
<b>Total Personnel</b>		<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>9000</b>	<b>Total Compensation Adjustment</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total General Fund Expenditures:</b>		<b>\$ 3,577,290</b>	<b>\$ 3,951,386</b>	<b>\$ 1,564,609</b>	<b>39.60%</b>
<b>Total Gen Fund Revs. Over/(Under) Expenditures:</b>		<b>\$ 799,065</b>	<b>\$ -</b>	<b>\$ (458,932)</b>	

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
601	Water Fund				
<b>Water Fund Revenues:</b>					
601-000-0000-36100	Special Assessments	11,334	16,950	-	0.00%
601-000-0000-36210	Interest on Investments	13,987	20,000	-	0.00%
601-000-0000-37100	Water Sales	263,419	543,689	188,746	34.72%
601-000-0000-37120	Bulk Water	5,423	2,000	195	9.75%
601-000-0000-37140	Water Access Revenue	979,500	1,509,000	431,347	28.58%
601-000-0000-37150	Water Connections - Municipal	244,500	369,000	404,400	109.59%
601-000-0000-37170	Meter Sales	244,260	68,000	50,097	73.67%
601-000-0000-37180	Tower Rent	52,526	-	-	#DIV/0!
<b>Total Water Fund Revenues:</b>		<b>\$ 1,814,949</b>	<b>\$ 2,528,639</b>	<b>\$ 1,074,785</b>	<b>42.50%</b>
<b>Water Fund Expenses:</b>					
<b>Personnel</b>					
601-494-9400-41010	Full-time Salaries	127,902	144,184	58,400	40.50%
601-494-9400-41210	PERA Contributions	15,792	10,814	4,410	40.78%
601-494-9400-41220	FICA Contributions	7,346	9,012	3,518	39.04%
601-494-9400-41230	Medicare Contributions	1,718	2,091	823	39.36%
601-494-9400-41300	Insurance	25,973	28,837	9,619	33.36%
601-494-9400-41510	Workers Compensation	1,904	5,767	3,980	69.01%
<b>Total Personnel</b>		<b>\$ 180,636</b>	<b>\$ 200,705</b>	<b>\$ 80,750</b>	<b>40.23%</b>
<b>Materials and Supplies</b>					
601-494-9400-42000	Office Supplies	771	700	370	52.82%
601-494-9400-42030	Printed Forms	499	750	-	0.00%
601-494-9400-42160	Chemicals	3,157	13,000	2,177	16.75%
601-494-9400-42270	Utility System Maintenance	25,014	25,000	1,093	4.37%
601-494-9400-42300	Water Meters & Supplies	105,477	85,000	58,172	68.44%
601-494-9400-42400	Small Tools & Minor Equipment	3,955	5,000	1,082	21.64%
<b>Total Materials and Supplies</b>		<b>\$ 138,874</b>	<b>\$ 129,450</b>	<b>\$ 62,893</b>	<b>48.58%</b>
<b>Charges and Services</b>					
601-494-9400-43030	Engineering Services	124,365	20,000	13,107	65.54%
601-494-9400-43040	Legal Services	2,323	5,000	-	0.00%
601-494-9400-43150	Contract Services	7,459	14,000	5,546	39.61%
601-494-9400-43180	Software Support	5,556	9,600	6,787	70.70%
601-494-9400-43210	Telephone	793	800	355	44.38%
601-494-9400-43220	Postage	1,800	1,880	(1,388)	-73.84%
601-494-9400-43610	Insurance	8,975	10,000	9,322	93.22%
601-494-9400-43810	Electric Utility	34,392	30,000	19,950	66.50%
601-494-9400-43820	Water Utility	161,576	-	47,749	#DIV/0!
601-494-9400-44030	Repairs\Maint Imp Not Bldgs	8,194	10,000	1,221	12.21%
601-494-9400-44370	Conferences & Training	103	1,500	1,182	78.80%
<b>Total Charges and Services</b>		<b>\$ 355,537</b>	<b>\$ 102,780</b>	<b>\$ 103,830</b>	<b>101.02%</b>
<b>Capital Outlay</b>					
601-494-9400-45300	Improvements Other Than Bldgs	-	-	22,430	#DIV/0!
<b>Total Capital Outlay</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,430</b>	<b>#DIV/0!</b>

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Adopted</u>	<u>2017</u> <u>YTD</u>	<u>2017</u> <u>Percent Used</u>
<b>Miscellaneous and Non-operating</b>					
601-494-9400-43320	Depreciation Expense	-	598,971	-	0.00%
601-494-9400-44300	Miscellaneous	658	2,000	2,413	120.65%
601-494-9400-46010	Bond Principal	-	-	200,000	#DIV/0!
601-494-9400-46110	Bond Interest	241,142	273,321	143,926	52.66%
601-494-9400-46200	Fiscal Agent Fees	19,648	800	180	22.50%
601-494-9400-46250	Fiscal Agent Fees	-	53,811	-	0.00%
<b>Total Misc. and Non-operating</b>		<b>\$ 261,447</b>	<b>\$ 928,903</b>	<b>\$ 346,519</b>	<b>37.30%</b>
<b>Total Water Fund Expenses:</b>		<b>\$ 936,494</b>	<b>\$ 1,361,838</b>	<b>\$ 616,422</b>	<b>45.26%</b>
<b>Total Water Fund Revs. Over/(Under) Expenses:</b>		<b>\$ 878,455</b>	<b>\$ 1,166,801</b>	<b>\$ 458,363</b>	

**CITY OF LAKE ELMO**  
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**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
<b>602</b>	<b>Sewer Fund</b>				
<b><u>Sewer Fund Revenues:</u></b>					
602-000-0000-36100	Special Assessments	20,931	62,133	-	0.00%
602-000-0000-36210	Interest on Investments	14,584	12,699	-	0.00%
602-000-0000-37200	Sewer Sales	120,974	177,228	65,439	36.92%
602-000-0000-37220	SAC Early Pay discount/revenue	8,474	-	3,628	#DIV/0!
602-000-0000-37240	Sewer Connecton Fee Revenue	803,000	1,462,000	572,120	39.13%
602-000-0000-37250	Sewer Connection Fees Regional	-	-	21,000	#DIV/0!
602-000-0000-37260	Sewer Connection Fees Municipa	383,500	466,500	283,980	60.87%
<b>Total Sewer Fund Revenues:</b>		<b>\$ 1,351,463</b>	<b>\$ 2,180,560</b>	<b>\$ 946,167</b>	<b>43.39%</b>
<b><u>Sewer Fund Expenses:</u></b>					
<b>Personnel</b>					
602-495-9450-41010	Full-time Salaries	39,678	65,606	15,657	23.87%
602-495-9450-41210	PERA Contributions	4,270	4,920	1,270	25.81%
602-495-9450-41220	FICA Contributions	1,987	4,068	936	23.01%
602-495-9450-41230	Medicare Contributions	464	951	219	23.03%
602-495-9450-41300	Insurance	6,832	13,121	3,561	27.14%
602-495-9450-41510	Workers Compensation	989	2,625	2,004	76.34%
<b>Total Personnel</b>		<b>\$ 54,219</b>	<b>\$ 91,291</b>	<b>\$ 23,647</b>	<b>25.90%</b>
<b>Materials and Supplies</b>					
602-495-9450-42270	Utility System Maint Supplies	5,653	1,000	248	24.79%
602-495-9450-42400	Small Tools & Minor Equipment	2,860	500	1,756	351.26%
<b>Total Materials and Supplies</b>		<b>\$ 8,512</b>	<b>\$ 1,500</b>	<b>\$ 2,004</b>	<b>133.62%</b>
<b>Charges and Services</b>					
602-495-9450-43030	Engineering Services	62,624	20,000	24,600	123.00%
602-495-9450-43150	Contract Services	8,059	5,000	13,785	275.70%
602-495-9450-43180	Software Support	4,591	6,000	6,787	113.12%
602-495-9450-43210	Telephone	1,008	1,500	543	36.20%
602-495-9450-43220	Postage	-	1,175	-	0.00%
602-495-9450-43310	Mileage	-	100	-	0.00%
602-495-9450-43610	Insurance	581	2,000	603	30.17%
602-495-9450-43810	Electric Utility	5,125	5,000	2,711	54.22%
602-495-9450-43820	Sewer Utility - Met Council	16,621	44,514	23,640	53.11%
602-495-9450-44030	Repairs\Maint Imp Not Bldgs	1,391	1,200	29,584	2465.34%
602-495-9450-44370	Conferences & Training	80	1,500	2,615	174.33%
<b>Total Charges and Services</b>		<b>\$ 100,080</b>	<b>\$ 87,989</b>	<b>\$ 104,868</b>	<b>119.18%</b>
<b>Capital Outlay</b>					
602-495-9450-45300	Improvements Other Than Bldgs	-	-	27,260	#DIV/0!
<b>Total Capital Outlay</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,260</b>	<b>#DIV/0!</b>
<b>Miscellaneous and Non-operating</b>					
602-495-9450-43320	Depreciation Expense	-	86,561	-	0.00%
602-495-9450-44300	Miscellaneous Expenses	84	300	310	103.33%
602-495-9450-46010	Bond Principal	-	-	65,000	#DIV/0!
602-495-9450-46110	Bond Interest	116,715	85,337	76,452	89.59%

**CITY OF LAKE ELMO**  
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**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Adopted</u>	<u>2017</u> <u>YTD</u>	<u>2017</u> <u>Percent Used</u>
602-495-9450-46250	Fiscal Agent Fees	-	42,313	-	0.00%
<b>Total Misc. and Non-operating</b>		<b>\$ 116,799</b>	<b>\$ 214,511</b>	<b>\$ 141,762</b>	<b>66.09%</b>
<b>Total Sewer Fund Expenses:</b>		<b>\$ 279,610</b>	<b>\$ 395,291</b>	<b>\$ 299,542</b>	<b>75.78%</b>
<b>Total Sewer Fund Revs. Over/(Under) Expenses:</b>		<b>\$ 1,071,853</b>	<b>\$ 1,785,269</b>	<b>\$ 646,625</b>	

**CITY OF LAKE ELMO**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**GENERAL FUND AND UTILITY FUNDS**

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 YTD</u>	<u>2017 Percent Used</u>
<b>603</b>	<b>Storm Water Fund</b>				
<b><u>Storm Water Fund Revenues:</u></b>					
603-000-0000-36100	Special Assessments	-	5,000	-	0.00%
603-000-0000-36210	Interest on Investment	15,852	2,603	-	0.00%
603-000-0000-37100	Surface Water Utility Sales	185,858	282,360	185,322	65.63%
603-000-0000-37140	SW Review Fee Revenue	27,375	29,375	16,475	56.09%
<b>Total Storm Water Fund Revenues:</b>		<b>\$ 229,085</b>	<b>\$ 319,338</b>	<b>\$ 201,797</b>	<b>63.19%</b>
<b><u>Storm Water Fund Expenses:</u></b>					
<b>Personnel</b>					
603-496-9500-41010	Full-time Salaries	20,591	36,630	6,213	16.96%
603-496-9500-41210	PERA Contributions	2,408	2,747	560	20.39%
603-496-9500-41220	FICA Contributions	1,129	2,271	367	16.16%
603-496-9500-41230	Medicare Contributions	264	531	86	16.20%
603-496-9500-41300	Insurance	7,531	7,326	2,009	27.42%
603-496-9500-41510	Workers' Compensation	-	1,465	1,150	78.52%
<b>Total Personnel</b>		<b>\$ 31,922</b>	<b>\$ 50,970</b>	<b>\$ 10,385</b>	<b>20.38%</b>
<b>Materials and Supplies</b>					
603-496-9500-42000	Office Supplies	-	500	44	8.80%
603-496-9500-42270	Utility System Maint Supplies	3,972	1,000	-	0.00%
603-496-9500-42400	Small Tools & Minor Equipment	-	1,000	-	0.00%
<b>Total Materials and Supplies</b>		<b>\$ 3,972</b>	<b>\$ 2,500</b>	<b>\$ 44</b>	<b>1.76%</b>
<b>Charges and Services</b>					
603-496-9500-43030	Engineering Services	11,827	20,000	3,473	17.36%
603-496-9500-43150	Contract Services	2,400	10,000	879	8.79%
603-496-9500-43180	Software Support	4,067	8,400	2,231	26.56%
603-496-9500-43220	Postage	1,800	1,645	-	0.00%
603-496-9500-43610	Insurance	-	1,500	-	0.00%
603-496-9500-44010	Street Sweeping	10,318	20,000	11,920	59.60%
603-496-9500-44030	Repairs/Maint Not Bldg	1,368	3,000	-	0.00%
603-496-9500-44370	Conferences & Training	2,500	2,500	625	25.00%
<b>Total Charges and Services</b>		<b>\$ 34,280</b>	<b>\$ 67,045</b>	<b>\$ 19,128</b>	<b>28.53%</b>
<b>Capital Outlay</b>					
603-496-9500-45300	Improvements Other Than Bldgs	-	20,000	-	0.00%
<b>Total Capital Outlay</b>		<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Miscellaneous and Non-operating</b>					
603-496-9500-43320	Depreciation Expense	-	85,090	-	0.00%
603-496-9500-44300	Miscellaneous Expenses	1,200	400	677	169.25%
603-496-9500-46110	Bond Interest	-	62,171	34,471	55.45%
<b>Total Misc. and Non-operating</b>		<b>\$ 1,200</b>	<b>\$ 147,661</b>	<b>\$ 35,148</b>	<b>23.80%</b>
<b>Total Storm Water Fund Expenses:</b>		<b>\$ 71,375</b>	<b>\$ 288,176</b>	<b>\$ 64,705</b>	<b>22.45%</b>
<b>Total Storm Water Fund Revs. Over/(Under) Expenses:</b>		<b>\$ 157,710</b>	<b>\$ 31,162</b>	<b>\$ 137,092</b>	



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT MOTION**

**TO:** City Council

**FROM:** Kristina Handt, City Administrator

**AGENDA ITEM:** Local 49ers Collective Bargaining Agreement 2017-2019

**REVIEWED BY:** Julie Johnson, City Clerk

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### **BACKGROUND:**

In March 2016, the permanent, non-exempt public works employees voted to join the Local 49ers. The bargaining unit covered all public works operators levels III-I. In April 2016 the Council appointed Mayor Pearson and Council Member Fliflet to assist staff with labor negotiations. Staff met with the Mayor and Council member Fliflet early in the process to gain their perspective. Multiple meetings then occurred between union representatives and staff with a couple of closed sessions held by Council. In May and July, the City and union entered into mediation. At the second mediation meeting on July 11<sup>th</sup>, a tentative agreement was reached. The public works bargaining unit voted to approve the agreement in late July.

### **ISSUE FOR DISCUSSION:**

Should Council approve the 2017-2019 Labor Agreement with the Local 49ers?

### **PROPOSAL DETAILS/ANALYSIS:**

The 2017-2019 contract documents the parties' agreements related to wages and other working conditions and lays out the process for addressing disputes.

The funeral leave section is similar to the current employee handbook policy with the addition of step relations.

Discipline is for just cause and may include oral, written reprimands, suspension, demotion or discharge. At the request of the employee, the oral and written reprimands may be removed after 5 years if there is no further disciplinary action.

Professional development and extended illness bank are similar to current policy.

Under the PTO section a level was added for 25+ years at 10 hours bi weekly. Furthermore, any amount above the 240 annual cap may be converted to the Minnesota State Retirement System (MSRS). Council will need to pass a separate resolution with specific language from the state department before this is implemented.

Beginning 1/1/18, all bargaining unit employees will transfer to the union health insurance plan and contribute 15% towards the monthly premium.

Life insurance and disability remain the same as current policy.

Columbus Day was added to the official holidays list.

Hours of work are Monday through Friday, 40 hours. The City may change the schedule by providing a 7-day notice. Hours worked in excess of that normal work shift including holidays would be compensated at time and a half. The comp time max accrual has been increased to 40 hours.

Article 20 covers the on call pay provisions for weekdays, weekends and holidays.

Call back and right to subcontract provisions remain similar to current policy.

Bargaining employees will be provided with a city issued cell phone, uniforms, and other gear. An annual reimbursement of \$175 for boots is also included.

Article 29 addresses wages. The City will keep its current format of Public Works Operator III to I levels. For the recently added Lead Worker position a probationary and full standing wage were established. Employees would be eligible for a change in classification after meeting the licensing and certification requirements in the job descriptions for each level. In an MOU, the City further agreed not to change those requirements prior to 12/31/18. If the City does change them, a 120-day notice is required in the contract.

Employees have the right to participate in the Central Pension Fund. Those details are further covered in an MOU. The bargaining unit would have to vote to participate in this. It is funded from paycheck deductions so there is no fiscal impact to the city.

The last MOU addresses red circling of some employees. The three employees identified had already been grandfathered into their position so the MOU states that they would not lose their current standing if the requirements for those levels changed in the future.

**FISCAL IMPACT:**

The impact to the 2017 budget will be an additional \$10,100 in wages, payroll taxes and PERA. The increase in the 2018 budget will be about \$60,000 in those categories. The increase then to the 2019 budget would be about \$23,500 in those categories.

The 2017 impact was reduced significantly due to changes in employees, vacancies in positions and delays in filling the new position from what was proposed in the 2017 budget. The impact for 2018 assumes no changes in employees, vacancies in positions or newly created positions.

**OPTIONS:**

- 1) Approve the 2017-2019 Labor Agreement between the City of Lake Elmo and the International Union of Operating Engineers Local 49
- 2) Amend and then Approve the 2017-2019 Labor Agreement between the City of Lake Elmo and the International Union of Operating Engineers Local 49
- 3) Do not approve the 2017-2019 Labor Agreement and direct someone else to negotiate with the union.

**RECOMMENDATION:**

If removed from the consent agenda:

***Motion to approve the 2017-2019 Labor Agreement between the City of Lake Elmo and the International Union of Operating Engineers Local 49***

**ATTACHMENTS:**

- 2017-2019 Labor Agreement
- MOU Licenses and Certifications
- MOU Central Pension Fund
- MOU Red Circling

**LABOR AGREEMENT**

**BETWEEN THE**

**CITY OF LAKE ELMO**

**-AND-**

**INTERNATIONAL UNION OF OPERATING ENGINEERS**

**LOCAL No. 49**

**AFL-CIO**



**January 1, 2017 through December 31, 2019**

**Tentative Agreement 7.11.17**

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## **ARTICLE 1-PURPOSE OF AGREEMENT**

This AGREEMENT is entered into between the City of Lake Elmo, hereinafter called the EMPLOYER, and Local No. 49, International Union of Operating Engineers, hereinafter called the UNION. The intent and purpose of this AGREEMENT is to:

1.1 Establish and memorialize the parties' agreement concerning wages and other terms and conditions of employment for the duration of such agreements;

1.2 Establish procedures for the resolution of disputes concerning the interpretation and/or application of this written Agreement.

## **ARTICLE 2-DEFINITIONS**

2.1 **DAYS:** Calendar Days excluding Saturdays, Sundays and Recognized holidays.

2.2 **UNION:** The International Union of Operating Engineers, Local No. 49, AFL-CIO.

2.3 **EMPLOYER:** The individual municipality designated by this AGREEMENT is the CITY OF LAKE ELMO.

2.4 **UNION MEMBER:** A member of the International Union of Operating Engineers, Local No. 49.

2.5 **EMPLOYEE:** A member of the exclusively recognized bargaining unit.

2.6 **BASE PAY RATE:** The Employee's hourly pay rate exclusive of any other special allowances.

2.7 **SENIORITY:** Length of continuous service with the EMPLOYER.

2.8 **SEVERANCE PAY:** Payment made to an Employee upon honorable termination of employment.

2.9 **CALL BACK:** Return of an Employee to a specified work site to perform assigned duties at the express authorization of the EMPLOYER at a time other than the normal work day. An extension of or early report to an assigned shift is not a call back.

2.10 **On-Call:** Periods of time when an employee is not scheduled to work but must remain available to work.

2.11 **STRIKE:** Concerted action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown, or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing, or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

2.12 **GRIEVANCE:** A dispute between the parties as to the application or interpretation of this agreement. Such procedures for filing a grievance are outlined in Article 6.

2.13 **IMMEDIATE FAMILY:** The employee's spouse, and the children, grandchildren, parents, grandparents, brothers and sisters, of the employee and the employee's spouse, including all step relations.

2.14 **WORK WEEK:** For the purposes of this agreement the normal work week shall be forty (40) hours Monday through Friday.

### **ARTICLE 3-RECOGNITION**

3.1 The EMPLOYER recognizes the UNION as the exclusive representative for all employees of the Lake Elmo Street, Water & Sewer, and Park & Recreation employees, who work more than 14 hours per week, or, thirty five (35) percent of the normal work week, and more than 67 working days per year, excluding the Director of the Public Works, Clerical, Supervisory, and Administrative Personnel.

3.2 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the bureau of mediation services for determination.

### **ARTICLE 4 – UNION SECURITY**

All employees who have completed thirty-one (31) calendar days of employment shall become members of the Union and shall maintain their membership in good standing. "In good standing," for the purpose of this Agreement, is defined as to mean the payment of a standard initiation fee and standard regular monthly dues uniformly required as a condition of acquiring or retaining membership in the Union.

In recognition of the UNION as the exclusive representative the EMPLOYER shall:

4.1 Deduct each payroll period an amount sufficient to provide the payment of dues established by the UNION from the wages of all employees authorizing in writing such deduction, or as allowed for fair share dues and representation as provided for under PELRA, and

4.2 Remit such deduction to the appropriate designated officer of the UNION.

4.3 The UNION may designate certain employees from the bargaining unit to act as stewards and shall inform the EMPLOYER in writing of such choice.

4.4 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

#### **ARTICLE 5-EMPLOYER SECURITY**

5.1 The UNION agrees that during the life of this AGREEMENT it will not cause, encourage, participate in or support any strike, slow down, other interruption of or interference with the normal functions of the EMPLOYER.

5.2 Any employee who engages in a strike may have their appointment terminated by the EMPLOYER effective the date the violation first occurs. Such termination shall be effective upon written notice served upon the employee.

5.3 An employee who is absent from any portion of the employee's work assignment without permission, or who abstains wholly or in part from the full performance of the employee's duties without permission from the employee's EMPLOYER on the date or dates when a strike occurs is prima facie presumed to have engaged in a strike on such date or dates.

5.4 An employee who knowingly strikes and whose employment has been terminated for such action may, subsequent to such violation, be appointed or re-appointed or employed or re-employed, but the employee shall be on probation for two years with respect to such civil service status, tenure of employment, or contract of employment, as the employee may have theretofore been entitled.

5.5 No employee shall be entitled to any daily pay, wages or per diem for the days on which the employee engaged in a strike

#### **ARTICLE 6-EMPLOYER AUTHORITY**

6.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this AGREEMENT.

6.2 Any term and condition of employment not specifically established or modified by the AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.

## **ARTICLE 7-GRIEVANCE PROCEDURE**

**Section A.** A grievance is defined as any dispute or disagreement between an employee and the City as to the interpretation or application of this agreement and shall not include any dispute or disagreement regarding proposed changes in the terms and conditions of this agreement, nor shall a grievance extend to matters of inherent managerial policy, the overall budget of the City, utilization of technology, the organizational structure or selection, direction and number of personnel.

**Section B.** A grievance shall not be valid for consideration unless the grievance is submitted in writing within twenty (20) days after the grievance arose. Failure to file any grievance within such period shall be deemed a waiver thereof.

**Section C.** The employee and the City shall attempt to adjust all grievances which may arise during the course of employment in the following manner:

**Subd. 1.** An effort shall first be made to resolve the grievance informally between the employee and supervisor. If the grievance cannot be resolved through informal discussion, then the grievance shall be submitted in writing to the supervisor setting forth the facts and the specific provisions of the Agreement allegedly violated. The supervisor or his/her designee will give his/her written decision on the grievance within ten (10) days after receipt of the written grievance.

**Subd. 2.** In the event that the grievance is not resolved in Subd. 1, the decision rendered in Subd. 1 may be appealed to the City Administrator provided such appeal is made in writing and appealed to the City Administrator within five (5) days after receipt of the decision in Subd. 1. The City Administrator or his/her designee shall set a time to meet with the employee within fifteen (15) days after receipt of the appeal. Within ten (10) days after the meeting, the City Administrator or his/her designee shall issue a decision in writing.

**Subd. 3.** In the event that the grievance is not resolved in Subd. 2, the decision rendered in Subd. 2 may be appealed to the City Council within five (5) days after receipt of the decision in Subd. 2. Said City Council shall consider such grievance at a meeting called within fifteen (15) days after said appeal is filed with the City Clerk.

**Subd. 4.** A grievance unresolved in Subd. 3 and appealed in Subd. 4, shall be submitted to the Minnesota Bureau of Mediation Services. A grievance not resolved in Subd. 4 may be appealed to Section F within fifteen (15) days following the EMPLOYER'S final answer in Subd. 4. Any grievance

not appealed in writing to Section F by the UNION within fifteen (15) days, shall be considered waived.

**Subd. 5.** The employee in each of the above subdivisions may be accompanied by and represented by a person designated by him/her.

**Section D.** Failure by the employee to appeal a grievance from one (1) subdivision to another within the time periods provided; therein, shall be deemed a waiver of the grievance. In computing time in the foregoing procedure, the word "day" shall constitute calendar days.

**Section E.** Failure by the City Council or the City employees to issue a decision within the time period provided herein shall constitute a denial of the grievance.

**Section F. Arbitration Procedure:** In the event that the employee and the City are unable to resolve any grievance as defined in Section A herein, the grievance may be submitted to binding arbitration.

**Subd. 1.** A request to submit a grievance to arbitration must be in writing, signed by the aggrieved party, and such request must be filed in the office of the City Clerk within ten (10) days following the decision in Subd. 4 of the grievance procedure.

**Subd. 2.** No grievance shall be considered by the arbitrator which has not first been duly processed in accordance with the grievance procedure and appeal provisions outlined in this procedure.

**Subd. 3.** The grievance shall be heard by a single arbitrator and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator.

**Subd. 4.** Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties.

**Subd. 5.** Each party shall bear its own expenses in connection with the arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript shall be made of the hearing. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript, and any other expenses which the parties mutually agree are necessary for the conduction of the arbitration.

**Subd. 6.** The arbitrator shall have jurisdiction over disputes or disagreements relating to matters properly before the arbitrator pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to the proposed changes in terms and conditions of employment as defined

herein and contained in a written agreement or memorandum of agreement as agreed to by the parties; nor shall an arbitrator have jurisdiction over any matter which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined herein; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include but are not limited to such areas of discretion or policy as the functions and programs of the Employer, its overall budget, utilization of technology, the organizational structure and selection and direction and number of personnel.

**Subd. 7.** Upon the proper submission of a grievance under the terms of this procedure, the parties shall, within fifteen (15) days after the submission, attempt to agree upon the selection of an arbitrator. If no agreement is reached within fifteen (15) days, the parties may individually or jointly request the Bureau of Mediation Services to appoint an arbitrator, requesting that said appointment be made within thirty (30) days after the receipt of said request.

### **7.1 Waiver**

If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER'S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the EMPLOYER and the UNION.

### **7.2 Choice of Remedy**

If a grievance involves the suspension, demotion or discharge of an Employee who has completed the required probationary period, and the Employee has rights under the Minnesota Veterans Preference Act (VPA), the grievance may be appealed either pursuing arbitration under this Agreement or by requesting a hearing under the VPA. If the Employee appeals under the VPA or pursuant to some other applicable employment law, the grievance is not subject to the arbitration procedure and the Employee shall have waived the right to arbitrate pursuant to this Agreement.

## **ARTICLE 8 SAVINGS CLAUSE**

8.1 This Agreement is subject to the laws of the State of Minnesota, the United States of America, and the signed municipality. In the event any provision of this Agreement shall be held contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions shall continue in full force and effect.

## **ARTICLE 9-LEAVES OF ABSENCE**

9.1 Funeral leave shall be granted to full-time Employees as follows:

An employee will be granted a maximum of three (3) working days funeral leave with pay in the event of a death in the employee's immediate family, One (1) paid day for funeral leave will be granted for family not defined as immediate family. Additional days for funeral leave may be granted at the discretion of the Public Works Director for extenuating and unusual circumstances, which additional time may be charged against the employee's PTO time.

9.2 Funeral Leave will be at the Employee's regular rate of pay. Upon approval of the supervisor, the Employee may choose to use PTO to extend the funeral leave. The authorized supervisor may determine the length of leave for any case not meeting the above guidelines.

9.3 All other leaves will be in accordance with Minnesota State Statute Chapter 181.

### **ARTICLE 10-DISCIPLINE**

10.1 The EMPLOYER shall have the right to impose disciplinary actions on employees for just cause only.

- a. oral reprimand;
- b. written reprimand;
- c. suspension'
- d. demotion; or
- e. discharge

10.2 Written reprimands, notices of suspension, notices of demotion and notices of discharge which are to become part of an Employee's personnel file shall be presented in written form read and acknowledged by signature of the Employee. The Employee and Union will receive a copy of such reprimands and/or notices at the time of implementation. At the request of the Employee, oral and written reprimands shall be removed from the file after five (5) years provided the Employee has not been involved in disciplinary action.

10.3 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.

10.4 Employees will not be questioned concerning an investigation that may lead to disciplinary action unless the employee has been given the opportunity to have a Union representative of their choice present at such questioning.

### **ARTICLE 11-PROFESSIONAL DEVELOPMENT**

11.1 When an employee's attendance at training or educational sessions is directed by the City, such attendance will be without loss of pay. Such attendance will include reasonable reimbursement for travel, lodging, and/or program expenses, provided such expenses are approved in advance by the City Administrator or Public Works Director.

**ARTICLE 12- EXTENDED ILLNESS BANK**

12.1 All accrued, but unused, Sick Leave banks of City employees as of January 1, 2004 were converted to Extended Illness Banks. An employee's Extended Illness Bank balance may be utilized only for illness or injury, as certified by a physician's statement; and, only after an employee has used ten (10) days of Paid Time Off.

12.2 Under no circumstances can an employee receive both Extended Illness Bank balances and Worker's Compensation benefits for the same period of disability, except if the employee elects to receive Worker's Compensation benefits, he/she may also use Extended Illness Bank balances, subject to other related Policy, to the extent necessary to increase their income to their net wage prior to the injury or onset of the disease.

**ARTICLE 13-PTO**

13.1 Accrual rates: All full time and all part time employees shall receive PTO benefits which shall be paid at their regular rate of compensation and may be used in a minimum of thirty (30) minute increments. PTO may be used as it is earned, pursuant to the following schedule:

Upon completion Of:	Monthly Accrual Rate
0-5 years	5 hours bi-weekly
6-10 years	6.5 hours bi-weekly
11-15 years	8 hours bi-weekly
16-24 years	9.5 hours bi-weekly
25 +	10 hours bi-weekly

Employees with 20 or more years of completed service as of January 1, 2004, shall accrue Personal Time Off at a rate of eleven (11) hours bi-weekly.

13.2 No more than two hundred forty (240) hours of PTO may be carried over into the following year. Any amount above the maximum two hundred forty (240) hours shall be converted to a contribution to MSRS. Such conversion shall be capped at forty (40) hours

accumulation per year. The conversion shall take place once a year in the second week in December.

### **ARTICLE 14-HEALTH BENEFITS**

Effective 1/1/2018 The Employer agrees to make monthly contributions to the Health and Welfare Fund and will execute a separate participation agreement regarding those contributions. The Employer will provide to all full time employees, Local 49's Bargaining Premium Health Insurance at the rate set forth by the fund trustees, with the employee responsible for paying fifteen percent (15%) towards the cost of the premium.

### **ARTICLE 15-LIFE INSURANCE**

The Employer will purchase and maintain at its expense, a Term Life insurance policy in the amount of \$25,000 for each employee.

### **ARTICLE 16-DISABILITY INSURANCE**

The Employer will provide at its expense, long and short term disability insurance for each employee. Except as otherwise prohibited by law, this policy will in no way affect or be affected by the employee's Worker's Compensation benefits.

### **ARTICLE 17- HOLIDAYS**

17.1 Holidays are defined as:

- |     |                        |                             |
|-----|------------------------|-----------------------------|
| 1.  | New Year's             | January 1                   |
| 2.  | Martin Luther King Day | Third Monday in January     |
| 3.  | President's Day        | Third Monday in February    |
| 4.  | Memorial Day           | Last Monday in May          |
| 5.  | Independence Day       | July 4                      |
| 6.  | Labor Day              | First Monday in September   |
| 7.  | Columbus Day           | Second Monday in October    |
| 8.  | Veteran's Day          | November 11                 |
| 9.  | Thanksgiving Day       | Fourth Thursday in November |
| 10. | Day after Thanksgiving | Fourth Friday in November   |
| 11. | Christmas Eve          | December 24                 |
| 12. | Christmas Day          | December 25                 |

17.2 Holidays occurring on Saturday will be observed the preceding Friday and holidays occurring on Sunday will be observed on the following Monday, Employees shall receive eight (8) hours of pay at their regular hourly rate for all recognized holidays.

17.3 When business emergencies arise, Non-exempt hourly employees required to work on a recognized holiday will be paid at one and one-half (1 ½) times their regular base rate of pay, in addition to their regular holiday pay. Compensatory time-off may be taken in lieu of payment.

### **ARTICLE 18-HOURS OF WORK**

18.1 The normal work week shall be forty (40) hours, Monday through Friday.

18.2 In the event that work is required because of unusual circumstances such as fire, flood, snow, sleet, Sewer/water and street emergencies, the employer reserves the right to adjust employee's work hours to best serve the public; no advance notice need be given as required in 18.4.

18.3 Employees are entitled to two (2) paid fifteen-minute rest breaks and an unpaid thirty (30) minute meal break for each normal work day.

18.4 Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal, or annual basis other than the normal work day. Service to the public requires the establishment of regular workweeks that schedule work on Saturdays and/or Sundays. The Employer shall give seven (7) calendar days advance notice to the Employees affected by the establishment of the work days different from the Employee's normal work day. The employer need not give seven (7) day notice for annual clean up days.

### **ARTICLE 19-OVERTIME PAY**

19.1 Hours worked in excess of the normal work shift, shall be compensated for at one and one-half (1-½) times the Employee's regular base pay rate, or at discretion of employee, compensatory time off at the rate of one and one-half (1-½) hours off for each hour of overtime worked.

19.2 For the purpose of calculating overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.

19.3 Employees may earn compensatory time at the rate of one and one half (1 ½) times in lieu of overtime pay, upon mutual agreement between the employee and the Employer, not to exceed forty (40) hours with a maximum annual carry over of forty (40) hours. As of the last pay period in November of each year, all accumulated compensatory time above the maximum carry over amount of forty (40) hours shall be paid to the employee.

19.4 For purposes of calculating overtime, hours worked shall be defined as those hours actually worked or accounted for by holidays in one workweek. Workers Compensation will not apply as hours worked for purposes of calculating overtime.

#### **ARTICLE 20- ON CALL**

- a. Local 49 members scheduled to be on-call; on weekends shall be compensated four (4) hours at one and a half (1 ½) times their regular rate for the period beginning the end of the work day on Friday and ending the start of the work day on Monday.
- b. Local 49 members scheduled to be on-call weekdays (Monday through Thursday) shall be compensated one (1) hour for each work day served at one and one half (1 ½) times the regular rate.
- c. Local 49 members scheduled to be on-call during a holiday will receive two and one half (2 ½ ) hours at one and a half (1 ½) time their regular pay.
- d. The member scheduled for on call shall be provided with the dedicated on-call cell phone. All on-call employees will be required to be work ready when on call, and must be within close proximity to the City so that they can answer emergency calls.
- e. Local 49 members shall have the right to switch on-call schedules with one another provided they communicate said change with their immediate supervisor.
- f. The Director of Public Works and the bargaining unit will make up the schedule to be on-call on weekends, week days, and Holidays with the final approval by the Director of Public Works. All employees are required to participate in the on-call schedule once approved by the Director of Public Works.
- g. Such on-call pay shall be in addition to other compensation which the Employee is entitled to under this Agreement. Any time spent on-call will not count towards hours worked for purposes of calculating overtime, unless such Employee was actually called to answer and/or respond to a call.

#### **ARTICLE 21-CALL BACK**

Employees called to work at a time other than their normal scheduled shift, shall be paid a minimum of two (2) hours at one and one-half (1 ½) times their regular rate of pay.

#### **ARTICLE 22-RIGHT TO SUBCONTRACT**

Nothing in this AGREEMENT shall prohibit or restrict the right of the EMPLOYER from subcontracting work performed by employees covered by this AGREEMENT.

#### **ARTICLE 23- UNIFORMS/BOOTS/SAFETY/CELL PHONE ALLOWANCE**

23.1 The Employer will provide initial uniforms, winter clothing, rain gear and the necessary safety equipment for full-time employees according to the reasonableness and necessity in

the performance of their job. The Employer agrees to supply and maintain work uniforms for bargaining unit members.

23.2 The Employer agrees to provide to all full time employees a city issued cell phone. Employees shall take steps not to lose or damage the cell phone. The Employer will provide an allowance in the amount of one hundred seventy five dollars (\$175.00) per year towards the purchase of safety boots.

#### **ARTICLE 24- LAYOFF AND RECALL**

24.1 In case of the need to eliminate positions, employees will be laid off based on inverse seniority within their job classification when all job relevant qualification factors are equal. Employees will be given a minimum of fourteen (14) days advance notice prior to layoff.

24.2 Employees will be recalled from layoff based on seniority within their job classification when all job relevant qualification factors are equal. Notice of recall shall be sent to the laid off employee's last known address by registered/certified mail. Employees will be given seven (7) days after receipt of recall notice to inform the employer of their intent to return to work. Failure to respond within the seven (7) day period will terminate recall rights.

#### **ARTICLE 25 PROBATIONARY PERIOD**

25.1 All newly hired or rehired employees will serve a six (6) month probationary period.

25.2 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the Employer.

25.3 All employees will serve a six (6) month probationary period in any job classification in which the employee has not served a probationary period.

25.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the Employer.

#### **ARTICLE 26- JOB POSTING**

26.1 The Employer and the Union agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that applicants:

- Have the necessary qualifications to meet the standards of the job vacancy; and
- Have the ability to perform the duties and responsibilities of the job vacancy.

26.2 Employees filling a higher job class based on the provisions of this ARTICLE shall be subject to the conditions of ARTICLE 25 (PROBATIONARY PERIODS).

26.3 The EMPLOYER has the right of final decision in the selection of employees to fill posted jobs based on qualifications, abilities and experience.

Job vacancies within the designated bargaining unit will be posted for five (5) working days so that members of the bargaining unit can be considered for such vacancies.

### **ARTICLE 27- SAFETY**

The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.

### **ARTICLE 28- SEVERANCE**

28.1 Full-time employees will be paid severance pay as follows:

28.2 Employees who leave the employment of the City by Retirement, Death, Disability or Resignation will receive pay for unused and or accrued PTO and any compensatory time accumulated as provided by this agreement. Employees shall have the option of directing those dollars into a 457 deferred compensation plan (subject to IRS regulations and Minnesota law) or (MSRS resolution).

### **ARTICLE 29- WAGES**

Employees will be evaluated by their supervisor annually consistent with the Public Works Operator Level III-I or Lead Worker job description. A personal review of the evaluation will be required between the employee and the employee's supervisor. The employee will complete a self-evaluation prior to the review with the supervisor. All employees will be eligible for an increase noted below provided the employee meets the job performance criteria as outlined in the job description and with a satisfactory performance evaluation. The employer shall give the employees a one hundred and twenty (120) day notice of any changes to the job requirements.

	1/1/17	1/1/18	1/1/19
PW Operator III (Probationary)	\$22.70	\$23.27	\$23.97
PW Operator III (Full Standing.)	\$24.13	\$24.73	\$25.47
PW Operator II	\$25.62	\$26.26	\$27.05
PW Operator I	\$27.18	\$27.86	\$28.70
Lead Worker (Probationary)	\$29.64	\$30.38	\$31.29
Lead Worker (Full Standing)	\$30.54	\$31.30	\$32.24

**ARTICLE 30 – RETIREMENT INSURANCE**

Employees have the ability to participate in the Central Pension Fund.

**(By MEMORANDUM OF UNDERSTANDING)**

**ARTICLE 31 - WAIVER**

31.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.

31.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

**ARTICLE 32- DURATION**

This AGREEMENT shall be effective as of January 1, 2017, and shall remain in full force and effect until December 31, 2019.

**FOR THE CITY OF LAKE ELMO:**

\_\_\_\_\_

\_\_\_\_\_

**FOR I.U.O.E. LOCAL NO. 49:**

\_\_\_\_\_

**Business Manager**

\_\_\_\_\_

**Business Representative**

\_\_\_\_\_

**Steward**

**MEMORANDUM OF UNDERSTANDING**  
**Licenses/Certificates**  
**City of Lake Elmo**

This Memorandum of Understanding is entered into between the two parties (City of Lake Elmo and Local 49) in order to address the date when new job certifications/licenses will become effective, as they pertain to progressing to higher classifications in the collective bargaining agreement.

The following Licenses/Certifications will remain in effect until 12.31.2018.:

PWIII: This position will require the acquisition and maintenance of the following additional certificates/licenses within 2 years of appointment:

- Class A Commercial Driver's License with air brakes and tanker endorsement
- Class D Water Operator License
- Class D/SD Waster Water Operator License
- Annual OSHA Training including relevant competent person certificate and HAZMAT certifications

PWII: This position requires the following requires the following additional certificates/licenses:

- Class C Water Operator License
- NIMS 100 and 700

PWI: This position requires the following additional certificates/licenses:

- Class S/SC Waste Water Operator License
- Completion of 2 of the following 4 programs:
  - Certified Playground Inspector Certificate
  - Tree Inspector Certificate
  - Management and Supervisory Leadership Training Program
  - LTAP's Road Scholar Program

\_\_\_\_\_  
Employer:

\_\_\_\_\_  
Ron Boesel, Business Representative

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

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

**MEMORANDUM OF UNDERSTANDING**  
**Central Pension Fund**  
**City of Lake Elmo**

The purpose of this Memorandum of Understanding is to assist both Labor and Management in identifying and implementing the Central Pension Fund (CPF) contribution rate.

- 1) The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, §356.24, subdivision 1(10).
- 2) The parties agree that the agreed upon amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as pre-tax employer contributions. Contributions from the City will not be funded from any source other than this wage reduction.
- 3) The Employer shall pay this contribution directly to the I.U.O.E. Central Pension Fund at 4115 Chesapeake Street NW, Washington, D.C. 20016.
- 4) For purposes of determining future wage rates, the Employer shall first restore the amount of the wage reduction, which is currently the CPF contribution rate of \$\_\_\_\_\_ per hour, then apply the applicable wage multiplier, then reduce the revised wage by the CPF contribution rate.
- 5) For purposes of calculating overtime compensation the Employer shall first restore the amount of the wage reduction (\$./hr.) then apply the applicable 1.5 wage multiplier required under the Fair Labor Standards Act and the collective bargaining agreement, then pay the resulting amount for overtime worked.
- 6) A contribution of \$2.40 per straight time hour worked prevents annual CPF contributions for individual employees from exceeding \$5,000.00 in a year and therefore complies with limitations set forth under Minnesota Statute § 356.24, subd. 1(10) as amended.
- 7) The parties agree that the Public Employees Retirement Association interprets employer contributions to the CPF as being included in determining "salary" for the purposes of the public pension.
- 8) The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.
- 9) Effective --17 the contribution rate equals \$\_\_\_\_\_ for all hours worked.
- 10) Members, by majority vote, may change the contribution rate at any time during the life of this agreement. The Union and the employer will work together to implement member approved changes as soon as is practicable.

\_\_\_\_\_  
Employer:

\_\_\_\_\_  
Ron Boesel, Business Representative

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

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

**MEMORANDUM OF UNDERSTANDING**  
**Red Circling of Employees**  
**City of Lake Elmo**

This Memorandum of Understanding is entered into between the two parties (City of Lake Elmo & Local 49) in order to address Red Circling of three employees. Red Circling is defined as to mean immunity to requirements that other employees may need. The three employees shall not be required to hold the certifications needed to progress through Public Works positions. The three individuals are as follows:

1. Rick Gustafson           (Public Works Operator 1)
2. Jamie Colemer           (Lead Worker)
3. Jim Sachs                 (Public Works Operator 1)

Furthermore, this MOU shall survive in perpetuity until such time that either the employee retires, quits, or is terminated for just cause.

\_\_\_\_\_  
Employer:

\_\_\_\_\_  
Ron Boesel, Business Representative

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

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



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT MOTION**

**TO:** City Council  
**FROM:** Brian A. Swanson – Finance Director  
**AGENDA ITEM:** Authorize RFP for Enterprise Resource Planning System (ERP)  
**REVIEWED BY:** Kristina Handt – City Administrator

---

#### **BACKGROUND:**

At the July 13, 2017 Finance Committee meeting, discussion occurred regarding budget expenditures for a new software package for finance and other city related business. Since the meeting, staff prepared a Request for Proposals for Enterprise Resource Planning (ERP) System.

At the July 27, 2017 Finance Committee meeting, authorization was provided to move approval for the Request for Proposals of the ERP system to be considered by the City Council.

#### **QUESTIONS BEFORE THE CITY COUNCIL:**

- 1) Does the City Council have any questions regarding the attached Request for Proposal?
- 2) Is the City Council comfortable recommending this move forward for approval?

#### **DISCUSSION:**

The City is planning to replace its current financial and information systems environment with an ERP system. In doing so, the City seeks to address several challenges in the current environment, including but not limited to:

- Lack of functionality in current systems.
- Limited online self-service functionality and payment options.
- Limited reporting capabilities in current systems.
- Lack of integration among systems.
- Manual workflow processes.
- City accounts receivable information is tracked in MS Excel.
- Lack of budget forecasting capabilities.
- Limited access to the existing system.
- Need for more robust project tracking.
- Time entry and approval is manual.
- Current hardware is no longer supported.

In order to address these challenges and others, the City has initiated an enterprise-wide project to adequately plan for, select, and implement an ERP system, as well as the professional services activities to be a part of implementation.

The following table contains the list of functional areas of the desired ERP system.

**Functional Areas**

No.	Functional Area
1	General Ledger and Financial Reporting
2	Budgeting
3	Accounts Payable
4	Accounts Receivable and Cash Receipts
5	Project Accounting
6	Capital Assets – (Optional)
7	Human Resources
8	Payroll
9	Special Assessments – (Optional)
10	Utility Billing – (Optional)

The City has identified an anticipated go-live date for core financials functionality of January 2, 2018. Below is the proposed schedule of dates, which is quite aggressive in order to meet the go-live date.

**Table 01: RFP Schedule of Events**

Event	Estimated Date
Request for Proposals Published	August 2, 2017
Deadline for Proposal Submissions	September 1, 2017
Short List Vendors notified	September 6, 2017
Vendor Demonstrations	September 13-14, 2017
Preferred Vendor Notified	September 21, 2017
Begin Contract Negotiations	October 4, 2017

**FISCAL IMPACT:**

The City has put a tentative budget amount in of \$40,000 based on the upgrade costs for the existing software and very preliminary estimates of replacing the system with a new product. This cost will vary significantly based on the number of modules implemented, number of users, timeline and conversion of data.

**RECOMMENDATION:**

- 1) Motion to recommend approval of the Request for Proposals for Software and Implementation Services for an Enterprise Resource Planning (ERP) System.

**ATTACHMENTS:**

- 1) Request for Proposals for Software and Implementation Services for an Enterprise Resource Planning (ERP) System
- 2) City of Lake Elmo ERP Worksheets – 4 tabs in the workbook



## **City of Lake Elmo, Minnesota**

# **Request for Proposals: Software and Implementation Services for Enterprise Resource Planning (ERP) System**

Issue Date: August 2, 2017

**Response Due: September 1, 2017 at 4:00 pm Central Time**

### **Receipt Location:**

City of Lake Elmo  
3800 Laverne Avenue North  
Lake Elmo, Minnesota 55042

**WARNING:** There are two total files associated with this RFP package. Prospective proposers who have received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and e-mailing address so that amendments to the RFP or other communications can be sent to them. A prospective proposer who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive communications from the Issuing Office prior to the closing date.

## Software and Implementation Services for Enterprise Resource Planning (ERP) System

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## **ADVERTISEMENT FOR PROPOSALS-ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM AND IMPLEMENTATION SERVICES**

The City of Lake Elmo, Minnesota seeks proposals from qualified vendors for an Enterprise Resource Planning (ERP) system as well as system implementation services. The scope of this request will include, but is not limited to an implementation project plan, implementation methodology, communication plan, project change management plan, software customization plan, system interface plan, data conversion plan, implementation testing plan, quality assurance plan, pre- and post-implementation support plan, and a training plan. The proposer shall also provide project management resources leading to the successful implementation of the system.

Criteria for selection is based on price, experience, level of fit of the proposed system based on the City's functional and technical requirements, and implementation approach. The selection process will be conducted in accordance with the Request for Proposals and will be led by in-house project and evaluation teams. Product demonstrations and vendor reference checks will also be used to select a vendor.

The Request for Proposals and Attachments may be obtained beginning **Wednesday, August 2, 2017**. Interested parties shall submit information as specified in the Request for Proposals to the City of Lake Elmo before 4:00 pm Central Time on September 1, 2017. Further information or questions, please contact: Brian Swanson – Finance Director at [bswanson@lakeelmo.org](mailto:bswanson@lakeelmo.org). There are two files associated with this RFP package.

The City requests interested proposers to provide Notice of Interest to the Point of Contact identified in Table 02 in section 1.11. Notice of Interest is not required.

The City of Lake Elmo City Council reserves the right to reject any or all bid proposals, to waive technicalities, to re-advertise, or to proceed otherwise when the best interest of said Council will be realized herein. No bid may be withdrawn for a period of at least 180 days after the actual date of opening thereof.

Brian A. Swanson, Finance Director

**ADVERTISE:** August 2, 2017

## 1.0 RFP Introduction and Background

### 1.1 Introduction

This Request for Proposals (RFP) is intended to solicit proposals from proposers capable of satisfying the City of Lake Elmo's needs for software and professional services to implement an Enterprise Resource Planning (ERP) system. Proposers' responses will be evaluated and ranked based on the criteria described in this RFP. If a system(s) is available that meets the City's needs, the City may then enter into contract discussions with the selected proposer.

This RFP and the selected proposal in response to this RFP will be incorporated into the contract resulting from this solicitation; provided, however, that the contract may contain terms different from or in addition to this RFP and the successful proposal. For purposes of this RFP, the term "vendor," "offeror," and "proposer" are considered to have the same meaning.

### 1.2 About The City of Lake Elmo

The City of Lake Elmo was incorporated in 1926 and is a statutory city in the State of Minnesota six miles east of St. Paul Minnesota. Located in Washington County, it covers 25 square miles and has an estimated population of 9,000, which represents 3,100 households.

Policy-making and legislative authority are vested in a governing council consisting of an elected Mayor and four council members. Per Minnesota State Statute, the governing council is responsible for passing ordinances, adopting an annual budget, appointing committees and hiring both the city's administrator and attorney. The City Administrator is responsible for carrying out the policies and ordinances of the governing council and overseeing the day-to-day operations of the city. The Council is elected on a non-partisan basis. The Mayor serves a four-year term and council members serve a four-year staggered term, with two of these positions elected every two years. The Mayor and the Council are elected at-large. The City also has a Finance Committee, which reviews the City's Budget, Capital Improvement Plan, financial policies and makes recommendations to the City Council for consideration. All Finance Committee members are not members of the City Council, but are appointed by the City Council.

The City of Lake Elmo provides a full range of Services including fire protection services, construction and maintenance of streets and infrastructure; recreational facilities; and water, sanitary sewer and storm water utility services. The City contracts with the Washington County Sheriff's Department for police services.

### 1.3 Project Objectives

The City of Lake Elmo is planning to replace its current financial and information systems environment with an ERP system. In doing so, the City seeks to address several challenges in the current environment, including but not limited to:

- Lack of functionality in current systems.
- Limited online self-service functionality and payment options.
- Limited reporting capabilities in current systems.
- Lack of integration among systems.
- Manual workflow processes.
- City accounts receivable information is tracked in MS Excel.
- Lack of budget forecasting capabilities.
- Limited access to the existing system.
- Need for more robust project tracking.
- Time entry and approval is manual.
- Current hardware is no longer supported.

In order to address these challenges and others, the City has initiated an enterprise-wide project to adequately plan for, select, and implement an ERP system. Section 2.0, Project Scope, outlines the features and functionality desired in a future ERP system as well as the professional services activities to be a part of implementation.

**1.4 Definitions**

ADDENDA – Written instruments issued by the City of Lake Elmo prior to the date for receipt of Proposals, which modify or interpret the Request for Proposal (RFP) documents by addition, deletions, clarification or corrections.

CITY - The City of Lake Elmo, a political subdivision of the State of Minnesota.

CITY EVALUATION TEAM – The group of City staff that will be evaluating vendor proposals

CITY IMPLEMENTATION TEAM – The group of City staff that will be leading the software implementation.

CONTRACT DOCUMENTS - The proposed Agreement will consist of the Request for Proposals, submitted Proposal, including any diagrams, blueprints, addenda, and the City’s Standard Agreement for Professional Services.

CONTRACTOR -The qualified Vendor/consultant that is awarded a contract to provide ERP software and implementation services for the City of Lake Elmo.

PROJECT – The ERP implementation project.

PROPOSAL – A complete and properly signed proposal to provide goods, commodities, labor or services for the sum stated and submitted in accordance with the Request for Proposal.

PROPOSER - The person, Contractor, corporation or other entity submitting a Proposal on items listed in the RFP Documents and thereby agreeing to meet the terms and conditions of the specifications if awarded the contract.

VENDOR - The person, consultant, corporation or other entity submitting a Proposal on items listed in the RFP and thereby agreeing to meet the terms and conditions of the specifications if awarded the contract.

**1.5 No Obligation**

The inquiry made through this RFP implies no obligation on the part of the City of Lake Elmo.

**1.6 RFP Schedule of Events**

The following RFP Schedule of Events represents the best estimate of the schedule the City will follow. The City has performed extensive planning work and has planned to meet the dates described below. Vendors are encouraged to hold the demonstration dates listed. The City has an aggressive schedule for implementation and will need to stay on the schedule of dates listed below in order to meet its implementation goals. If a component of the schedule is delayed, it shall be anticipated that the remaining components will also be delayed by a similar number of days. Any significant change to the schedule will be published via RFP Addendum.

**Table 01: RFP Schedule of Events**

Event	Estimated Date
Request for Proposals Published	August 2, 2017
Deadline for Proposal Submissions	September 1, 2017

Short List Vendors notified	September 6, 2017
Vendor Demonstrations	September 13-14, 2017
Preferred Vendor Notified	September 21, 2017
Begin Contract Negotiations	October 4, 2017

**1.7 Pre-Qualification of Vendors**

The City has not employed a pre-qualification process. No vendors are either pre-qualified or precluded from responding to this RFP.

**1.8 Minimum Qualifications**

In order for proposals to be evaluated and considered for award, proposals must be deemed responsive. To be deemed responsive, the submitted proposal documents shall conform in all material respects to the requirements stated by the RFP, and, proposers shall document and validate the capability to fully perform all requirements defined by the RFP. Factors to be considered include, but are not limited to: experience, integrity, reliability, capacity and other factors required to provide the services defined by the RFP.

**1.9 Partnerships**

Proposers are encouraged to establish partnership relationships to fully provide all requirements defined by the RFP. Vendors engaged in a partnership relationship shall submit a single proposal in response to this RFP. Partnership relationships shall be clearly defined by proposal responses. Such definition shall identify the entity in the partnership relationship deemed the Prime Vendor. It is expected that any item in the proposal response guidelines that relates to an individual vendor’s capabilities shall be responded to for each vendor in the partnership relationship.

**1.10 Incurred Expenses**

Neither the City of Lake Elmo nor any of its offices or employees shall be responsible for any cost incurred by a proposer in preparing and/or submitting a proposal response or participating in presentations as part of the evaluation procedure.

**1.11 Questions and Inquiries**

The following table provides the contact information in order of preference by the City.

**Table 02: Points of Contact**

Points of Contact
Brian Swanson – Finance Director <a href="mailto:bswanson@lakeelmo.org">bswanson@lakeelmo.org</a> 651-747-3909
Kristina Handt – City Administrator <a href="mailto:khandt@lakeelmo.org">khandt@lakeelmo.org</a> 651-747-3905
Amy LaBelle – Accountant <a href="mailto:alabelle@lakeelmo.org">alabelle@lakeelmo.org</a> 651-747-3916

Questions and inquiries related to this procurement, including questions and inquiries related to technical issues are to be submitted in writing via email and directed to the contacts in Table 02 above.

All questions and inquiries related to this RFP must reference the RFP or attachment page number and section. Questions shall be concise and numbered.

#### **1.12 Clarification and Discussion of Proposals**

The City may request clarifications and conduct discussions with any proposer who submits a proposal. Proposers must be available for a presentation to the City on specific dates if selected for software demonstrations.

## 2.0 Project Scope

### 2.1 Functional Areas

The following table contains the list of functional areas of the desired ERP system.

**Table 03: Functional Areas**

No.	Functional Area
1	General Ledger and Financial Reporting
2	Budgeting
3	Accounts Payable
4	Accounts Receivable and Cash Receipts
5	Project Accounting
6	Capital Assets – (Optional)
7	Human Resources
8	Payroll
9	Special Assessments – (Optional)
10	Utility Billing – (Optional)

The City has identified an anticipated go-live date for core financials functionality of January 2, 2018.

### 2.2 City and Project Staffing

The City intends to utilize existing staffing during the implementation process. Additional City resource planning has not been completed and will be based on the resource estimates and staffing plan provided by the vendor.

### 2.3 Number of Users

The following user counts by module contained in Table 04 are estimates and are provided for planning purposes only.

**Table 04: Number of Users**

No.	Functional Area	Total Users
1	General Ledger and Financial Reporting	10
2	Budgeting	10
3	Accounts Payable	10
4	Accounts Receivable and Cash Receipts	5
5	Project Accounting	10
6	Capital Assets	4
7	Human Resources	4
8	Payroll	5
9	Special Assessments	4
10	Utility Billing	7

The estimated total users does not reflect those that may need concurrent access. As the City is projecting

these total user counts, vendors should make any needed estimates for concurrent users based on experiences with organizations of similar size to the City of Lake Elmo.

## 2.4 Current City Applications Environment

The City of Lake Elmo currently uses Springbrook Software Version 6.00 to meet the Enterprise Resource Planning (ERP) software needs of its users, including (but not limited to) the following modules: Accounts Payable, Bank Reconciliation, Cash Receipts, General Ledger, and Payroll. The City has not upgraded the Springbrook software in many years, as version 7.18.2 is available and utilized by other Springbrook clients, which is cloud, based.

The City also uses Banyon utility billing software; however, Banyon is not fully integrated with Springbrook. As such, data must be periodically uploaded into Springbrook. Both systems are used primarily by the Finance Department. Other systems and programs currently used by the City include:

**PermitWorks** – This software is utilized by the Building and Finance Departments for licenses and permits, with integration possible, which is just beginning implementation.

**Beehive** - The Public Works department is currently using Beehive for asset tracking, which does not integrate with Springbrook.

**Laserfiche Document Management System** - The City currently uses Laserfiche Document Management System version 9.1.1. Integration between Laserfiche and Springbrook does not exist therefore users are required to search both systems for relevant information. End users also reported that finding documents in Laserfiche can be difficult and integration with a future system should decrease the need to search directly within Laserfiche.

Other systems and programs currently used by the City include:

- Neptune – Utility Billing
- AutoRead – Utility Billing
- Plan-It! Capital Improvement Software – This does not integrate with Springbrook and not anticipated it would need to be capable with future software.
- Microsoft Windows – overall system environment of the City.
- SCADA

## 2.5 Current City Technical Environment

The following sub-sections describe areas of the City's technical environment.

### 1. Support Model

Technology in the City is coordinated by the City Clerk and Finance Director and provided by the City of Roseville's Information Technology Department on a contractual basis. In addition, the City has support agreements for Springbrook through Accela, PermitWorks, and for its Utility Billing software Banyon.

## 2.6 Gap-Fit Analysis

The City expects the selected vendor to conduct a high-level gap-fit analysis and the functionality available in the selected software product. The gap-fit analysis will identify areas where the City may be required to change existing business processes or potentially customize the ERP system to accommodate unique process requirements. The City desires to limit the number of customizations in the future environment and will work with the vendor to review the results of the gap-fit analysis and determine where customizations would be beneficial.

The City expects that the vendor will review the results of the gap-fit analysis with City staff in onsite meetings at the initiation of the project. The vendor will update its response to the Functional and Technical Requirements based on this discussion with any necessary changes to ensure the vendor and the City have a common understanding of all business and technical requirements.

## 2.7 Implementation Project Plan

As part of the Project Scope, the selected vendor must develop and provide the City with a detailed Implementation Project Plan that, at a minimum, will include the components listed below.

1. **Project Objectives:** This section should include overall project objectives.
2. **Project Deliverables and Milestones:** This section should include a list of deliverables and milestones of the project and with each deliverable or milestone, this section should describe exactly what will be provided and how it will be provided to meet the needs of the City.
3. **Project Schedule:** This section of the Project Plan should identify the dates associated with deliverables and milestones described in Section 2 of the Project Plan. In addition, the Project Plan should reflect project predecessors, successors and dependencies.

## 2.8 Software Customization Plan

As part of the Project Scope, the selected vendor will develop and provide a detailed Software Customization Plan that includes anticipated customizations and their impact to the overall project schedule, budget, and final success. This software customization plan should describe the process that the City and the vendor will engage in for accepting the software modifications. While it is the City's intent to utilize the vendor system's existing capabilities and embedded best-practice business processes, it recognizes that there will be some critical work processes that require some amount of software customization.

## 2.9 System Interface Plan

As part of the Project Scope, the selected vendor will develop and provide a detailed System Interface Plan that contains the proposed strategy for interfacing to all applications. During the gap-fit analysis, vendors will conduct the work necessary to gain an understanding of the existing environment and the complete list of interfaces that will need to be developed.

## 2.10 Data Conversion Plan

As part of the Project Scope, the selected vendor will develop and provide a detailed Data Conversion Plan that describes how files will be converted to the proposed system (e.g., through software conversion aids/utility programs or special programs that must be written, the actual conversion procedures, etc.). The City would like to understand how the proposer would approach developing the data conversion plan, and the proposer's project team to convert existing data as well as to interface with identified source systems will undertake what processes. A conversion schedule should identify planned conversion steps, estimated hours, and what resources will be required (by City or proposer) for all pertinent legacy data. Data conversion shall occur when migrating to the new application. The proposer is expected to assist the City in the conversion of both electronic and manual data to the new system. It is expected that the City will be responsible for data extraction from current systems and data scrubbing and that the proposer shall be responsible for overall data conversion, coordination, definition of file layouts, and data import and validation into the new system(s). Proposers should plan to have converted data ready for the User Acceptance Testing phase of the project.

## 2.11 Testing Plan

As part of the Project Scope, the selected vendor will develop and provide a Testing Plan that describes all phases of testing: unit, system, interface, integration, regression, parallel, and user acceptance testing. It is the

City's expectation that the Testing Plan govern all phases of the project and that the vendor will provide assistance during each testing phase involving City users. The vendor will develop the initial User Acceptance Testing (UAT) plan, provide templates and guidance for developing test scripts, and will provide onsite support during UAT. The vendor will also provide a plan for stress testing of the system that will occur during or after UAT.

## **2.12 Training Plan**

As part of the Project Scope, the selected vendor will develop, provide, and manage a detailed plan for training. This Training Plan must include the information described below.

1. The role and responsibility of the software and/or implementation vendor in the design and implementation of the training plan (e.g., development of customized training materials, delivering training to City end users).
2. The role and responsibility of the City staff in the design and implementation of the training plan.
3. Overview of proposed training plan/strategy, including options for on-site or off-site training services, for the core project implementation team, end users, and technology personnel.
4. Proposed training schedule for City personnel of various user and interaction levels.
5. Descriptions of classes/courses proposed in the training plan. (The vendor should specify the unit of measure for its training, e.g., units, classes, days, etc., and define the hours associated with these units of measure.) The vendor must be very clear about exactly what training courses are included in the cost of the proposal.
6. The knowledge transfer strategy proposed by the software and/or implementation vendor to prepare City staff to maintain the system after it is placed into production.
7. Detailed description of system documentation and resources that will be included as part of the implementation by the vendor including, but not limited to, detailed system user manuals, "Quick Reference" guides, online support, help desk support, user group community resources, and others as available.

It is the City's intention that the selected vendor will coordinate the training of City personnel in the use of its application and that satisfactory implementation of an approved training plan will be a key component of this project's deliverables.

The proposer will provide documentation, including training manuals and agendas, before each training session with City staff.

## **2.13 System Documentation**

As part of the Project Scope, the selected vendor will develop and provide documentation that describes the features and functions of the proposed application software. The documentation shall be provided for both users and the technical personnel who will administer and maintain the system. It is desirable that differing levels of documentation (user documentation and technical documentation) exist. The selected vendor shall provide documentation in web-based and PDF forms for each application module.

Proposers shall provide sample System Documentation as part of responses in accordance with the Submittal Response Format described in Section 4.0. In addition, proposers shall provide an overview of the system documentation that will be provided as part of system implementation.

## **2.14 Risk Register**

As part of the Project Scope, the selected vendor will develop and maintain a documented Risk Register. Such Risk Register will be maintained in a centrally accessible location (i.e., project portal) and be regularly updated. For each risk identified, the vendor shall be responsible to develop an impact summary and a mitigation strategy in a timely fashion.

## 3.0 Proposal Evaluation and Award

### 3.1 Evaluation Process

The City’s Evaluation Committee will initially review and evaluate each proposal received to determine the proposer’s ability to meet the requirements of the City. The evaluation criteria described in Section 3.2 will be the basis for evaluation.

The Evaluation Committee will determine the vendor(s) best suited to meet the needs of the City based on the scoring of the evaluation criteria.

The City, at its sole discretion, reserves the right to have system demonstrations with any or all proposers. Demonstrations will be conducted at City offices. Time limitations and demonstration requirements will be provided with the notification. Each Evaluation Committee member will score the demonstration.

Demonstrations will be assigned a portion of the overall Technical Capability score. The City may elect, at its sole option, to conduct discussions or demonstrations with all, some or no proposers. Demonstrations will involve a scripted demonstration as well as a demonstration “lab.”

The City may request additional information or clarification of proposals and hereby reserves the right to select the particular response to this RFP that it believes will best serve its business and operational requirements, considering the evaluation criteria set forth below.

### 3.2 Evaluation Criteria

The evaluation criteria in the following table are intended to be the basis by which each proposal will be evaluated, measured, and ranked. The City hereby reserves the right to evaluate, at its sole discretion, the extent to which each proposal received compares to the stated criteria. The recommendation of the Evaluation Committee shall be based on the evaluations using the criteria.

**Table 05: Evaluation Criteria**

Criteria	Description	Maximum Score
Functional & Technical	This criterion considers both the qualifications of the personnel proposed to provide the services solicited by this RFP and the products that are proposed to be used in performing the services solicited by this RFP. In evaluating the proposer’s products, the City will consider the business benefits and the business process improvements because of implementing the proposer’s products.	35 points
Approach	This criterion considers the proposer’s understanding of the scope of work and the quality and clarity of the proposer’s written methodology and description of the proposed approach to accomplish the work.	20 points
Experience	This criterion considers (1) the proposer’s past performance on any City contracts, (2) the results of reference checks, and (3) the proposer’s experience in providing the services solicited by this RFP as set forth in the proposer’s response.	20 points
Cost	This criterion considers the price of the services solicited by this RFP. Proposers will be evaluated on their pricing scheme as well as on their price in comparison to the other proposers.	25 points

### 3.3 Best and Final Offer/Request for Clarification

A Best-and-Final-Offer process may be initiated if it is determined to be in the best interest in the City. Such

process may be initiated following any evaluation process step.

Additional processes of scope and cost clarification may be employed as part of the evaluation process.

### **3.4 Negotiations and Contract Execution**

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. In the event the City and the vendor are unable to agree upon all contract provisions, the City reserves the right to cease negotiations, to select another vendor, or to reject all Proposals.

### **3.5 Contracting Ethics**

1. No elected official or employees of the City who exercise any responsibility in the review, approval, or implementation of the Proposal shall participate in any decision that affects his or her direct or indirect financial interests.
2. It is a breach of ethical standards for any person to offer, give, or agree to give any City employee or Council person, or for any City employee or Council person to solicit, demand, accept, or agree to accept from another person or agency, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group, or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded the general public.
3. The Vendor shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of the City.
4. The Vendor shall not accept any private client or project that may place it in ethical conflict during its representation of the City.

## 4.0 Submittal Response Format

### 4.1 General Instructions

Proposers submitting proposals must follow the following instructions:

1. The deadline for proposal submissions is established in Section 1.0, RFP Introduction and Background. The proposal deadline is August 17, 2017 at 4:00 PM Central Time. Proposals received after this deadline will not be accepted and will be returned to proposer.
2. Proposers shall submit four (4) hard copies of the Technical Proposal and four (4) hard copies of the Cost Proposal under separate covers to the City at the address contained in Table 06. One (1) hard copy of the Technical Proposal and one (1) hard copy of the Cost Proposal should be clearly marked as "Original," and the remaining copies should be clearly marked "Copy".
3. Proposers shall submit an electronic version of the Technical Proposal and an electronic version of the Cost Proposal on a USB drive to the City along with hard copy proposals.
4. Mailed proposals shall be clearly labeled on the outside of the packaging with the RFP Title.
5. The mailing address for proposals is contained in the following table.

**Table 06: Proposal Mailing Address**

City Mailing Address
City Lake Elmo Attn: RFP – ERP Solution 3800 Laverne Avenue North Lake Elmo, MN 55042

### 4.2 Transmittal Letter and Executive Summary

The first tab of the proposal should contain the Transmittal Letter and Executive Summary. The Transmittal Letter shall be signed by an authorized representative of the company such as the owner, partner, or in the case of a corporation, the President, Vice President, Secretary, or other corporate officer(s).

The Transmittal Letter must provide the proposer's primary contact information, including the following:

1. Name of the proposer representative
2. Title
3. Name of company
4. Address
5. Telephone number
6. E-mail address and
7. Signature of authorized officer of the firm

The Transmittal Letter shall be printed on the proposer's letterhead.

The Transmittal Letter shall clearly express understanding and acceptance of all specifications, terms, conditions, and requirements set forth in this RFP.

The Executive Summary should provide a brief summary of the proposal contents, emphasizing any unique aspects or strengths of the proposal. The Executive Summary may be incorporated as part of the Transmittal Letter.

Tab 1 should not exceed three pages.

#### **4.3 Project Approach and Software Solution**

The second tab of the proposal should include a description of the proposed approach for providing the services described in Section 2.0, Scope of Work. This section must also include a summary description of the capabilities for each functional area of the Functional and Technical Requirements contained in Attachment B in narrative format. The purpose of this summary is so that the City has a high-level understanding of the proposed solution. The narrative should be written for an audience of the end-user community. Descriptions should be included for any products proposed by third parties to meet the capabilities described in the Functional and Technical Requirements in Attachment B.

Marketing materials should not be submitted on the proposed functionality.

Proposers shall describe any assumptions made in proposals in detail. These should include any assumptions related to the current City technical environment, staffing, project management approach, and City resources available during implementation and support phases.

#### **4.4 Implementation Methodology**

The third tab of the proposal should include a comprehensive description of the proposed implementation methodology for the project. The description should include how the proposer has developed this methodology to both incorporate lessons learned from experiences as well as to meet the needs described in Section 2.0, Project Scope.

The City has identified an anticipated go-live date for core financials functionality of January 2, 2018. As part of the third tab of the proposal, vendors shall include a proposed project schedule.

Proposers should also include a sample Project Plan as part of the third tab.

#### **4.5 Company Background and History**

The fourth tab of the proposal should include a comprehensive narrative history of the firm, including the development of its experience in providing services similar to those described in Section 2.0, Scope of Work. The following points should be addressed in the fourth tab of the proposal.

1. Total number of employees
2. Office locations
3. Total number of active clients
4. Total number of active government clients
5. Total number of active city government clients
6. Total years offering government ERP systems
7. Largest active government installation including population
8. Smallest active government installation including population
9. Other products offered by company
10. Mergers and acquisitions in the past ten years including the entities involved

If a partnership with third-party companies is a part of a proposal, the company background and history shall be provided for all third-party companies. It is expected that all of the points above shall be addressed for each company involved in a proposal, prime or third party.

#### **4.6 Key Proposed Personnel and Team Organization**

The fifth tab of the proposal should include the resumes of the proposed project personnel as well as the structure of the proposed Vendor Project Team. The resumes and structures shall be provided for the implementation team as well as the personnel involved in live operation and ongoing support and maintenance.

Resumes shall be specific to the actual personnel to be assigned to this project for all primary roles.

The City reserves the right to require background checks be conducted on any individual conducting work as either an employee of the vendor or on the vendor's behalf.

#### **4.7 Project Roles and Responsibilities**

The sixth tab of the proposal should include the proposed resource levels for the City and Vendor Project Teams. The tab shall include the completed Resource Hours Worksheet contained in Attachment B.

Vendors shall provide resource hour estimates by system module for each of the project activities contained in the two worksheets. A worksheet is provided for the City Project Team and a second worksheet is provided for the Vendor Project Team. Resource hour estimates provided should be based on the descriptions in Section 2.0, Project Scope.

#### **4.8 Project Schedule**

The seventh tab of the proposal should include the proposed project schedule including major milestones, activities, and timing of deliverables.

#### **4.9 Data Conversion Plan**

The eighth tab of the proposal should include the proposed Data Conversion Plan that will ensure the City's desired data is transferred to the new system. The Plan shall include estimated work levels as well as roles and responsibilities related to data conversion, for both the City and the vendor, organized by module.

#### **4.10 Sub-Contracting**

The ninth tab of the proposal should identify any of the required services that are proposed to be sub- contracted, if any. For each of these services the following should be provided:

1. Summary of service
2. Reasons for sub-contracting
3. Proposed sub-contractor
4. Detailed sub-contractor responsibilities
5. Sub-contractor name
6. Sub-contractor location
7. Sub-contractor experience
8. Previous use of sub-contractor and
9. Any additional relevant information

#### **4.11 References**

The tenth tab of the proposal should identify the proposer's references for the project. Proposers shall provide at least three (3) City government clients with whom the proposer has worked with in the past five (5) years and that are of similar size and complexity to the City of Lake Elmo. References shall be preferred from City governments that have been live with the current software version for a minimum of two (2) years.

In the event the proposer cannot provide the required references, substitution of other organizations should be made to ensure three (3) total references are provided. Proposers shall indicate how these substitute references deviate from the requested characteristics.

If possible, the City prefers references that were managed by the same project manager recommended for the City. This section of the RFP response should also include an affirmative statement that the proposer grants its consent for the City to contact the proposer's references for purposes of evaluating the proposer for this project and acknowledges that any information obtained from the proposer's references will not be disclosed to the proposer.

#### **4.12 Response to Narrative Questions**

The eleventh tab of the proposal should include the proposer's response to the following narrative questions. The total tab length shall not exceed fifteen pages.

1. Based on information provided in this RFP and experience in working with other cities, what is the proposer's perspective on the most significant risks to this project and how do you plan to mitigate these risks?
2. What is your process for monitoring, escalating, and resolving issues that will arise during the project?
3. How do you propose to keep the project on task?
4. Provide a clear description of project management responsibilities between the City and the Vendor.
5. What is the earliest you can begin implementation after contract signing?
6. Please describe your organization's recommended approach toward retention of legacy financial, budget, revenue, and payroll data. Please describe what options are available/supported within your proposed solution.
7. What other system modules or products would the proposer recommend to be complementary to the Project Scope as described in Section 2.0?
8. Describe how your software solution can support the annual process of reviewing capital projects to determine which expenditures should be capitalized, which should be operating expense and which should remain as work-in-progress.
9. How can your system import CIP information from a third party, external source?
10. The City intends to consider implementing customer self-service functionality in future phases of the project. Please describe the available functionality of your software for providing citizen self-service.
11. What is your approach to managing documents in an environment where a City has an existing enterprise document management system? What documents might exist in an integrated ERP content manager versus the DMS?
12. The City currently has limited usage of credit cards but may expand this in the future. Please describe your ability to integrate with credit cards for City purchases.
13. What strategic decisions or direction is your firm taking or making related to the product being proposed today?
14. What is the name and current release number of the product being proposed?
15. When will the next release be available?
16. How long does the typical implementation of the product being proposed take for an organization of similar size to the City?
17. Does your firm complete the implementations of the product being proposed or is this effort outsourced?
18. What other applications will the product being proposed integrate with or have integrated with in the past?
19. What sets your firm's product being proposed apart from your firm's competitors?

#### **4.13 Software Hosting**

The twelfth tab of the proposal shall include a full description of the respondent's technical and operational capabilities for software hosting.

The respondent shall include the following information in addition to this description:

1. Where are the data center and storage facilities?
2. Total number of active clients currently served by hosted solutions provided by your company.
3. How many years has your company provided hosted solutions?
4. How are hosted software applications deployed for use by numerous customers?
5. What availability and response time do you guarantee?
6. How many instances of unplanned outages have any of your customers experienced within the past five (5) years?
7. What is your process for notification of standard maintenance and downtime?
8. The respondent shall provide relevant documentation related to any recent certifications related to their hosting technical and operation capabilities.

#### **4.14 Exceptions to Terms and Conditions**

The thirteenth tab of the proposal should include any exception the proposer takes to the terms and conditions set forth in this RFP. It is the City's intention to be made aware of any exceptions to terms or conditions prior to

contract negotiations.

#### **4.15 Price Proposal**

The proposer's Price Proposal should be provided separately from all tabs of the proposer's Technical Proposal. The Price proposal shall consist of two sections:

1. The completed Cost Proposal Worksheet as contained in Attachment A. Proposers shall not modify the worksheets in any way.
2. The proposer's standard travel and expense policy.
3. Agreement with Payment and Retainage. The proposer shall provide a brief statement of agreement with the Payment and Retainage terms identified in this RFP. If a proposer does not agree with all items, a description should be provided of those items for which exception is taken.

## **5.0 Contract Terms and Conditions**

### **5.1 Contract Type**

The resulting contract from this procurement shall be a not-to-exceed based contract in the form of the City's Standard Agreement for Professional Services attached to this RFP. The initial contract price will be based upon prices submitted by the selected vendor, subject to contract negotiations with the City, and shall be firm for the total number of years of the contract.

### **5.2 Contract Term**

The Agreement shall be effective upon the date the Agreement is signed by both the City and the Contractor, which will expire upon completion of the services covered by the Agreement. The City or the Contractor only pursuant to the terms of the contract may terminate this Agreement.

### **5.3 Contract Review**

The vendor will meet with the City not less than once per quarter to conduct a contract and performance review of the vendor. These meetings will be either in person in Lake Elmo, Minnesota, or via teleconference or web-conference. This contract and performance review will include a review of the pricing, delivery performance, customer service, and improving operational efficiencies.

### **5.4 Contract Changes**

Written requests for price changes in term contracts after the firm price period must be submitted in writing to the City. Any increase will be based on the vendor's actual cost increase only, as shown in written documentation. All requests for price increases must be in writing, must not constitute increases in profit, and must contain data establishing or supporting the increase in cost. At the option of the City, (1) the request may be granted; (2) the contract may be cancelled and solicitation may be re-advertised; or (3) the contract may be continued without change.

The City will accept or reject all such written requests within thirty (30) days of the date of receipt of vendor's request for price increase or receipt of proper written documentation, whichever is later.

If a price increase is approved, the City will issue an amendment to the contract specifying the date the increase will be effective. The vendor will be required to send notice to all users of the contract. All services and related accessories are to be billed at prices in effect at the time the service was rendered or order was placed.

If a price increase is rejected, the vendor will be notified and the contract will continue without change.

All other contract changes will be effective only on written agreement signed by both parties.

### **5.5 Contract Approval**

This RFP does not, by itself, obligate the City to award a contract. The City's obligation will commence following the City Council's approval of a contract. Upon written notice to the vendor, the City may set a different starting date for the contract. The City will not be responsible for any work done by the vendor, even work done in good faith, if it occurs prior to the contract start date set by the City.

### **5.6 Contract Dispute**

In the event of contract dispute, dispute proceedings will be held in the State of Minnesota. Mediation will be a mandatory first step in the event of a dispute, prior to any legal action as set forth in the contract.

## 5.7 Payment and Retainages

The City understands that there will be potentially three types of costs that are associated with procuring a new system: software licensing, implementation services and annual maintenance costs. In the following sub-sections, each type of cost is defined and the City's expectations for payments and retainage associated with these costs are described.

### 1. Software Licensing Cost

Software license costs include all costs related to licensing the software application and include third-party software license fees, where applicable. In presenting software license fees, the proposer shall:

- Explain all factors that could affect licensing fees;
- Make clear what type of license is offered for each price (named user, concurrent user, installed copies, processor-based, etc.);
- Indicate which product versions, operating platform(s), are included for each price;
- Indicate whether a product is for "server" or "client," as applicable; and,
- Make clear the extent of any implementation services that are included in the license fees (installation, configuration, training, etc.).

To the extent possible, the proposer shall show any applicable discounts separately from the prices for products and services. The City requests that the proposer provide separate prices for each functional area/module in the proposed solution. In addition, the City expects software maintenance costs will not increase in the first three years starting from beneficial use of each module. The City will provide payments associated with software license fees on a milestone basis described in the following table.

**Table 7: Software Licensing Payment Milestones**

<b>Project Milestone (for each phase of the implementation)</b>	<b>License Payment (% of Total)</b>	<b>Associated Test</b>
Project Launch and Project Plan Approval	20%	Launch Meeting has been completed and the City has signed off on the Project Plan deliverable.
Initial System Implementation	20%	Identified users can access the off-the-shelf system from all workstations.
System Configuration Complete	25%	The City has provided formal acceptance that all business requirements have been successfully configured and end users can access the configured test environment. End users are fully trained to undertake UAT activities.
Approval of Go-Live	20%	The City has signed off on the UAT test results.
Acceptance of System	15%	The City has signed off on at least two months of system operations and financial statements.

### 2. Implementation Services Cost

Implementation service costs include all costs related to implementation, configuration, data conversion, customization, and training. Typically, implementation service costs are provided as "not to exceed" estimates and the City will be charged for services as incurred.

The City will pay eighty-five percent (85%) of the implementation service costs on a monthly basis as incurred on the project. Fifteen percent (15%) of the implementation service costs will be retained (as a "hold-back") until successful completion of the associated project phase. The fifteen percent (15%) hold-back will be paid to the vendor upon City's written acceptance of the system (see above for associated test criteria) and sign-off at phase completion.

Costs for the proposed solution should be submitted on the Cost Worksheet (Attachment A). It is important to note the following:

- The City will not consider time and materials pricing. Proposers shall provide firm and fixed pricing based on the functionality described. For each item, indicate if the cost is one-time, annual, or other;
- The proposer shall provide price information for each separate component of the proposed solution, as well as the costs of any modifications;
- In the event the product or service is provided at no additional cost, the item should be noted as "no charge;"
- In the event the product or service is not being included in the proposal, the item should be noted as "No Bid;" and,
- Proposer shall make clear the basis of calculation for all fees.

All travel expense costs must be included in the proposer's fixed price cost. The City will not make a separate payment for reimbursable expenses. The City shall not be liable for additional travel costs incurred due for any reason outside the City's control.

### 3. Annual Maintenance Cost

Annual maintenance costs include the annual maintenance and support fees for the application environment. For example, the annual maintenance fees associated with Accounts Payable will be paid upon City acceptance of the project phase associated with the Accounts Payable module. The City will not pay maintenance fees on functional areas until City sign-off has been provided to approve live operation for one year after go live. The City expects software maintenance costs will not increase in the first three years upon live operation.

## 5.8 Taxes and Taxpayer Information

The awarded vendor must provide a valid W-9 form within five (5) days of notification of award.

The City will be paying any taxes in accordance with all applicable regulations.

## 5.9 Federal Requirements

The vendor must comply with all known federal requirements that apply to the proposal, the evaluation, and the contract.

## 5.10 Confidential Information

Any written, printed, graphic, or electronic or magnetically recorded information furnished by the City for the proposer's use are the sole property of the City. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning City employees, products, services, prices, operations, security measures, and subsidiaries.

The proposer and its employees shall keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with City approval, and only to the extent necessary to perform the work under the agreement. This prohibition also applies to the proposer's employees, agents, and subcontractors. On termination of the agreement, the proposer will promptly return any confidential information in its possession to the City.

## 5.11 City Property

The use of any City property must be approved in advance.

## 5.12 Warranty

A warranty is sought for both the software and implementation services. It is assumed that proposers have priced their services to recognize these warranty provisions. The extent of the warranty coverage will be evaluated as part of the overall procurement process.

## 5.13 Source Code

Selected vendors shall place source code for the software modules licensed by the City in a repository. The source code shall be kept current with the releases / version of the software in live use at the City. The source code shall revert to the City for the City's use if the vendor files for bankruptcy or protection from creditors in a court of law. The City shall then have full rights to use source code for any purposes other than resale.

Within thirty (30) calendar days of the vendor going out of business or no longer supporting the software being licensed, the vendor shall provide appropriate source code to the City. The same applies if the vendor is merged or acquired and the software is no longer supported. Once the City obtains the source code, it shall be a perpetual license, and there shall not be any additional fees due, even if additional licenses are deployed.

## 5.14 Insurance Requirements

### Amounts of Insurance

The Contractor shall maintain insurance coverage in the amounts set forth in the attached Standard Agreement for Professional Services during the entire term of the contract. The City shall be named as an additional insured on said commercial general liability policy and certificates of said insurance evidencing all of the coverages required shall be provided to the City before any work on this project may commence. The Contractor shall not allow any sub-contractor to commence work until all insurance has been obtained and copies have been filed and accepted by the City. The Contractor shall be responsible for maintaining a valid certificate of insurance referencing the limits included below on file with the City.

The Contractor must notify the City in writing thirty (30) days prior to cancellation or change in terms of the above insurance coverage. All insurance must be provided at the Contractor's expense and at no additional cost to the City.

### Other Insurance Requirements

The selected vendor agrees that it is its sole responsibility to provide the required Certificate of Insurance and that failure to comply within ten (10) business days following notice of award and according to the requirements of this RFP shall be a cause for termination of the contract.

Insurance requirements herein shall be issued by a company or companies of sound and adequate financial responsibility and authorized to do business in the State of Minnesota. All policies shall be subject to examination and approval by the City Attorney's office for their adequacy as to form, content, form of protection, and providing company.

Insurance requirements by this contract for the City as additional insured shall be primary insurance and not contributing with any other insurance available to City, under any third party liability policy.

The selected vendor further agrees that with respect to the required insurances, the City shall:

1. Be named as additional insured/or an insured, on all required insurance except workers' compensation.
2. Be provided with a waiver of subrogation, in favor of the City on all required insurance.
3. Be provided with an unconditional 30 days advance written notice of cancellation or material change.
4. Prior to execution of an agreement, be provided with either their original Certification of Insurance or their insurance policy evidencing the above requirements.

### **5.15 Conflict of Interest**

Proposer shall at all times observe and comply with all Federal, State and local laws, ordinances and regulations including all amendments and revisions thereto, which in any manner affect Proposer or the services and/or items to be provided, specifically and not limited to any laws relating to conflicts of interest. Failure to comply with any applicable laws, including the provisions of the Act, may result in: i) the forfeiture by Proposer of all benefits of the Contract; ii) the retainage by City of all services performed by Proposer and iii) the recovery by City of all consideration, or the value of all consideration, paid to Proposer pursuant to any awarded contract.

### **5.16 Pending and Recent Litigation**

Proposers must disclose any pending or recent litigation they are involved in as a company. Recent is defined as the past three years. Information provided should include the timeline of the litigation history, the subject of the litigation, and the status of the litigation. Proposals must also disclose any pending litigation of any third-party partners in the proposal.

### **5.17 Proposer's Certification**

By signature on the proposal, the proposer certifies that it complies with:

1. The laws of the State of Minnesota and is licensed to conduct business in the State of Minnesota;
2. All applicable local, state and federal laws, codes and regulations;
3. All terms, conditions, and requirements set forth in this RFP;
4. A condition that the proposal submitted was independently arrived at, without collusion; and,
5. A condition that the offer will remain open and valid for the period indicated in this solicitation; and any condition that the firm and/or any individuals working on the contract do not have a possible conflict of interest.

If any proposer fails to comply with the provisions stated in this paragraph, the City reserves the right to reject the proposal, terminate the contract, or consider the proposer in default.

### **5.18 Offer Held Firm**

Proposals must remain open and valid for at least 180 days from the deadline specified for submission of proposals. In the event award is not made within 180 days, the City will send a written request to all proposers deemed susceptible for award asking proposers to hold their price firm for a longer specified period.

### **5.19 Amendment/Withdrawal of Proposals**

Proposers may amend or withdraw proposals prior to the deadline set for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to a request of the City. After the deadline, proposers may make a written request to withdraw proposals and provide evidence that a substantial mistake has been made. The City may permit withdrawal of the proposal upon verifying that a substantial mistake has been made, and the City may retain the proposer's bid bond or other bid type of bid security, if one was required.

### **5.20 Alternate Proposals**

Proposers may not submit alternate proposals for evaluation.

### **5.21 Subcontractors**

Subcontractors may be used to perform work under this contract. If the proposer intends to use subcontractors, the proposer must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

If a proposal with subcontractors is selected, the proposer must provide the following information concerning each prospective subcontractor within five working days from the date of the City's request:

1. Complete name of the subcontractor

2. Complete address of the subcontractor
3. Type of work the subcontractor will be performing
4. Percentage of work the subcontractor will be providing
5. Evidence, as set out in the relevant section of this RFP, that the subcontractor is registered and, if applicable, holds a valid State of Minnesota business license
6. A written statement, signed by each proposed subcontractor, that clearly verifies that the subcontractor is committed to render the services required by the contract and
7. A copy of the prime-contractor/sub-contractor contract verifying the prime-contractor has the sole responsibility for any and all services under this RFP and is financially liable, without exception, to the City for all services contracted by the proposer under this RFP

The proposer's failure to provide this information, within the time set, may cause the City to consider its proposal nonresponsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the City Administrator, Finance Director, or contract administrator designated by the City.

## **5.22 Joint Ventures**

Joint ventures are acceptable. If submitting a proposal as a joint venture, the proposer must submit a copy of the joint venture agreement that identifies the principals involved and its rights and responsibilities regarding performance and payment.

## **5.23 Right of Rejection**

The City reserves the right to reject any proposal, in completely or in part. Proposals received from debarred or suspended vendors will be rejected. The City may reject any proposal that is not responsive to all of the material and substantial terms, conditions, and performance requirements of this RFP.

The City reserves the right to reject any proposal determined to be nonresponsive or any proposal from a vendor deemed to be non-responsible. The City also reserves the right to refrain from making an award if it determines it to be in its best interest.

## **5.24 Clarification of Proposals**

In order to determine if a proposal is reasonably susceptible for award, communications by the City or the proposal Evaluation Committee are permitted with any proposer to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Clarifications may not result in a material or substantive change to the proposal. The initial evaluation may be adjusted because of a clarification under this section.

## **5.25 Rights to Submitted Material**

It shall be understood that all proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts and proposal or referencing information submitted in response to this RFP, shall become the property of the City, and will not be returned. The City is subject to the Minnesota Government Data Practices Act, Minnesota Statute Chapter 13, and all information submitted shall be disclosed as required by the Act.

## **5.26 Contract Negotiation**

After final evaluation, the City may negotiate with the offerors of the highest-ranked proposal. Negotiations, if held, will be within the scope of the RFP and limited to those items that would not have an effect on the ranking of proposals. If any proposer fails to negotiate in good faith, the City may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal.

If contract negotiations are commenced, they will be held at the City of Lake Elmo office locations at a date and time to be determined.

If contract negotiations are held, the offeror will be responsible for all costs including its travel and per diem

expenses.

### **5.27 Failure to Negotiate**

If the selected proposer:

1. Fails to provide the information required to begin negotiations in a timely manner;
2. Fails to negotiate in good faith;
3. Indicates it cannot perform the contract within the budgeted funds available for the project; or,
4. If the proposer and the City, after a good-faith effort, cannot come to terms; then

The City may terminate negotiations with the proposer initially selected and commence negotiations with the next highest-ranked proposer. At any point in the negotiation process, the City may, at its sole discretion, terminate negotiations with any or all proposers.

### **5.28 Hold Harmless**

The Proposer shall hold and save the City and its officers, agents, servants/employees harmless from liability of any patented invention, process, article or appliance manufactured or used in the performance of the contract, including its use by the City.

### **5.29 Protection of Resident Workers**

The City of Lake Elmo actively supports the Immigration and Nationality Act (INA), which includes provisions addressing employment eligibility, employment verification and non-discrimination. Under the INA, employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The Proposer shall establish appropriate procedures and controls so no services or products under the contract documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.

### **5.30 Statutory Information**

Any consulting agreement resulting from this RFP shall be construed in accordance with the laws of the State of Minnesota. Any litigation between the parties arising out of, or in connection with the contract shall be initiated in the court system of the State of Minnesota.

All project participants, consultants, engineers and vendors must comply with all applicable federal, state and local laws pertaining to contracts entered into by governmental agencies, including non-discriminating employment. Contracts entered into because of submitting proposals are revocable if contrary to law.

### **5.31 Assignment or Subcontract**

Neither party shall assign any right or interest, nor delegate or subcontract any obligation owed without the written consent of the other.

### **5.32 Non-Discrimination Clause**

During the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability, age, marital status, or status with regard to public assistance. The Contractor will take affirmative action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

### **5.33 ADA**

The Contractor agrees to comply with the Americans with Disabilities Act Section 504 of the Rehabilitation Act of 1973 and not discriminate on the basis of disability in the admission or access to, or treatment of employment in

its services, programs, or activities. The Contractor agrees to hold harmless and indemnify the City from costs, including but not limited to damages, attorney's fees, and staff time, in any action or proceeding brought alleging a violation of ADA and/or Section 504 caused by the Contractor.

**5.34 Audit**

All books, records, documents and accounting procedures and practices of the successful Contractor relevant to the Agreement shall, pursuant to Minnesota Statutes, Section 16C.05, subdivision 5, be subject to examination at all times by the City and/or by the Legislative Auditor or State Auditor.

**5.35 Laws**

The Contractor will comply with all applicable local, state, and Federal laws, ordinances and regulations in the performance of the Agreement. The Contract will comply with and be governed by all laws of the State of Minnesota. Any violation shall constitute a material breach of the executed Agreement.

**5.36 Human Rights**

The Contractor agrees to comply with the Minnesota State Human Rights Act, Minnesota Statute Section 363.

**5.37 Data Practices**

The Contractor will comply with all applicable provisions of the Minnesota Government Data Practices Act, Chapter 13, of the Minnesota Statutes.

## Worksheets

*See MS Excel spreadsheet "City of Lake Elmo ERP RFP Worksheets 7-27-17.xlsx"*

**Attachment A – Cost Worksheets**

**Attachment B – Resource Hours Worksheets**

## Standard Agreement for Professional Services

### Standard Agreement for Professional Services

This Agreement ("Agreement") is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, between the City of Lake Elmo, Minnesota (hereinafter "City"), whose business address is 3800 Laverne Avenue North, Lake Elmo, MN 55042, and \_\_\_\_\_, a \_\_\_\_\_ (hereinafter "Consultant") whose business address is \_\_\_\_\_.

### Preliminary Statement

The City has adopted a policy regarding the selection and hiring of consultants to provide a variety of professional services for City projects. That policy requires that persons, firms or corporations providing such services enter into written agreements with the City. The purpose of this Agreement is to set forth the terms and conditions for the provision of professional services by Consultant for \_\_\_\_\_ hereinafter referred to as the "Work".

The City and Consultant agree as follows:

1. **Scope of Work.** The Consultant agrees to provide the professional services shown in Exhibit A (\_\_\_\_\_) in connection with the Work. The terms of this Agreement shall take precedence over any provisions of the Consultants proposal and/or general conditions including proposals and/or general conditions. If the Consultants proposal is attached as the Exhibit A Scope of Work, City reserves the right to reject any general conditions in such proposal.
2. **Term.** The term of this Agreement shall be from \_\_\_\_\_ through \_\_\_\_\_ the date of signature by the parties notwithstanding. This Agreement may be extended upon the written mutual consent of the parties for such additional period, as they deem appropriate, and upon the terms and conditions as herein stated.
3. **Compensation for Services.** City agrees to pay the Consultant expenses in a total amount not to exceed \$ \_\_\_\_\_ for the services as described in.

- A. Any changes in the scope of the work, which may result in an increase to the compensation due the Consultant, shall require prior written approval by an authorized representative of the City or by the City Council. The City will not pay additional compensation for services that do not have prior written authorization.
  - B. Special Consultants may be utilized by the Consultant when required by the complex or specialized nature of the Project and when authorized in writing by the City.
  - C. If Consultant is delayed in performance due to any cause beyond its reasonable control, including but not limited to strikes, riots, fires, acts of God, governmental actions, actions of a third party, or actions or inactions of City, the time for performance shall be extended by a period of time lost due to the delay. Consultant will be entitled to payment for its reasonable additional charges, if any, due to the delay.
4. **City Information.** The City agrees to provide the Consultant with the complete information concerning the Scope of the Work and to perform the following services:
- A. Access to the Area. Depending on the nature of the Work, Consultant may from time to time require access to public and private lands or property. As may be necessary, the City shall obtain access to and make all provisions for the Consultant to enter upon public and private lands or property as required for the Consultant to perform such services necessary to complete the Work.
  - B. Consideration of the Consultant's Work. The City shall give thorough consideration to all reports, sketches, estimates, drawings, and other documents presented by the Consultant, and shall inform the Consultant of all decisions required of City within a reasonable time so as not to delay the work of the Consultant.
  - C. Standards. The City shall furnish the Consultant with a copy of any standard or criteria, including but not limited to, design and construction standards that may be required in the preparation of the Work for the Project.
  - D. City's Representative. A person shall be appointed to act as the City's representative with respect to the work to be performed under this Agreement. He or she shall have complete authority to transmit instructions, receive information, interpret, and define the City's policy and decisions with respect to the services provided or materials, equipment, elements and systems pertinent to the work covered by this Agreement.
5. **Method of Payment.** The Consultant shall submit to the City, on a monthly basis, an itemized invoice for professional services performed under this Agreement. Invoices submitted shall be paid in the same manner as other claims made to the City for:
- A. Progress Payment. For work reimbursed on an hourly basis, the Consultant shall indicate for each employee, his or her name, job title, the number of hours worked, rate of pay for each employee, a computation of amounts due for each employee, and the total amount due for each project task. Consultant shall verify all statements submitted for payment in compliance with Minnesota Statutes Sections 471.38 and 471.391. For reimbursable expenses, if provided for in Exhibit A, the Consultant shall provide an itemized listing and such documentation as reasonably required by the City. Each invoice shall contain the City's project number and a progress summary showing the original (or amended) amount of the contract, current billing, past payments and unexpended balance of the contract.

- B. **Suspended Work.** If any work performed by the Consultant is suspended in whole or in part by the City, the Consultant shall be paid for any services performed prior to receipt of written notice from the City of such suspension.
- C. **Payments for Special Consultants.** The Consultant shall be reimbursed for the work of special consultants, as described herein, and for other items when authorized in writing by the City.
- D. **Claims.** To receive any payment on this Agreement, the invoice or bill must include the following signed and dated statement: "I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid."
- E. **Final Payment.** Final payment, constituting the entire unpaid balance of the Compensation for Services, shall be paid by the City to the Consultant when the Work has been completed, the Agreement fully performed, and the City accepts the Work in writing.

6. **Project Manager and Staffing.** The Consultant has designated \_\_\_\_\_ to serve on the Project. They shall be assisted by other staff members as necessary to facilitate the completion of the Work in accordance with the terms established herein. Consultant may not remove or replace the designated staff from the Project without the approval of the City.
7. **Standard of Care.** Consultant shall exercise the same degree of care, skill and diligence in the performance of its services as is ordinarily exercised by members of the profession under similar circumstances in Scott County, Minnesota. Consultant shall be liable to the fullest extent permitted under applicable law, without limitation, for any injuries, loss, or damages proximately caused by Consultant's breach of this standard of care. Consultant shall put forth reasonable efforts to complete its duties in a timely manner. Consultant shall not be responsible for delays caused by factors beyond its control or that could not be reasonably foreseen at the time of execution of this Agreement. Consultant shall be responsible for costs, delays or damages arising from unreasonable delays in the performance of its duties.
8. **Audit Disclosure and Data Practices.** Any reports, information, data, etc. given to, or prepared or assembled by the Consultant under this Agreement which the City requests to be kept confidential, shall not be made available to any individual or organization without the City's prior written approval. The books, records, documents and accounting procedures and practices of the Consultant or other parties relevant to this Agreement are subject to examination by the City and either the Legislative Auditor or the State Auditor for a period of six (6) years after the effective date of this Agreement. The Consultant shall at all times abide by Minn. Stat. 13.01 et seq., the Minnesota Government Data Practices Act, to the extent the Act is applicable to data and documents in the possession of the Consultant.
9. **Termination.** Either party may terminate this Agreement on thirty (30) days written notice if the other party defaults or neglects to carry out the Work in accordance with the Agreement or fails to perform any provisions of the Agreement. Upon termination under this provision, if there is no fault of the Consultant, the Consultant shall be paid for services rendered and reimbursable expenses until the effective date of termination. If however, the City terminates the Agreement because the Consultant has failed to perform in accordance with this Agreement, no further payment shall be made to the Consultant, and the City may retain

another consultant to undertake or complete the Work identified herein.

10. **Subcontractor.** The Consultant shall not enter into subcontracts for services provided under this Agreement except as noted in the Scope of Work, without the express written consent of the City. The Consultant shall pay any subcontractor involved in the performance of this Agreement within ten (10) days of the Consultant's receipt of payment by the City for undisputed services provided by the subcontractor. If the Consultant fails within that time to pay the subcontractor any undisputed amount for which the Consultant has received payment by the City, the Consultant shall pay interest to the subcontractor on the unpaid amount at the rate of 1.5 percent per month or any part of a month. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the Consultant shall pay the actual interest penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Consultant shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

11. **Independent Consultant.** Consultant is an independent contractor engaged by City to perform the services described herein and as such (i) shall employ such persons as it shall deem necessary and appropriate for the performance of its obligations pursuant to this Agreement, who shall be employees, and under the direction, of Consultant and in no respect employees of City, and (ii) shall have no authority to employ persons, or make purchases of equipment on behalf of City, or otherwise bind or obligate City. No statement herein shall be construed to find the Consultant an employee of the City.

12. **Insurance.**

A. **General Liability.** Prior to starting the Work, Consultant shall procure, maintain and pay for such insurance as will protect against claims or loss which may arise out of operations by Consultant or by any subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this Paragraph, or required by law. The policy(ies) shall name the City as an additional insured for the services provided under this Agreement and shall provide that the Consultant's coverage shall be primary and noncontributory in the event of a loss.

B. Consultant shall procure and maintain the following minimum insurance coverages and limits of liability on this Project:

Worker's Compensation	Statutory Limits
Employer's Liability	\$500,000 each accident
Liability	\$1,500,000 property damage and bodily injury per occurrence
	\$2,000,000 general aggregate
	\$2,000,000 Products – Completed Operations Aggregate

\$100,000 fire legal liability each occurrence

\$5,000 medical expense

Comprehensive Automobile

Liability \$1,000,000 combined single limit each accident (shall include coverage for all owned, hired and non-owned vehicles.

Umbrella or Excess Liability \$1,000,000

- C. The Comprehensive General/Commercial General Liability policy(ies) shall be equivalent in coverage to ISO form CG 0001, and shall include the following:
- a. Premises and Operations coverage with no explosions, collapse, or underground damage exclusion (XCU).
  - b. Products and Completed Operations coverage. Consultant agrees to maintain this coverage for a minimum of two (2) years following completion of its work. Said coverage shall apply to bodily injury and property damage arising out of the products-completed operations hazard.
  - c. Personal injury with Employment Exclusion (if any) deleted.
  - d. Broad Form CG0001 0196 Contractual Liability coverage or its equivalent.
  - e. Broad Form Property Damage coverage, including completed operations, or its equivalent.
  - f. Additional Insured Endorsement(s), naming the "City of Lake Elmo" as an Additional Insured, on ISO forms CG 2010 07 04 and CG 2037 07 04, or their equivalent.
  - g. If the Work to be performed is on an attached community, there shall be no exclusion for attached or condominium projects.
  - h. "Stop gap" coverage for work in those states where Workers' Compensation insurance is provided through a state fund if Employer's liability coverage is not available.
  - i. Severability of Insureds provision.
- D. Professional Liability Insurance. The Consultant agrees to provide to the City a certificate evidencing that they have in effect, with an insurance company in good standing and authorized to do business in Minnesota, a professional liability insurance policy. Said policy shall insure payment of damage for legal liability arising out of the performance of professional services for the City. Said policy shall provide an aggregate limit of \$2,000,000. Said policy shall not name the City as an insured.
- E. Consultant shall maintain in effect all insurance coverages required under this Paragraph at Consultant's sole expense and with insurance companies licensed to do business in the state in Minnesota and having a current rating of no less than A-, unless

specifically accepted by City in writing. In addition to the requirements stated above, the following applies to the insurance policies required under this Paragraph:

- a. All policies, except the Professional Liability Insurance policy, shall be written on an “occurrence” form (“claims made” and “modified occurrence” forms are not acceptable);
- b. All policies, except the Professional Liability Insurance policy, shall be apply on a “per project” basis;
- c. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall contain a waiver of subrogation naming “the City of Lake Elmo”;
- d. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall name “the City of Lake Elmo” as an additional insured;
- e. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall insure the defense and indemnity obligations assumed by Consultant under this Agreement; and
- f. All polices shall contain a provision that coverages afforded there under shall not be canceled or non-renewed, nor shall coverage limits be reduced by endorsement, without thirty (30) days prior written notice to the City.

**A copy of the Consultant’s Certificate of Insurance, which evidences the compliance with this Paragraph, must be filed with City prior to the start of Consultant’s Work.** Upon request a copy of the Consultant’s insurance declaration page, Rider and/or Endorsement, as applicable shall be provided. Such documents evidencing Insurance shall be in a form acceptable to City and shall provide satisfactory evidence that Consultant has complied with all insurance requirements. Renewal certificates shall be provided to City prior to the expiration date of any of the required policies. City will not be obligated, however, to review such Certificate of Insurance, declaration page, Rider, Endorsement or certificates or other evidence of insurance, or to advise Consultant of any deficiencies in such documents and receipt thereof shall not relieve Consultant from, nor be deemed a waiver of, City’s right to enforce the terms of Consultant’s obligations hereunder. City reserves the right to examine any policy provided for under this paragraph.

- F. **Effect of Consultant’s Failure to Provide Insurance.** If Consultant fails to provide the specified insurance, then Consultant will defend, indemnify and hold harmless the City, the City’s officials, agents and employees from any loss, claim, liability and expense (including reasonable attorney’s fees and expenses of litigation) to the extent necessary to afford the same protection as would have been provided by the specified insurance. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to the City (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of Consultant, its subcontractors, agents, employees or delegates. Consultant agrees that this indemnity shall be construed and applied in favor of indemnification. Consultant also agrees that if applicable law limits or precludes any aspect of this indemnity, then the

indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

If a claim arises within the scope of the stated indemnity, the City may require Consultant to:

- a. Furnish and pay for a surety bond, satisfactory to the City, guaranteeing performance of the indemnity obligation; or
- b. Furnish a written acceptance of tender of defense and indemnity from Consultant's insurance company.

Consultant will take the action required by the City within fifteen (15) days of receiving notice from the City.

13. **Indemnification.** Consultant agrees to defend, indemnify and hold the City, its officers, and employees harmless from any liability, claims, damages, costs, judgments, or expenses, including reasonable attorney's fees, to the extent attributable to a negligent or otherwise wrongful act or omission (including without limitation professional errors or omissions) of the Consultant, its agents, employees, or subcontractors in the performance of the services provided by this Agreement and against all losses by reason of the failure of said Consultant fully to perform, in any respect, all obligations under this Agreement. Consultant further agrees to indemnify the City for defense costs incurred in defending any claims, unless the City is determined to be at fault.
14. **Ownership of Documents.** All plans, diagrams, analyses, reports and information generated in connection with the performance of the Agreement ("Information") shall become the property of the City, but Consultant may retain copies of such documents as records of the services provided. The City may use the Information for its purposes and the Consultant may use the Information for its purposes. Use of the Information for the purposes of the project contemplated by this Agreement ("Project") does not relieve any liability on the part of the Consultant, but any use of the Information by the City or the Consultant beyond the scope of the Project is without liability to the other, and the party using the Information agrees to defend and indemnify the other from any claims or liability resulting therefrom.
15. **Non-Discrimination.** During the performance of this Agreement, the Consultant shall not discriminate against any employee or applicants for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation or age. The Consultant shall post in places available to employees and applicants for employment, notices setting forth the provision of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Consultant shall incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work. The Consultant further agrees to comply with all aspects of the Minnesota Human Rights Act, Minnesota Statutes 363.01, et. seq., Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990.
16. **Compliance with Laws and Regulations.** In providing services hereunder, the Consultant

shall abide by statutes, ordinances, rules, and regulations pertaining to the provisions of services to be provided. Any violation of statutes, ordinances, rules and regulations pertaining to the services to be provided shall constitute a material breach of this Agreement and entitle the City to immediately terminate this Agreement

17. **Mediation.** Each dispute, claim or controversy arising from or related to this agreement shall be subject to mediation as a condition precedent to initiating arbitration or legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No arbitration or legal or equitable action may be instituted for a period of 90 days from the filing of the request for mediation unless a longer period is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties. Mediation shall be held in the City of Lake Elmo unless another location is mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a mediated settlement agreement, which agreement shall be enforceable as a settlement in any court having jurisdiction thereof.
18. **Assignment.** Neither party shall assign this Agreement, nor any interest arising herein, without the written consent of the other party.
19. **Services Not Provided For.** No claim for services furnished by the Consultant not specifically provided for herein shall be honored by the City.
20. **Severability.** The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.
21. **Entire Agreement.** The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.
22. **Waiver.** Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.
23. **Governing Law.** This Agreement shall be controlled by the laws of the State of Minnesota.
24. **Conflicts.** No salaried officer or employee of the City and no member of the Council of the City shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision renders the Agreement void.
25. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original.

**Executed as of the day and year first written above.**

CITY OF LAKE ELMO

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Michael Pearson, Mayor

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Kristina Handt, City Administrator

FIRM NAME

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By:

Its:

Cost Worksheet											
<b>Vendor-Hosted Cost Worksheet Instructions:</b> Provide a cost response for each cost area, based upon system modules for a vendor-hosted application. The pricing should be based on the detailed functionality that the City requires for each functional area. When a single price may be provided for a group of modules, please provide that cost with a notation. All additional costs should be captured in the respective areas.											
Cost Area	#1 General Ledger and Financial Reporting	#2 Budgeting	#3 Accounts Payable	#4 Accounts Receivable and Cash Receipts	#5 Project Accounting	#6 Capital Assets (Optional)	#7 Human Resources	#8 Payroll	#9 Special Assessments (Optional)	#10 Utility Billing (Optional)	Total
<b>One-Time Costs:</b>											
Software License Costs											0
Software Customization Costs											0
Interfaces/Integration Costs											0
Data Conversion Costs											0
Professional Service Costs (not including integration and interfaces)											0
Training Costs											0
Server Hardware Costs											0
Expenses (miscellaneous)											0
<b>Total One-Time Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring Maintenance Costs:</b>											
Annual Maintenance											0
Custom Modification Maintenance (if applicable)											0
Additional Maintenance Fees											0
<b>Total Recurring Maintenance Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Maintenance Schedule:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 4</b>	<b>Year 5</b>							
Rate of Increase over Prior Year (as a percentage)											
Maintenance Costs (as a dollar amount)											
<b>Additional Costs:</b>											
Hourly Rate for Professional Services											
Hourly Rate for Custom Programming											
Annual rental cost for time clocks per device.											
Other Costs (if applicable; please specify the nature of these costs)											

Cost Worksheet											
<b>City-Hosted via Third Party IT Contract-Cost Worksheet Instructions:</b> Provide a cost response for each cost area, based upon system modules for a vendor-hosted application. The pricing should be based on the detailed functionality that the City requires for each functional area. When a single price may be provided for a group of modules, please provide that cost with a notation. All additional costs should be captured in the respective areas.											
Cost Area	#1 General Ledger and Financial Reporting	#2 Budgeting	#3 Accounts Payable	#4 Accounts Receivable and Cash Receipts	#5 Project Accounting	#6 Capital Assets (Optional)	#7 Human Resources	#8 Payroll	#9 Special Assessments (Optional)	#10 Utility Billing (Optional)	Total
<b>One-Time Costs:</b>											
Software License Costs											0
Software Customization Costs											0
Interfaces/Integration Costs											0
Data Conversion Costs											0
Professional Service Costs (not including integration and interfaces)											0
Training Costs											0
Server Hardware Costs											0
Expenses (miscellaneous)											0
<b>Total One-Time Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring Maintenance Costs:</b>											
Annual Maintenance											0
Custom Modification Maintenance (if applicable)											0
Additional Maintenance Fees											0
<b>Total Recurring Maintenance Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Maintenance Schedule:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 4</b>	<b>Year 5</b>							
Rate of Increase over Prior Year (as a percentage)											
Maintenance Costs (as a dollar amount)											
<b>Additional Costs:</b>											
Hourly Rate for Professional Services											
Hourly Rate for Custom Programming											
Annual rental cost for time clocks per device.											
Other Costs (if applicable; please specify the nature of these costs)											

**City Project Team**

**Instructions:** The vendor is asked to provide the amount of resources that will be required from the City, in terms of number of hours. These amounts should be based on the functionality the City desires.

Functional Area	Requirements and Design	Configuration and Setup	Implementation	Testing	Training	Total
General and Technical						0
General Ledger and Financial Reporting						0
Budgeting						0
Accounts Payable						0
Accounts Receivable and Cash Receipts						0
Project Accounting						0
Capital Assets						0
Human Resources						0
Payroll						0
Special Assessments						0
Utility Billing						0
Interfaces						0
<b>Total Hours By Project Phase:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Vendor Project Team**

**Instructions:** The vendor is asked to provide the amount of resources that will be committed to the project in terms of number of hours. These amounts should be based on the functionality the City desires.

Functional Area	Requirements and Design	Configuration and Setup	Implementation	Testing	Training	Total
General and Technical						0
General Ledger and Financial Reporting						0
Budgeting						0
Accounts Payable						0
Accounts Receivable and Cash Receipts						0
Project Accounting						0
Capital Assets						0
Human Resources						0
Payroll						0
Special Assessments						0
Utility Billing						0
Interfaces						0
<b>Total Hours By Project Phase:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT**

**AGENDA ITEM:** 2017 Seal Coat Project – Pay Request No. 1

**SUBMITTED BY:** Ryan Stempki, Project Engineer

**REVIEWED BY:** Krintina Handt, City Administrator  
Jack Griffin, City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council approve Pay Request No. 1?

**BACKGROUND:** The 2017 Seal Coat Project has been substantially completed for work in both Lake Elmo and West Lakeland Township. The only work remaining is for the contractor to place pavement marking tabs in Lake Elmo prior to public works striping the pavements later this fall. Payment in the amount of \$164,639.75 has been requested by the Contractor, Allied Blacktop Company, based upon the work completed. The City has retained 5% of the total work completed for punchlist items in the amount of \$8,665.25. The work completed for Lake Elmo streets was \$122,265.00. Per the Joint Services Agreement, West Lakeland Township will be invoiced \$51,040.00 for their portion of the construction costs.

**PROPOSAL DETAILS/ANALYSIS:** Allied Blacktop Company has submitted Pay Request No. 1 in the amount of \$164,639.75. The request has been reviewed and payment is recommended in the amount requested. The City has retained 5% of the total work completed for punchlist items in the amount of \$8,665.25.

**FISCAL IMPACT:** None. Payment is proposed in accordance with the Contract for the project. Payment remains within the authorized scope and budget.

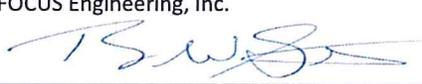
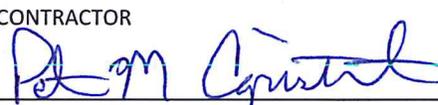
**RECOMMENDATION:** Staff is recommending that the City Council approve, *as part of the Consent Agenda*, Pay Request No. 1 for the 2017 Seal Coat project. If removed from the consent agenda, the recommended motion for the action is as follows:

***“Move to approve Pay Request No. 1 to Allied Blacktop Company in the amount of \$164,639.75 for the 2017 Seal Coat Project; which includes \$122,265.00 for work completed in the City of Lake Elmo; and \$51,040.00 for work completed in West Lakeland Township.”***

**ATTACHMENTS:**

1. Pay Estimate No. 1

**PROJECT PAY FORM**

PARTIAL PAY ESTIMATE NO. <u>1</u>		<b>FOCUS</b> ENGINEERING, inc.	
<b>2017 SEAL COAT PROJECT</b> PROJECT NO. 2017.118		PERIOD OF ESTIMATE FROM <u>6/6/2017</u> TO <u>7/10/2017</u>	
PROJECT OWNER: CITY OF LAKE ELMO 3800 LAVERNE AVENUE NORTH LAKE ELMO, MN 55042 ATTN: JACK GRIFFIN, P.E., CITY ENGINEER		CONTRACTOR: ALLIED BLACKTOP COMPANY 10503 89TH AVE N MAPLE GROVE, MN 55369 ATTN: PETER CAPISTRANT, PRESIDENT	
CONTRACT CHANGE ORDER SUMMARY		PAY ESTIMATE SUMMARY	
No.	Approval Date	Amount	
		Additions	Deductions
TOTALS		\$0.00	\$0.00
NET CHANGE		\$0.00	*Detailed Breakdown Attached
CONTRACT TIME			
START DATE:	<u>6/6/2017</u>	ORIGINAL DAYS	<u>86</u>
SUBSTANTIAL COMPLETION:	<u>7/21/2017</u>	REVISED DAYS	<u>0</u>
FINAL COMPLETION:	<u>8/31/2017</u>	REMAINING	<u>52</u>
ON SCHEDULE			
		YES	<input checked="" type="checkbox"/>
		NO	<input type="checkbox"/>
ENGINEER'S CERTIFICATION: The undersigned certifies that the work has been reviewed and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.		FOCUS Engineering, inc.  ENGINEER <u>7/24/17</u> DATE	
CONTRACTOR'S CERTIFICATION: The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.		CONTRACTOR  BY <u>7/24/2017</u> DATE	
APPROVED BY OWNER: <b>CITY OF LAKE ELMO, MINNESOTA</b>			
BY _____		BY _____	
DATE _____		DATE _____	

# PAY ESTIMATE NO. 1

# FOCUS ENGINEERING, inc.

2017 SEAL COAT PROJECT  
CITY OF LAKE ELMO & WEST LAKELAND TOWNSHIP  
FOCUS PROJECT NO. 2017.118

CONTRACT DATED JUNE 6, 2017

ITEM NO.	DESCRIPTION	CONTRACT QUANTITY	ACTUAL QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT
<b>CITY OF LAKE ELMO</b>						
1	BITUMINOUS SEAL COAT WITH 1/8" DRESSER TRAP ROCK AND CRS-2P EMULSIFIED ASPHALT	107,250	107,250	SY	\$ 1.14	\$ 122,265.00
<b>CITY OF WEST LAKELAND</b>						
2	BITUMINOUS SEAL COAT WITH 1/8" DRESSER TRAP ROCK AND CRS-2P EMULSIFIED ASPHALT	44,000	44,000	SY	\$ 1.16	\$ 51,040.00
<b>TOTAL</b>						<b>\$ 173,305.00</b>



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT**

**AGENDA ITEM:** 2017 Street Improvements - Change Order No. 1

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Rob Weldon, Public Works Director  
Chad Isakson, Project Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council approve Change Order No. 1 for the 2017 Street Improvements?

**BACKGROUND:** Hardrives, Inc. was awarded a construction contract to complete the 2017 Street Improvements on May 16, 2017. The project is in construction with a substantial completion date of September 22, 2017.

**PROPOSAL DETAILS/ANALYSIS:** Hardrives, Inc. has submitted a change order to address two design changes requested by the City as follows:

1. Replace an existing roadway culvert that has collapsed (failed) that was not intended for replacement in the original contract. The work includes mobilization and replacement of a culvert that failed at Station 17+50 on 55<sup>th</sup> Street North.
2. Improve the installation of two culverts by extending them beyond the City right-of-way after obtaining easements from an abutting property. The work includes the extension of culvert 305-1 by approximately 8 feet with the installation of riprap; and the extension of culvert 306-1 by approximately 16 feet with the installation of riprap.

**FISCAL IMPACT:** This change order will increase the contract in the amount of \$15,742.25 bringing the revised construction contract to \$1,053,948.39. With this change order the project remains within the authorized project budget and contingencies.

**RECOMMENDATION:** Staff is recommending that the City Council approve, *as part of the Consent Agenda*, Change Order No. 1 for the 2017 Street Improvements. If removed from the consent agenda, the recommended motion for the action is as follows:

*“Move to approve Change Order No. 1 for the 2017 Street Improvements, thereby increasing the contract amount by \$15,742.25”.*

**ATTACHMENTS:**

1. Change Order No. 1.

**CONTRACT CHANGE ORDER FORM**

<b>CITY OF LAKE ELMO, MINNESOTA</b> <b>2017 STREET IMPROVEMENTS</b> <b>PROJECT NO. 2016.135</b>	<b>FOCUS ENGINEERING, inc.</b>
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**CHANGE ORDER NO.**     1     **DATE:**     July 25, 2017    

**TO:**     HARDRIVES, INC. 14475 QUIRAM DRIVE ROGERS, MN 55374    

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

**CHANGE ORDER DESCRIPTION / JUSTIFICATION:**

This change order is being processed at the direction of the City to amend the Contract to complete additional work as follows:

- 1) Replace an existing roadway culvert that has collapsed (failed) that was not intended for replacement in the original contract. The work includes mobilization and replacement of a culvert that failed at Station 17+50 on 55th Street North.
- 2) Improve the installation of two culverts by extending them beyond the City right-of-way after obtaining easements from an abutting property. The work includes the extension of culvert 305-1 by approximately 8 LF with the installation of rip rap; and the extension of culvert 306-1 by approximately 16-LF with the installation of rip rap.

**Attachments (list documents supporting change):**     Itemization of Items    

ITEM	DESCRIPTION OF PAY ITEM	UNIT	QTY	UNIT PRICE	INCREASE/(DECREASE)
	**See attached itemization				\$15,742.25
<b>NET CONTRACT CHANGE</b>					<b>\$15,742.25</b>

Amount of Original Contract	\$	1,038,206.14
Sum of Additions/Deductions approved to date (CO Nos. )	\$	0.00
Contract Amount to date	\$	1,038,206.14
Amount of this Change Order (ADD) ( <del>DEDUCT</del> ) (NO-CHANGE)	\$	15,742.25
Revised Contract Amount	\$	1,053,948.39

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

APPROVED BY ENGINEER: FOCUS Engineering, inc.

    *Chl dlh*      
 ENGINEER  
    7/25/2017      
 DATE

APPROVED BY CONTRACTOR

    *[Signature]*      
 BY  
    7/25/17      
 DATE

APPROVED BY OWNER: CITY OF LAKE ELMO, MINNESOTA

\_\_\_\_\_  
 BY  
 \_\_\_\_\_  
 DATE

\_\_\_\_\_  
 BY  
 \_\_\_\_\_  
 DATE

CHANGE ORDER NO. 1

2017 STREET IMPROVEMENTS  
 CITY OF LAKE ELMO, MINNESOTA  
 PROJECT NO. 2016.135



ITEM	DESCRIPTION OF PAY ITEM	UNIT	CHANGE ORDER			DESCRIPTION / JUSTIFICATION
			QUANTITY	UNIT PRICE	AMOUNT	
CO1-1	MOBILIZATION	LS	1.0	\$2,400.00	\$2,400.00	Replace an existing roadway culvert at station 17+50 on 55th Street North that has collapsed (failed) and was not intended for replacement in the original contract.
CO1-2	REMOVE STORM SEWER	LF	54.0	\$5.25	\$283.50	
CO1-3	18-INCH RCP STORM SEWER	LF	54.0	\$60.90	\$3,288.60	
CO1-4	18-INCH FES W/ TRASHGUARD	EA	1.0	\$2,205.15	\$2,205.15	
CO1-5	CONNECT TO EXISTING STRUCTURE	EA	1.0	\$700.00	\$700.00	
CO1-6	CULVERT 305-1 EXTENSION	LS	1.0	\$3,150.00	\$3,150.00	After obtaining easements from an abutting property owner the installation of Culvert 305-1 can be improved by extending the culvert an additional 8 LF beyond the street right-of-way. Work includes culvert extension and rip rap placement.
CO1-7	CULVERT 306-1 EXTENSION	LS	1.0	\$3,715.00	\$3,715.00	After obtaining easements from an abutting property owner the installation of Culvert 306-1 can be improved by extending the culvert an additional 16 LF beyond the street right-of-way. Work includes culvert extension and rip rap placement.

TOTALS - CHANGE ORDER NO. 1

\$15,742.25



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT**

**AGENDA ITEM:** CSAH 13 (Ideal Avenue) Improvements – Approve Cooperative Agreement Payment No. 2

**SUBMITTED BY:** Chad Isakson, Project Engineer

**REVIEWED BY:** Krintina Handt, City Administrator  
Jack Griffin, City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council approve Payment No. 2 for the CSAH 13 (Ideal Avenue) Improvements?

**BACKGROUND, PROPOSAL DETAILS/ANALYSIS:** In May 2017, the City of Lake Elmo entered into Cooperative Agreement No. 10904 with Washington County for the cost sharing of the CSAH 13 (Ideal Avenue) Improvements. In accordance with the agreement payment schedule, Washington County has submitted Invoice #125153 in the amount of \$1,256.83. The amount requested reflects the City's share of the construction costs expended through partial pay estimate #1 to the general contractor. The invoice has been reviewed and payment is recommended in the amount requested.

**FISCAL IMPACT:** No additional fiscal impact. Payment is proposed in accordance with Cooperative Agreement No. 10904 with Washington County.

**RECOMMENDATION:** Staff is recommending that the City Council approve, *as part of the Consent Agenda*, payment to Washington County in the amount of \$1,256.83 for the CSAH 13 (Ideal Avenue) Improvements. If removed from the consent agenda, the recommended motion for the action is as follows:

***“Move to approve payment to Washington County in the amount of \$1,256.83 for CSAH 13 (Ideal Avenue) Improvements in accordance with Invoice #125153 attached and per Section G of Cooperative Agreement No. 10904.”***

**ATTACHMENTS:**

1. Washington County Invoice No. 125153 and supporting detail.



WACO PUBLIC WORKS DEPT  
 11660 MYERON RD N  
 STILLWATER MN 55082

<i>Invoice</i>	
Invoice Number:	125153
Account Number:	20498
Due Date:	8/17/17
Amount Enclosed:	\$ _____
Federal Tax Id:41-6005919	

To: LAKE ELMO CITY  
 3800 LAVERNE AVE N  
 LAKE ELMO MN 55042-9629

*Please return top portion with payment. Thank You.*

Invoice											
Date	Number	Type	Due Date	Remark	Amount						
7/18/17	125153	Invoice	8/17/17	CSAH 13-TH5 to CSAH 35	\$1,256.83						
			8/17/17	Construction costs through							
			8/17/17	partial estimate #1							
			8/17/17	*****							
			8/17/17	City/County Cooperative							
			8/17/17	Agreement No. 10904							
I declare under the penalties of law that this account claim or demand, is just and correct and no part of it has been paid.  Please make check payable to <b>Washington County</b> and mail to the address above.					<table border="1" style="width: 100%;"> <tr> <td style="text-align: right;"><b>Invoice Total</b></td> <td style="text-align: right;">\$1,256.83</td> </tr> <tr> <td style="text-align: right;"><b>Sales Tax</b></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>Balance Due</b></td> <td style="text-align: right;">\$1,256.83</td> </tr> </table>	<b>Invoice Total</b>	\$1,256.83	<b>Sales Tax</b>		<b>Balance Due</b>	\$1,256.83
<b>Invoice Total</b>	\$1,256.83										
<b>Sales Tax</b>											
<b>Balance Due</b>	\$1,256.83										

CSAH 13 - TH 5 to CSAH 35 - Billing Summary  
City of Lake Elmo  
County/City Cooperative Agreement #10904  
Through Cost Split #1  
7/18/2017

	Estimated Cost (from Cooperative Agreement)	Current Cost (based on Bid)	Previously Billed	Current Amount Due
Construction	\$ 328,120.80	\$ 29,508.54	\$ 28,251.71	\$ 1,256.83
Design Engineering	\$ 38,999.17	\$ 38,999.17	\$ 38,999.17	\$ -
Construction Engineering/Contract Administration	\$ 16,419.42	\$ -	\$ -	\$ -
Right of Way				
Road Improvements (36.1%)	\$ 96,855.00	\$ -	\$ -	\$ -
Storm Pond (20%)	\$ 68,000.00	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 548,394.39</b>	<b>\$ 68,507.71</b>	<b>\$ 67,250.88</b>	<b>\$ 1,256.83</b>



## STAFF REPORT

DATE: August 1, 2017

### **CONSENT MOTION**

**TO:** Mayor and City Council

**FROM:** Kristina Handt, City Administrator

**AGENDA ITEM:** Service Contract with Youth Service Bureau

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### **BACKGROUND:**

Statutory cities, like Lake Elmo, are limited to the authority granted to them under state statute. Generally, cities are not granted authority to make donations to non-profits. However, a city may use its contracting powers to enter into an agreement for services from a non-profit. The City has been giving money to Youth Service Bureau (YSB) for a number of years. It is typically handled in the annual budgeting process. In 2016, \$5,000 was budgeted. In 2017 the amount budgeted was \$5,250.

### **ISSUE BEFORE COUNCIL:**

Should the city approve a service contract with Youth Service Bureau?

### **PROPOSAL DETAILS/ANALYSIS:**

Included in your packet is a contract for services between Youth Service Bureau and the City of Lake Elmo for 2018. The contract outlines the services provided by Youth Service Bureau to a person living in, attending school in or issued a citation in the City of Lake Elmo. In exchange, the City of Lake Elmo will pay \$5,250 to YSB for these services.

The City Attorney has reviewed the contract and her comments were incorporated into the latest draft by YSB. Bob Sherman, Executive Director of Youth Service Bureau will be at the meeting if there are any questions.

### **FISCAL IMPACT:**

The fee for the service for 2018 is \$5,250. This amount has been included in the first draft of the budget presented to Finance Committee on 7/13/17.

### **OPTIONS:**

- 1) Approve the service contract
- 2) Amend and then approve the service contract
- 3) Do not approve the service contract

### **RECOMMENDATION:**

If removed from the consent agenda:

**Motion to approve the 2018 Service Contract with Youth Service Bureau**

### **ATTACHMENTS:**

- 2018 Contract
- Info Sheet on Services Provided

## **Service Contract between CITY OF LAKE ELMO and YOUTH SERVICE BUREAU, INC.**

The City of Lake Elmo, 3800 Laverne Avenue North, Lake Elmo, Minnesota 55042, hereinafter referred to as the "City," and Youth Service Bureau, Inc., 101 West Pine Street, Stillwater, Minnesota, 55082, hereinafter referred to as the "Contractor," enter into this agreement for the period from January 1, 2018, to December 31, 2018.

WHEREAS, the City is committed to using community-based approaches to strengthen individuals, families, and community;

WHEREAS, the City has identified the following outcomes for juvenile diversion and early intervention:

Juvenile offenders will be held accountable for their actions by engaging in activities that repair the harm done to the victim and community and will participate in programs that promote an increased understanding of the impact of their offense on victims, communities, and themselves;

Crime victims will be notified of diversion proceedings; will have opportunities to provide input; and, if willing, will have the opportunity to participate in the process;

Community members will have active and direct involvement in programming;

WHEREAS, the City, pursuant to its goals of providing accountability and the most appropriate diversion and early intervention available to juvenile offenders, wishes to purchase services for youth involved in at-risk behavior from the Contractor to support these outcomes;

NOW, THEREFORE, the parties agree as follows:

### **1. Contractor's Responsibilities**

Contractor agrees to provide the following services:

- a) Complete an in-person intake meeting with the juvenile and parent(s) with all qualified referrals and to include approved standardized screening tools.
- b) Provide Community Work Service (CWS), and recruit and support CWS sites. Supervise and monitor community work service clients who are ordered by a court and/or referred by local law enforcement officials. Actively connect with CWS sites in the community, strengthen those relationships and seek/develop new CWS sites for youth.
- c) Provide educational and prevention/early-intervention programs, specifically as follows: chemical awareness, bullying awareness, conflict awareness, theft awareness, or another approved alternative. Eligible juveniles include those who are Court-ordered, and those who are referred by local law enforcement, schools, or parents. The reason for the referral must be for behavior or actions that could result in a police report, a citation, or a petition for delinquency.
- d) Provide evaluation and counseling. Counseling services can include crisis intervention, individual and family and group counseling. Families will pay for these services using insurance coverage or by using an available sliding-fee scale. The City subsidizes costs of counseling services after the family's insurance coverage or ability to pay has been exhausted.

e) Provide victims of crimes diverted by local law enforcement the opportunity for direct or indirect involvement into how the juvenile should be held accountable, including consideration of the impact of the crime on the victim and any specific needs for restitution. When necessary, due to the nature of the offense, restitution will be determined, collected, and paid to the victim.

f) When possible and appropriate, facilitate restorative justice interventions, such as victim-offender mediation, family group conferencing, and/or community-panels, so that juvenile offenders are held directly accountable to the victim and victimized community through some form of reparation.

g) Monitor agreements or contracts to ensure follow-through by juvenile offenders. The agency agrees to use a standardized contract form as developed by the Washington County Juvenile Probation Aide and the individual Youth Diversion Specialists at quarterly meetings. Ongoing communication between the Diversion Specialists and the referring parties is expected to allow for maximum case-management and coordination.

h) The Contractor agrees to provide the programs for youth and families enumerated in Attachment A, which is incorporated herein by reference.

## **2. Client Eligibility**

A person, subject to the purview of the City (meaning such persons as live in, attend school in, or are issued a citation in the city) between the ages of five and eighteen, or older if still in high-school, their family members, and the victims of juvenile crime who are assessed to be appropriate shall be eligible for services provided under the terms of this Agreement.

**3. Cost and Delivery of Purchased Services** – The total amount to be paid to the Contractor for services purchased under this agreement shall not exceed Five Thousand Two Hundred and Fifty Dollars (\$5,250.00). For these services, the City agrees to make annual/quarterly payments to the Contractor of Five Thousand Two Hundred and Fifty Dollars (\$5,250.00) on or about January 15, 2018. The City acknowledges that evaluation and counseling services will be provided to families at rates set by YSB, which may be paid through insurance or directly by families with the ability to pay for such services.

**4. Evaluation, Reporting, and Information Requirements** – The Contractor agrees to reasonable evaluations of its programs, employees, and volunteers and make them available for review by the City if so requested. The Contractor agrees to comply with all reporting requirements as assigned by law, rule, or contract by the State of Minnesota. The Contractor further agrees to abide by all laws and rules regarding confidentiality and data practices. The Contractor agrees to provide necessary information allowed by law and deemed necessary by the City and/or local law enforcement on referred cases.

**5. Indemnification** – The Contractor agrees to indemnify, defend, and hold harmless the City, its officers, employees, and agents for all claims arising out of the Contractor's activities related to the services provided under this agreement up to the liability limits set forth in Minn. Stat. 466.04. The City will indemnify YSB, Inc., from and against all liability up to the liability limits set forth in Minn. Stat. 466.04. No other provision of this agreement shall serve to limit in any way the obligations of the Contractor to indemnify and defend the City under this clause.

**6. Insurance Requirements** – The Contractor agrees that in order to protect it self, as well as

the City, from claims arising out of the Contractor's activities under this agreement, it will at all times during the term of this agreement keep in force policies of insurance providing the following coverage: professional liability insurance in the amount of One Million Dollars (\$1,000,000); comprehensive general liability insurance policy in the amount of One Million Dollars (\$1,000,000); automobile liability insurance, including non-owned and hired autos, in the amount of One Million Dollars (\$1,000,000). The Contractor further agrees to maintain Workers' Compensation insurance as required by applicable law. Contractor will also maintain excess liability coverage in the amount of One Million Dollars (\$1,000,000) per occurrence. Certificates of Insurance showing the coverage listed herein shall be provided to the City within 30 days of the effective date of this contract.

7. **Data Privacy** – All data collected, created, received, maintained, or disseminated for any purpose by the activities of the Contractor because of this agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Chapter 13, as amended, the Minnesota Rule implementing such Act now in force or as adopted, as well as federal regulations on data privacy.
8. **Record Disclosures/Monitoring** – Pursuant to Minn. Stat. 16C.05, Subd. 5, the Contractor agrees that the City, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Contractor and involve transactions relating to this agreement. The Contractor agrees to maintain these records for a period of three years from the date of termination of this agreement.
9. **Nondiscrimination** – During the performance of this agreement, the Contractor agrees to the following: No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, criminal record, creed, or national origin be excluded from full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.
10. **Independent Contractor** – Nothing contained in this agreement is intended or should be construed as creating the relationship of co-partners or joint ventures with the City or the City's law enforcement services provider. No tenure or any rights or benefits, including Workers' Compensation, unemployment insurance, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to City employees shall accrue to the Contractor or employees of the Contractor performing services under this agreement.
11. **Conditions of the Parties' Obligation** – This agreement may be canceled by either party at any time, with or without cause, upon 30 days' notice, in writing, delivered by mail, or in person. Any alterations, variations, modifications, or waivers of the provisions of this agreement shall be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this agreement. In the case of cancellation of this contract, the fee will be refunded on a prorated basis based on the number of months left in the contract.
12. **Compliance With Law** – The Contractor shall abide by all federal, state, or local laws, statutes, ordinances, rules, and regulations now in effect or hereinafter adopted insofar as they relate to the Contractor's performance of the provisions of this agreement.

**13. Firearms** – Unless specifically required by the terms of this contract, no provider of services pursuant to this contract, including, but not limited to, employees, agents, or subcontractors of the Contractor shall carry or possess a firearm on City premises. Violation of this provision shall be considered a substantial breach of the agreement. Violation of this provision is grounds for immediate suspension or termination of this contract, without notice, pursuant to Section 12.

**14. Savings Clause** – If any section of this agreement is found to be invalid or not enforceable, the remainder of the agreement will remain in force and binding.

**15. Governing Law** – The laws of Minnesota shall govern the interpretation and prosecution of this agreement.

**16. Notices** – If any official correspondence concerning this agreement needs to be communicated to the other party, the following shall be deemed the effective addresses

As to the City:

City Administrator  
City of Lake Elmo  
3800 Laverne Avenue North  
Lake Elmo, MN 55042

As to the Contractor:

Youth Service Bureau, Inc.  
101 West Pine Street  
Stillwater, MN 55082

IN WITNESS THEREOF, the City and the Contractor have executed this agreement this

\_\_\_\_\_ day of \_\_\_\_\_, 2017.

By: \_\_\_\_\_  
Mayor, City of Lake Elmo

By: \_\_\_\_\_  
City Clerk, City of Lake Elmo

By: \_\_\_\_\_  
Robert T. Sherman  
Executive Director  
Youth Service Bureau, Inc.



*Helping youth and families learn the skills they need to be more successful at home, in school and throughout the community.*

[www.ysb.net](http://www.ysb.net)

June 27, 2017

City of Lake Elmo  
Attn: Kristina Handt, City Administrator  
3800 Laverne Avenue North  
Lake Elmo, MN 55042-9629

Dear Kristina,

Thank you for the City of Lake Elmo's past support of Youth Service Bureau, Inc. (YSB). For 2018, YSB is asking you to renew your commitment by investing \$5,250 to help youth and families in our community learn the skills they need to become more successful at home, in school, and throughout the community.

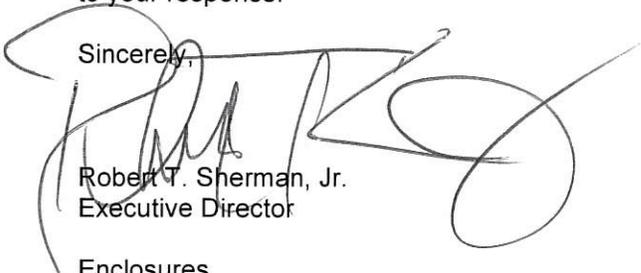
- **YSB seeks to serve all youth and families in the St. Croix Valley by providing effective diversion, counseling, school-based chemical health prevention and youth & family education services.** We use a variety of prevention and early intervention strategies that start with identifying strengths first building individualized plans with youth and families.
- **YSB diversion and counseling services offer timely support to address challenges as they occur.** Most new families can be offered an appointment within a week of initial contact, and in a crisis can often be offered a same day appointment.
- **YSB provides quality service regardless of family income or ability to pay.** YSB is affordable and accessible to all youth and families, utilizing insurance and a sliding fee scale as needed.
- **YSB has a broad impact with the support of extensive community partnerships and networks – partners like you.** We collaborate closely with schools, law enforcement, and community organizations to comprehensively support youth and families we serve.

Last year YSB provided 7007 hours of services to 1210 youth and their families throughout Washington County and 5600 attended 122 Youth & Family Education sessions. We know that our programs make a real difference in the lives of youth and families by improving school performance and health outcomes and reducing truancy, near-term court costs, and the need for social services. A summary of the number of youth served and hours of service provided in your area is enclosed.

Youth Service Bureau is also responding to the needs in our community through an expansion campaign, which includes adding three additional Youth & Family Therapists and three additional Chemical Health Specialists to better serve the needs in our schools and community.

If you would like us to make a short presentation about our work in Lake Elmo at an upcoming City Council Meeting, please contact us at 651-439-8800. Thank you for your past support in finding local solutions that help youth and their families make better choices and have brighter futures. We appreciate your consideration of our request and look forward to your response.

Sincerely,



Robert T. Sherman, Jr.  
Executive Director

Enclosures

**COTTAGE GROVE**  
7064 W. Point Douglas Road, Suite #201  
Cottage Grove, MN 55016  
651-458-5224

**STILLWATER**  
Washington County Historic Courthouse  
101 Pine Street West, Stillwater, MN 55082  
651-439-8800

**WOODBURY**  
7876 Hudson Road, Suite #1  
Woodbury, MN 55125  
651-735-9534

## Youth Service Bureau, Inc. Municipality Report - City of Lake Elmo

<b>Youth Served</b>	<b>2016</b>
Diversion Services	16
School-based Services	34
Therapy Services	7
<b>TOTAL</b>	<b>57</b>

### **Hours of YSB service provided**

Diversion Services	57
School-Based Services	271
Therapy Services	96
Other Services	
Camp (Scholarships)	0
<b>TOTAL</b>	<b>424</b>

Restitution paid by your youth	\$0.00
CWS hours completed by your youth	86

	Hours of Service	# of Attendees
Youth and Family Presentations in Washington County	122	5600

### **Outcomes**

Diversion Services - 86% of youth completing our programs have not reoffended in the following 12 months.

School-Based Chemical Health - 88% indicated an increased resilience to drugs after 7 or more sessions.

Counseling - 71% of parents indicated that their child's issues were resolved or manageable.

Youth & Family Education - 69% indicated that they had increased their knowledge & awareness after attending an education seminar.



## STAFF REPORT

DATE: 8/1/2017

### **CONSENT MOTION**

**TO:** City Council

**FROM:** Rob Weldon, Public Works Director

**AGENDA ITEM:** Sunfish Lake Park Cross Country Trail Grooming Grant

**REVIEWED BY:** Kristina Handt, City Administrator

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### **BACKGROUND:**

For the past several years, the City has been a participant in the Cross Country Ski Trail Assistance Program sponsored by the Minnesota DNR. This program allows for reimbursement of costs related to maintaining the ski trails in the forms of fall trail maintenance and winter trail grooming. The proposed application would cover the 2017/2018 ski season in Sunfish Lake Park.

### **ISSUE BEFORE COUNCIL:**

Should the city pursue submission of a grant application for Cross Country Trail Grooming Reimbursement at Sunfish Lake Park?

### **PROPOSAL DETAILS/ANALYSIS:**

Each year the City of Lake Elmo has participated in the Cross Country Ski Trail Assistance Program for the trail system in Sunfish Lake Park. The fund allocations are driven by the number of participants in the program and the number of trail miles being maintained. The city has consistently received \$4,000-\$4,500 per year in grant funds to cover a portion of the costs related to the Cross Country Ski Trail maintenance in Sunfish Lake Park. These funds are used to help offset the cost of fall trail preparations and the cost of grooming throughout the winter months. A requirement of the application process is to attach a resolution providing City Council approval to sponsor the participation in the program.

### **FISCAL IMPACT:**

- If awarded, the city could receive approximately \$4,000 to \$4,500 to help offset the cost of trail maintenance.

### **OPTIONS:**

- Approve participation in Cross Country Trail Grooming Grant
- Deny participation in Cross Country Trail Grooming Grant
- Table for future discussion

**RECOMMENDATION:**

*“Motion to approve Resolution 2017-084 to approve grant submission to Minnesota Department of Natural Resources for Cross Country Ski Trail Grant-In-Aid Program.”*

**ATTACHMENTS:**

- Resolution 2017-084
- Grant Application

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

**RESOLUTION NO. 2017-084**

**A RESOLUTION RELATED TO SPONSORING THE CITY OF LAKE ELMO  
PARTICIPATION IN THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
CROSS-COUNTY SKI TRAIL GRANT-IN-AID PROGRAM FOR THE 2017/2018  
SEASON**

BE IT RESOLVED, by the City Council of the City of Lake Elmo, Minnesota, that the City of Lake Elmo will sponsor the City participation in the Minnesota Department of Natural Resources Cross-County Ski Trail Grant-In-Aid Program for the 2017/2018 Ski Season.

APPROVED by the Lake Elmo City Council on this 1st day of August 2017.

By: \_\_\_\_\_  
Mike Pearson  
Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk



**MINNESOTA CROSS-COUNTRY SKI TRAIL GRANT-IN-AID PROGRAM  
MAINTENANCE AND GROOMING APPLICATION**

**GENERAL INFORMATION**

Trail Name: <b>Sunfish Lake Park Cross Country Ski Trail</b>		Base Ski GIA Grant Amount: <b>\$ 4000.00</b>
Trail Association or Club Name (if applicable): <b>City of Lake Elmo</b>		Miles of Trail in GIA Program:
Trail Administrator Name: <b>Rob Weldon</b>	Trail Administrator Email: <b>rweldon@lakeelmo.org</b>	Trail Administrator Phone: <b>651-747-3941</b>
Trail Administrator/Association Mailing Address (Street, Box Number, City, State, and Zip Code): <b>3800 Laverne Ave N Lake Elmo, MN 55042</b>		
Trail Administrator Signature:		Trail Administrator Signed Date: <b>8/1/2017</b>

**UNIT OF GOVERNMENT/SPONSOR APPROVAL**

Unit of Government Sponsor: <b>City of Lake Elmo</b>	Sponsor Email: rweldon@lakeelmo.org	Sponsor Phone: <b>651-747-3941</b>
Authorized Representative of Sponsor Name: <b>Rob Weldon</b>	Authorized Representative of Sponsor Title: <b>Public Works Director</b>	
Sponsor Mailing Address (Street, Box Number, City, State, and Zip Code): <b>3800 Laverne Ave. N Lake Elmo, MN 55042</b>		
Sponsor Signature:		Sponsor Signed Date: <b>8/1/2017</b>

**REQUIRED ATTACHMENTS**

	Final Grooming Request for Reimbursement from Previous Year
	Local Unit of Government/Sponsor Resolution
	Map of Ski GIA Trail
	Sign Order (if applicable)

**DEPARTMENT OF NATURAL RESOURCES APPROVAL OF APPLICATION**

Parks and Trails Area Supervisor Signature:	Signed Date:
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## STAFF REPORT

DATE: August 1, 2017

**CONSENT**

**AGENDA ITEM:** Parks Commission Appointment

**SUBMITTED BY:** Kristina Handt, City Administrator

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**BACKGROUND:**

Shane Weis resigned from the Parks Commission in July. As a result, Jean Ollinger should be moved up from 1<sup>st</sup> alternate to a voting member (term ending 12/31/18) to complete Weis' term and Tucker Pearce moved from 2<sup>nd</sup> alternate to 1<sup>st</sup> alternate.

This leaves a vacancy in the 2<sup>nd</sup> alternate position.

**ISSUE BEFORE COUNCIL:**

Who should the Council appoint to the Parks Commission as a 2<sup>nd</sup> alternate?

**PROPOSAL:**

The City has received an application from John Mayek. The application was emailed to Council before the meeting.

**OPTIONS:**

- 1) Appoint John Mayek to the Parks Commission as 2<sup>nd</sup> Alternate
- 2) Appoint someone else to the Parks Commission as 2<sup>nd</sup> Alternate

**RECOMMENDATION:**

*"Motion to appoint John Mayek to the Parks Commission as 2<sup>nd</sup> Alternate"*



## STAFF REPORT

DATE: August 1, 2017

### **REGULAR MOTION**

**TO:** City Council  
**FROM:** Emily Becker, City Planner  
**AGENDA ITEM:** Reconsideration of Shoreland Variance - 9359 Jane Road North  
**REVIEWED BY:** Stephen Wensman, Planning Director

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### **BACKGROUND:**

The Council adopted Resolution 2017-062 at its June 20, 2017 meeting, which approved a variance request from Scott and Julie Drommerhausen of 9359 Jane Road North for variances to allow expansion of a non-conforming structure which does not meet the required minimum structure setback from the Ordinary High Water Level (OHWL) and maximum impervious surface standards of the City's shoreland district. The approval was subject to the following conditions:

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.
- 2) The Applicant shall direct appropriate rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff) designed by a professional engineer or landscape architect and installed under their direction. The rain garden should mitigate the increased impervious surface of the entire addition to the home (685 square feet).

The Council has now expressed the desire to reconsider the variance, specifically condition #2 outlined above.

### **ISSUE BEFORE THE COUNCIL:**

The Council is being asked to hold a public hearing and consider if the variance approval granted by adopted Resolution 2017-062 should be rescinded and if it should adopt a new resolution that approves the variance request with amended conditions of approval.

### **PROPOSAL DETAILS/ANALYSIS:**

**MNDNR Comments.** The Minnesota Department of Natural Resources (MNDNR) was noticed of the variance request as required by the City's Shoreland Ordinance, Section 154.800 of the Zoning Code. The MNDNR recommended denial of the variance request, as the proposed addition would increase the impervious surface on the property to 29.7% (which is almost twice the maximum impervious surface allowed for unsewered properties within a recreational development shoreland (15%)) and is in a shore impact zone. The MNDNR also recommended that if a variance was granted for this project, mitigation conditions should be included with the variance approval. These mitigation conditions could include modify construction design to minimize impact; direct rain gutter discharges into a rain garden; or restore shoreline vegetation to natural state.

**Planning Commission Recommendation.** Because of the MNDNR’s aforementioned recommendation, Staff and the Planning Commission recommended that a condition of approval of the requested variance be that the applicant direct appropriate rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff). Staff believed that this would be the least expensive and most reasonable option. Staff also added that the design of the rain garden be done by a professional engineer or landscape architect and installed under their direction in order to ensure the rain garden’s effectiveness. The Planning Commission recommended adding the Staff-recommended condition by adding that the rain garden should mitigate the increased impervious surface of the entire condition (685 square feet).

**Impervious Surface Added.** As mentioned in the report and presentation to Council as it considered the variance request, the proposed addition will be in place of an existing deck. The City does not consider decks to be impervious surface, while many other cities and the MNDNR do. The proposed addition will only add a total of 105 square feet to the existing footprint of the deck, but because the deck is considered pervious, a total of 685 square feet of impervious surface will be added.

**Rain Garden Cost.** Staff has asked the City’s Consulting Landscape Architect for a quote for the installation of a rain garden that would mitigate 685 square feet of impervious surface. This quote is attached. The projected costs of such a rain garden would be \$12,000.00. The City has required an escrow with release of the building permit for this addition to ensure the rain garden is installed. Should the Council wish to remove the condition of approval that the rain garden be installed, this escrow will be released back to the applicant.

**Public Hearing.** The City Attorney has verified that a public hearing is required for a variance amendment. The public hearing notice was advertised in the City’s official newspaper, and notices were sent to property owners within 350 feet of the subject property. Additionally, the MNDNR was notified per State Statute.

**FISCAL IMPACT:**

None.

**OPTIONS:**

The Council may:

- Adopt Resolution 2017-075, declaring Resolution 2017-067 rescinded and no longer in effect and approving the variance requests, subject to the amended conditions of approval.
- Amend Resolution 2017-075 and adopt as amended.
- Not adopt Resolution 2017-075.

**RECOMMENDATION:**

If the Council wishes to adopt Resolution 2017-075, it may do so with the following motion:

*“Move to adopt Resolution 2017-075, rescinding Resolution 2017-067 and approving requests for shoreland variances from the minimum structure setback from the Ordinary High Water Level and maximum impervious surface standards, subject to one condition of approval.”*

**ATTACHMENTS:**

- Previously adopted Resolution 2017-062
- MNDNR review letter
- Resolution 2017-075

- Quote for rain garden

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

**RESOLUTION 2017-062**

*A RESOLUTION APPROVING A VARIANCE FROM MINIMUM STRUCTURE SETBACK  
FROM ORDINARY HIGH WATER LEVEL AND MAXIMUM IMPERVIOUS SURFACE  
STANDARDS OF THE CITY'S SHORELAND DISTRICT*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Scott and Julie Drommerhausen, 9359 Jane Road North, Lake Elmo, MN 55042 (“Applicant”), has submitted an application to the City of Lake Elmo (the “City”) for variances to allow construction of an approximately 685 square-foot addition, which will replace an existing deck, to the east of an existing home currently setback 45.4 feet from the Ordinary High Water Level (OHWL) and maximum impervious surface standards to increase the current impervious surface percentage from 26.9% to 29.7%.

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 154.109; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on June 12, 2017; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated June 12, 2017; and

**WHEREAS**, the City Council considered said matter at its June 20, 2017 meeting.

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

- 1) That the procedures for obtaining said Variance are found in the Lake Elmo Zoning Ordinance, Section 154.109.
- 2) That all the submission requirements of said Section 154.109 have been met by the Applicant.
- 3) That the proposed variance includes the following components:

- a) A variance to allow for an addition to an existing single-family detached home that does not meet the minimum setback from the OHWL or maximum impervious surface requirements.
- 4) That the Variance will be located on property legally described as follows: Lots 9 & 10, Berschen's Shores, Washington County, Minnesota. PID# 10.029.21.24.0006.
- 5) That the strict enforcement of Zoning Ordinance would cause practical difficulties and that the property owner proposes to use the property in a reasonable manner not permitted by an official control. ***Specific findings: The subject property was platted prior to adjustment of the Ordinary High Water of Lake Jane and the adoption of Shoreland standards by the City, and therefore the lot is much wider than it is long. Because of the shape of the lot, the Applicant is proposing to expand the home laterally rather than further encroaching on the current setback of the Ordinary High Water Level. Additionally, the addition will not expand much more of the footprint of the principal structure, as a slightly smaller deck that will be torn down exists where the addition is being proposed. Additionally, although the City's ordinance does not treat decks as impervious, many do. If decks were considered impervious, the addition would only add 109 square feet of impervious surface, or an increase of about 0.46%.***
- 6) That the plight of the landowner is due to circumstances unique to the property not created by the landowner. ***Specific findings: The property is unique in that it is much wider than it is long, and the Applicant was not involved in the platting process of this property nor the adoption of the City's shoreland standards. The Applicant also was not involved in any previous variance requests for the subject property.***
- 7) That the proposed variance will not alter the essential character of the locality in which the property in question is located. ***Specific findings: The proposed addition is in place of an existing deck and only slightly increases the footprint of the existing principal structure, including the existing deck, by 109 square feet. Additionally, the proposed addition does not further encroach on the existing setback of the principal structure from the OHWL of the property and has a setback from the OHWL similar to those of adjacent principal structures.***
- 8) That the proposed variance will not impair an adequate supply of light and air to properties adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood. ***Specific findings: The proposed addition will not further encroach on the setback of the existing structure from the OHWL and therefore will not further impair lake views of neighboring properties and will not impair an adequate supply of light and air. It also will not increase congestion of public streets or substantially diminish or impair property values within the neighborhood. Adjacent properties, including the subject property, have been granted similar variances and are setback a similar distance from the OHWL.***

## CONCLUSIONS AND DECISION

Based on the foregoing, the Applicant's application for a Variance is granted, subject to the following conditions.

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.
- 2) The Applicant shall direct appropriate rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff) designed by a professional engineer or landscape architect and installed under their direction. The rain garden should mitigate the increased impervious surface of the entire addition to the home (685 square feet).

Passed and duly adopted this 20<sup>th</sup> day of June 2017 by the City Council of the City of Lake Elmo, Minnesota.

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Mike Pearson, Mayor

ATTEST:

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Julie Johnson, City Clerk

6/9/2017

Emily Becker  
Lake Elmo City Planner  
3800 Laverne Avenue North  
Lake Elmo, MN 55042

RE: Shoreland Variance Request at 9359 Jane Road North, Lake Elmo (Lake Jane - 82010400)

Emily –

The primary goal of limiting impervious surfaces within shoreland districts is to reduce the amount of runoff directed into Minnesota waters. Runoff from impervious surfaces travels over the land and carries pollutants such as nutrients, sediment, bacteria, pesticides, heavy metals, and organic wastes. Studies have consistently shown a strong, direct connection between the percentage of impervious surface in a watershed and water quality degradation. As impervious surface area expands, so does the volume of runoff, phosphorus, and sediment entering waters, causing nuisance algae blooms, reducing public enjoyment, and harming aquatic plants and animals.

Please use the attached MNDNR guidance on variances to maximum impervious surface in shoreland districts when evaluating this variance request against statutory criteria and developing a findings of fact. If findings support granting the variance, impacts to Lake Jane should be considered in developing appropriate conditions to mitigate those impacts.

This project would increase impervious surface from 26.9% to 29.7%, where the maximum impervious surface allowed is 15% for unsewered properties within the shoreland district of a recreational development lake. MNDNR recommends denial of this variance request because this additional increase in impervious surface would result in a percent impervious that would be nearly double the City's standard and because the proposed addition is within the shore impact zone (SIZ). If a variance is granted for this project, MNDNR recommends that the City of Lake Elmo include conditions on the variance that mitigate for this increase in percent impervious surface. Examples of appropriate mitigation conditions include:

- Modify construction design (to minimize impact).
- Direct rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff).
- Restore shoreline vegetation to natural state (to intercept and filter runoff coming from the structure).

Thank you for the opportunity to comment on this variance request.

Sincerely,



Jenifer Sorensen  
MNDNR, East Metro Area Hydrologist  
1200 Warner Road  
St. Paul, MN 55106  
651-259-5754 | [jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)

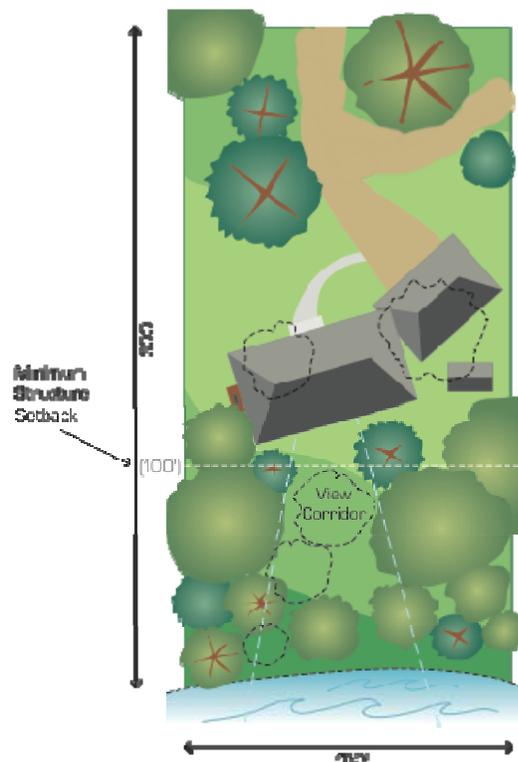
This is one of a series of examples developed as guidance for considering variance requests along lakes and rivers. Consult your local shoreland and floodplain ordinances.

### Why are impervious surface coverage limits important?

In the protection of water quality, the management of rainwater on individual lots is one of our most important tasks. Rainwater that does not infiltrate into the ground or evaporate runs downhill to lakes, wetlands, or rivers. As impervious surface coverage increases, the rate and amount of runoff and pollutants entering public waters increases. When runoff from impervious surface coverage is not addressed, pollution increases and the diversity of aquatic life is reduced. Local governments have limited discretion to deviate from - or grant a variance to - impervious surface limits. They may do so only if *all* of the variance criteria established in state statutes and their local ordinances are met. In evaluating such requests, local governments must examine the facts, determine whether all statutory and local criteria are satisfied, and develop findings to support the decision. If granted, local governments may impose conditions to protect resources. An example impervious surface variance request, with considerations, is provided below.

### Example Impervious Surface Variance Request

A property owner wishes to build a large lakehome on a conforming lot. The lake lot includes a private driveway with a spur to the neighbor's lot, which was placed to avoid an adjacent wetland. The building plans for the new construction plus the existing private road spur to the neighbor's property would exceed the impervious surface limit provision in the local ordinance.



### Considerations for Findings

A good record and findings help keep communities out of lawsuits and help them prevail if they find themselves in one. In evaluating the facts and developing findings for this variance request, *all* of the following statutory criteria must be satisfied, in addition to any local criteria:

- Is the variance in harmony with the purposes and intent of the ordinance?**  
Considering a variance request is a balancing test that requires weighing the need of an individual property owner against the purposes of the shoreland regulations for protecting the public interest. These purposes are derived from Minnesota Shoreland Rules, which established impervious surface caps to prevent excessive runoff from constructed surfaces. Such excessive runoff causes erosion, transport of pollutants to public waters thereby degrading water quality. **Considerations:** *Will deviating from the required limit on this property undermine the purposes and intent of the ordinance? Why or why not? Is it possible to mitigate the consequences of additional impervious surface on-site such that additional runoff will not be produced? Would this mitigation be in harmony with the purposes and intent of the ordinance? Why or why not?*
- Is the variance consistent with the comprehensive plan?**  
The local comprehensive plan establishes a framework for achieving a community's vision for the future. Most plans contain goals and policies for protecting natural resources and shorelands, as well as maps that identify areas of high risk or with high ecological value where development should be avoided. The variance request must be considered with these goals and policies in mind. Maps should be consulted to determine if the property is within any areas identified for protection. **Considerations:** *Which goals and policies apply? Is allowing additional impervious surface and runoff consistent with these goals and policies? Why or why not?*

- **Are there *unique circumstances* to the property not created by the landowner?**

Unique circumstances relate to physical characteristics of the land - such as lot dimensions, steep slopes, poor soils, wetlands, and trees. These *do not* include physical limitations or personal circumstances created by the property owner that prevent compliance with the impervious surface provision, such as size of home or design preferences. Consider what distinguishes this property from other shoreland properties to justify why the applicant should be able to deviate from the provision when others must comply. **Considerations:** *What physical characteristics are unique to this property that prevent compliance with the requirement? Were any difficulties in meeting the impervious surface limit created by some action of the applicant? Has the applicant demonstrated no other feasible alternatives exist that would not require a variance, such as increasing the setback to reduce driveway length or reducing the lakehome's footprint?*

- **Will the variance, if granted, alter the essential character of the locality?**

Consider the size of the proposed structure, the extent of encroachment, and how it relates to the shoreline and hydrology of the riparian area. A large addition located close to the shoreline can detract from the natural appearance and character of the lake and its riparian areas and degrade water quality by altering topography, drainage, and vegetation in the riparian area, negatively affecting recreational, natural, and economic values. **Considerations:** *Does the variance provide minimal relief or a substantial deviation from the required setback? Does it affect the natural appearance of the shore from the lake? Does it affect the hydrology of the riparian area?*

- **Does the proposal put property to use in a reasonable manner?**

Examine the reasons that the variance is requested and evaluate them in light of the purposes of the local shoreland ordinance and the public water resource at stake. Since the impervious surface cap is generally intended to reduce runoff to public waters, it may not be appropriate to allow large areas of constructed surfaces so close to the water. **Considerations:** *Has the applicant demonstrated that the proposed construction is reasonable in this location given the sensitive nature of the area and the purposes of the regulations? Why or why not?*

**Note:** *The last three criteria address practical difficulties. Economic considerations alone cannot create practical difficulties*

## Range of Outcomes

Based on the findings, several outcomes can occur:

- If the applicant fails to prove that *all* criteria above are met, then the variance must be denied. For example, the local government could find that the building plans itself created the circumstances necessary for a variance rather than the any unique physical characteristics of the property.
- If the applicant demonstrates that *all* criteria are met, then the variance may be granted. For example, the local government could find that the construction footprint is reasonable, the circumstances are unique given the adjacent wetland, and the minor deviation in the impervious surface coverage does not alter the hydrology of the area (as determined through runoff calculations).
- If the variance is granted and the impervious surface in any way alters the hydrology of the area, then conditions may be imposed, such as to increase the structure setback from the lake by 15 feet to reduce the extent of the driveway and minimize the amount of impervious surface coverage over the limit.

## Conditions on Variances

If findings support granting the variance, consideration must be given to the impacts on the public water and the riparian area and appropriate conditions to mitigate them. Conditions must be directly related and roughly proportional to the impacts created by the variance. Several examples are provided below:

- Modify construction designs (to minimize impact);
- Use permeable pavement systems for walkways, driveways, or parking areas (to reduce effective impervious surface area and infiltrate runoff);
- Direct rain gutter discharges away from the public waters and into infiltration basins (to reduce connected impervious coverage to allow additional areas for infiltration);
- Preserve and restore shoreline vegetation in a natural state (to intercept and filter runoff coming from structures and driveways); and/or
- Increase setbacks from the ordinary high water level (to provide infiltration near public waters).

More information at: [www.dnr.state.mn.us/waters/watermgmt\\_section/shoreland/variances.html](http://www.dnr.state.mn.us/waters/watermgmt_section/shoreland/variances.html)

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

**RESOLUTION 2017-075**

*A RESOLUTION RESCINDING RESOLUTION 2017-067 AND APPROVING A VARIANCE FROM MINIMUM STRUCTURE SETBACK FROM ORDINARY HIGH WATER LEVEL AND MAXIMUM IMPERVIOUS SURFACE STANDARDS OF THE CITY'S SHORELAND DISTRICT*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Scott and Julie Drommerhausen, 9359 Jane Road North, Lake Elmo, MN 55042 (“Applicant”), has submitted an application to the City of Lake Elmo (the “City”) for variances to allow construction of an approximately 685 square-foot addition, which will replace an existing deck, to the east of an existing home currently setback 45.4 feet from the Ordinary High Water Level (OHWL) and maximum impervious surface standards to increase the current impervious surface percentage from 26.9% to 29.7%.

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 154.109; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on June 12, 2017; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated June 12, 2017; and

**WHEREAS**, the City Council considered said matter at its June 20, 2017 meeting and adopted Resolution 2017-067, approving the variance request, subject to the following conditions of approval:

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.
- 2) The Applicant shall direct appropriate rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff) designed by a professional engineer or landscape architect and installed under their direction. The rain garden should mitigate the increased impervious surface of the entire addition to the home (685 square feet); and

**WHEREAS**, the Council wishes to remove the aforementioned condition of variance approval that the Applicant shall direct appropriate rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff) designed by a professional engineer or landscape architect and installed under their direction. The rain garden should mitigate the increased impervious surface of the entire addition to the home (685 square feet);

**WHEREAS**, the Council now rescinds Resolution 2017-067, and this Resolution is no longer in effect; and

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

- 1) That the procedures for obtaining said Variance are found in the Lake Elmo Zoning Ordinance, Section 154.109.
- 2) That all the submission requirements of said Section 154.109 have been met by the Applicant.
- 3) That the proposed variance includes the following components:
  - a) A variance to allow for an addition to an existing single-family detached home that does not meet the minimum setback from the OHWL or maximum impervious surface requirements.
- 4) That the Variance will be located on property legally described as follows: Lots 9 & 10, Berschen's Shores, Washington County, Minnesota. PID# 10.029.21.24.0006.
- 5) That the strict enforcement of Zoning Ordinance would cause practical difficulties and that the property owner proposes to use the property in a reasonable manner not permitted by an official control. *Specific findings: The subject property was platted prior to adjustment of the Ordinary High Water of Lake Jane and the adoption of Shoreland standards by the City, and therefore the lot is much wider than it is long. Because of the shape of the lot, the Applicant is proposing to expand the home laterally rather than further encroaching on the current setback of the Ordinary High Water Level. Additionally, the addition will not expand much more of the footprint of the principal structure, as a slightly smaller deck that will be torn down exists where the addition is being proposed. Additionally, although the City's ordinance does not treat decks as impervious, many do. If decks were considered impervious, the addition would only add 109 square feet of impervious surface, or an increase of about 0.46%.*
- 6) That the plight of the landowner is due to circumstances unique to the property not created by the landowner. *Specific findings: The property is unique in that it is much wider than it is long, and the Applicant was not involved in the platting process of this property nor the adoption of the City's shoreland standards. The Applicant also was not involved in any previous variance requests for the subject property.*
- 7) That the proposed variance will not alter the essential character of the locality in which the property in question is located. *Specific findings: The proposed addition is in place of an existing deck and only slightly increases the footprint of the existing principal structure, including the existing deck, by 109 square feet. Additionally, the proposed addition does not further encroach on the existing setback of the principal structure from the OHWL of*

*the property and has a setback from the OHWL similar to those of adjacent principal structures.*

- 8) That the proposed variance will not impair an adequate supply of light and air to properties adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood. *Specific findings: The proposed addition will not further encroach on the setback of the existing structure from the OHWL and therefore will not further impair lake views of neighboring properties and will not impair an adequate supply of light and air. It also will not increase congestion of public streets or substantially diminish or impair property values within the neighborhood. Adjacent properties, including the subject property, have been granted similar variances and are setback a similar distance from the OHWL.*

### CONCLUSIONS AND DECISION

Based on the foregoing, Resolution 2017-067 is rescinded and no longer in effect, and the Applicant's application for a Variance is granted, subject to the following conditions.

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.

Passed and duly adopted this 1<sup>st</sup> day of August 2017 by the City Council of the City of Lake Elmo, Minnesota.

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Mike Pearson, Mayor

ATTEST:

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Julie Johnson, City Clerk



LANDSCAPE ARCHITECTURE INCORPORATED

WWW.LANDARCINC.COM

**Drummerhausen Variance**

**June 22, 2017**

Lake Elmo, MN

**RAINGARDEN INSTALLATION ESTIMATE FOR ESTABLISHING ESCROW REQUIREMENTS**

NO.	ITEM	UNIT	QUANTITY	UNIT COST	TOTAL
1	Design Process & Design Documents with Stormwater Calculations	Hours	10.0	100.00	\$1,000.00
2	Establish Elevations, Demo Existing Soils / Haulaway / Disposal with Final Grading	Cubic YD	50.0	40.00	\$2,000.00
3	Raingarden Soils at 18 inch Depth (80% Coarse Sand with 20% Compost)	Cubic YD	40.0	50.00	\$2,000.00
4	Raingarden Plantings @ #1 Container Perennials	Each	300.0	20.00	\$6,000.00
5	Shredded Western Red Cedar Mulch	Cubic YD	10.0	100.00	\$1,000.00

**TOTAL RAINGARDEN PROJECT COSTS**

**\$12,000.00**

Assumptions: Designed to mitigate approximately 685 square feet of impervious surface

**LANDSCAPE ARCHITECTURE, INC. 2350 BAYLESS PLACE ST. PAUL, MN 55114 PHONE 651.646.1020**



## STAFF REPORT

DATE: 8/1/2017

**REGULAR**

**TO:** City Council  
**FROM:** Emily Becker, City Planner  
**AGENDA ITEM:** Hidden Meadows Easement Vacation, Outlot A  
**REVIEWED BY:** Stephen Wensman, Planning Director

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### **BACKGROUND:**

Hidden Meadows 1st Addition was approved on 5/16/2006 which included the platting of the Rock Point Church property and two outlots proposed for a future OP - Open Space Preservation development. The deadline for final plat application for the OP development was extended from January 2007 to January 2, 2018. With last final plat extension, the owner granted a drainage and utility easement over the watermain in Outlot A through recording Document 4073144 on July 1, 2016. The Hidden Meadows 2<sup>nd</sup> Addition Final Plat was approved by Council on July 5, 2017. The aforementioned easement will need to be vacated prior to recording of this plat. New easements will be provided with recording of the Final Plat.

### **ISSUE BEFORE COUNCIL:**

The Council is respectfully being requested to hold a public hearing and consider approval of vacation of the drainage and utility easement over the watermain in Outlots A, Hidden Meadows.

### **PROPOSAL DETAILS/ANALYSIS:**

The easement vacation is needed in order for Hidden Meadows 2<sup>nd</sup> Addition to be recorded. New easements will be put into place as required with the recording of the Hidden Meadows 2<sup>nd</sup> Addition. A public hearing is required for an easement vacation according to M.S. 412.851.

### **FISCAL IMPACT:**

None

### **OPTIONS:**

The Council may approve or deny the easement vacation.

### **RECOMMENDATION:**

Staff recommends approval of the request for vacation of the drainage and utility easement over Outlot A, Hidden Meadows, as recorded by Document 4073144 subject to the following condition:

- 1) Hidden Meadows 2<sup>nd</sup> Addition Final Plat must be recorded.

*“Move to approve Resolution 2017-082 approving the vacation of the drainage and utility easement over Outlot A, Hidden Meadows as recorded by Document 4073144, subject to one condition as recommended by Staff.”*

**ATTACHMENTS:**

- Resolution 2017-082
- Recorded Easement, Document 4073144

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

**RESOLUTION NO. 2017-082**

*A RESOLUTION VACATING A DRAINAGE AND UTILITY EASEMENT OVER OUTLOT A,  
HIDDEN MEADOWS*

**WHEREAS**, the City of Lake Elmo (City) is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, the City Council approved a Preliminary Plat and Conditional Use Permit for Hidden Meadows 2<sup>nd</sup> Addition on April 16, 2006 by Resolution 2006-038; and

**WHEREAS**, PID# 02.029.21.24.0001 is owned by Rockpoint Church, 5825 Kelvin Avenue North, Lake Elmo, MN 55042 (Owner); and

**WHEREAS**, the City of Lake Elmo was granted a Permanent Public Roadway and Utility Easement over a portion of the PID# 02.029.21.24.0001, and this easement was recorded by the Office of the Registrar of Titles of Washington County on July 1, 2016 as Document Number 4073144; and

**WHEREAS**, the City has approved Hidden Meadows 2<sup>nd</sup> Addition Final Plat by Resolution 2017-073 on July 5, 2017, which includes PID#s 02.029.21.24.0001; and

**WHEREAS**, a request has been made to the City Council pursuant to Minnesota Statute §412.851 to vacate the Public Roadway and Utility Easement recorded on July 1, 2016 as Document Number 4073144 over a portion of PID# 02.029.21.24.0001, legally described as follows:

Commencing at the southeasterly corner of said Outlot A; thence North 00 degrees 32 minutes 13 seconds West (assumed bearing) along the easterly line of said Outlot A a distance of 1067.48 feet to the point of beginning of the line to be described; thence on a bearing of WEST a distance of 613.32 feet; thence northwesterly 45.49 feet along a non-tangential curve concave to the southwest, having a radius of 76.95 feet, a central angle of 33 degrees 52 minutes 15 seconds and a chord bearing of North 73 degrees 08 minutes 48 seconds West; thence South 89 degrees 55 minutes 04 seconds West and tangent to last described curve a distance of 12.72 feet; thence westerly 211.81 feet along a tangential curve concave to the north, having a radius of 2003.92 feet and a central angle of 6 degrees 03 minutes 22 seconds; thence westerly 210.85 feet long a reverse curve concave to the south, having a radius of 483.60 feet and a central angle of 24 degrees 58 minutes 50 seconds; thence westerly 311.81 feet along a reverse curve concave to the north, having a radius of 924.85 feet and a central angle 19 degrees 19 minutes 01 second; thence northerly 123.99 feet along a non-tangential curve concave to the west, having a radius of 563.51 feet, a central angle of 12 degrees 36 minutes 24 seconds and a chord bearing of North 3 degrees

27 minutes 01 seconds West; thence North 9 degrees 33 minutes 58 seconds West, tangent to last described curve, a distance of 143.11 feet; thence northerly 144.60 feet along a tangential curve concave to the east, having a radius of 356.27 feet and a central angle of 23 degrees 15 minutes 19 seconds to the northerly line of said Outlot A and said line there terminating. The full width of said 50 foot easement to be prolonged to terminate at said northerly line of Outlot A.

**WHEREAS**, the City Clerk reviewed and examined the signatures on said request and determined that such signatures constituted all of the landowners abutting upon the portion of easement to be vacated and rededicated; and

**WHEREAS**, a public hearing to consider the vacation of the Permanent Public Roadway and Utility Easement was held on the 1<sup>st</sup> day of August 2017 before the City Council in the Lake Elmo City Hall located at 3800 Laverne Avenue North at 7:00 p.m. or shortly thereafter after due published and posted notice had been given, as well as personal mailed notice to all property owners within 350 feet of the Public Roadway and Utility Easement by the City Clerk on the 19<sup>th</sup> day of July 2017 and all interested and affected persons were given an opportunity to voice their concerns and be heard; and

**WHEREAS**, the City Council in its discretion has determined that the vacation will benefit the public interest because:

- 1) The City has granted Final Plat Approval for Hidden Meadows 2<sup>nd</sup> Addition, which includes PID# 02.029.21.24.0001, a portion over which the easement has been recorded, which will grant the City more appropriate easements for similar purposes.

**WHEREAS**, the Council, at its meeting on the 1<sup>st</sup> day of August 2017, considered the easement vacation request.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO, COUNTY OF WASHINGTON MINNESOTA**, that such request for vacation of an existing Public Roadway and Utility Easement is hereby granted in accordance with the property descriptions provided above, subject to the following condition:

- 1) Recording of the Hidden Meadows 2<sup>nd</sup> Addition Final Plat.

**BE IT FURTHER RESOLVED**, that the Mayor and City Clerk are hereby authorized to sign all documents necessary to effectuate the intent of this resolution.

Adopted by the Council this 1<sup>st</sup> day of August 2017.

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

Approved:

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Mike Pearson, Mayor

Attested by:

---

Julie Johnson, City Clerk

Receipt# 327871

4073144

EAS: \$46.00  
CRV Not Required  
Exempt from Tax



Certified Filed and/or recorded on:

7/1/2016 9:07 AM

4073144

Return to:  
WASH CO DEPT OF  
TRANSPORTATION  
11660 MYERON RD N  
STILLWATER MN 55082

Office of the County Recorder  
Washington County, Minnesota  
Jennifer Wagenius, County Recorder  
Kevin Corbid, Auditor Treasurer

## PERMANENT PUBLIC ROADWAY AND UTILITY EASEMENT AGREEMENT

THIS PERMANENT PUBLIC ROADWAY AND UTILITY EASEMENT AGREEMENT shall be effective as of the date that the last party executes this Agreement, is made by and between, Rockpoint Church hereinafter referred to as the "Owner," and the City of Lake Elmo, a Minnesota municipal corporation, hereinafter referred to as the "City."

The Owner owns the real property situated within Washington County, Minnesota as described on the attached **Exhibit A** (hereinafter "Owner's Property").

The Owner, in consideration of one dollar (\$1.00) and other good and valuable consideration, does hereby grant and convey to the City, its successors and assigns, the following:

1. A permanent easement for roadway, utility and drainage purposes; including all rights of a "roadway easement", a "drainage easement" and "utility easement" as defined by Minn. Stat. § 505.01, Subd. 3(b), 3(h) and 3(j); and, all such purposes ancillary, incident or related thereto (hereinafter the "Permanent Easement") under, over, across, through and upon that real property identified and legally described on **Exhibit B**, attached hereto and incorporated herein by reference (hereinafter the "Permanent Easement Area")

**The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, maintenance, inspection, repair and replacement of any roadway, sanitary sewer, storm sewer, , water mains, utilities, underground pipes, conduits, other utilities and mains, and also together with the right to excavate and refill ditches and/or trenches for the location of said public roadway and utilities and the further right to remove trees, bushes, undergrowth and other obstructions interfering in the location, construction and maintenance of said public roadway and utilities, and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Permanent Easement Area.**

**EXEMPT FROM STATE DEED TAX**

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement; and
- b.) to maintain the Permanent Easement Area, any City improvements and any underground pipes, conduits, or mains, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.
- e.) to prohibit unreasonable obstructions or interference with its use of the Permanent Easement Area.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to the Permanent Easement Area or the Owner's Property prior to the date hereof, except to the extent caused or exacerbated by the negligence or willful conduct of the City.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Owner, its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Owner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that it is well seized in fee of the Owner's Property described on Exhibit A, and the Permanent Easement Area described on Exhibit B, and has good right to grant and convey the Permanent Easement herein to the City. In addition, the Owner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, the right of after acquired title to the Permanent Easement granted and conveyed in this Agreement provided that the Owner receives title to all or part of the Permanent Easement Area after the recording of this Agreement.

This Permanent Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN TESTIMONY WHEREOF**, the Owner and the City have caused this Permanent Easement Agreement to be executed as follows:

**Owner:**  
**[Rockpoint Church]**

Signature:   
Print Name: Robert M. Brydges

**[Rockpoint Church]**  
Signature:   
Print Name: William Bartolic

STATE OF MINNESOTA                    )  
  )  
COUNTY OF Washington                    )                    ss.

On this 12th day of January, 2016, before me a Notary Public within and for said County, **Robert Brydges** and **William Bartolic** personally appeared to me personally known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

  
Notary Public



CITY OF LAKE ELMO

By: [Signature]  
Mike Pearson, Mayor



ATTEST:

[Signature]  
Julie Johnson, City Clerk

STATE OF MINNESOTA                    )  
  )        ss.  
COUNTY OF WASHINGTON            )

On this 13<sup>th</sup> day of January, 2016, before me a Notary Public within and for said County, personally appeared Mike Pearson and Julie Johnson, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the **City of Lake Elmo**, a Minnesota municipal corporation, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

[Signature]  
Notary Public

**This instrument was drafted by:**  
David K. Snyder, Esq.  
Johnson & Turner, P.A.  
56 East Broadway Avenue, Suite 206  
Forest Lake, MN 55025  
651-464-7292



**EXHIBIT A**

**LEGAL DESCRIPTION OF OWNER'S PROPERTY**

LOT A, SUBDIVISION CD 02126, SUBDIVISION NAME HIDDEN MEADOWS OF LAKE ELMO

**EXHIBIT B**  
**LEGAL DESCRIPTION OF**  
**THE PERMANENT EASEMENT AREA**

A perpetual 50 foot wide easement for road, drainage and utility purposes over, under and across part of Outlot A, HIDDEN MEADOWS OF LAKE ELMO, Washington County, Minnesota, the southerly and westerly line of said easement is described as follows:

Commencing at the southeasterly corner of said Outlot A; thence North 00 degrees 32 minutes 13 seconds West (assumed bearing) along the easterly line of said Outlot A a distance of 1067.48 feet to the point of beginning of the line to be described; thence on a bearing of WEST a distance of 316.32 feet; thence northwesterly 45.49 feet along a non-tangential curve concave to the southwest, having a radius of 76.95 feet, a central angle of 33 degrees 52 minutes 15 seconds and a chord bearing of North 73 degrees 08 minutes 48 seconds West; thence South 89 degrees 55 minutes 04 seconds West and tangent to last described curve a distance of 12.72 feet; thence westerly 211.81 feet along a tangential curve concave to the north, having a radius of 2003.92 feet and a central angle of 6 degrees 03 minutes 22 seconds; thence westerly 210.85 feet along a reverse curve concave to the south, having a radius of 483.60 feet and a central angle of 24 degrees 58 minutes 50 seconds; thence westerly 311.81 feet along a reverse curve concave to the north, having a radius of 924.85 feet and a central angle of 19 degrees 19 minutes 01 second; thence North 89 degrees 41 minutes 23 seconds West, tangent to last described curve, a distance of 127.01 feet; thence northerly 123.99 feet along a non-tangential curve concave to the west, having a radius of 563.51 feet, a central angle of 12 degrees 36 minutes 24 seconds and a chord bearing of North 3 degrees 27 minutes 01 seconds West; thence North 9 degrees 33 minutes 58 seconds West, tangent to last described curve, a distance of 143.11 feet; thence northerly 144.60 feet along a tangential curve concave to the east, having a radius of 356.27 feet and a central angle of 23 degrees 15 minutes 19 seconds to the northerly line of said Outlot A and said line there terminating. The full width of said 50 foot easement to be prolonged to terminate at said northerly line of Outlot A.





## STAFF REPORT

DATE: 8/1/2017

**REGULAR**

ITEM #:

**TO:** City Council  
**FROM:** Emily Becker, City Planner  
**AGENDA ITEM:** Hidden Meadows Easement Vacation, Outlot A  
**REVIEWED BY:** Stephen Wensman, Planning Director

---

### **BACKGROUND:**

Hidden Meadows 1st Addition was approved on 5/16/2006 which included the platting of the Rock Point Church property and two outlots proposed for a future OP - Open Space Preservation development. The deadline for final plat application for the OP development was extended from January 2007 to January 2, 2018. With last final plat extension, the owner granted a drainage and utility easement over the watermain in Outlot A through recording Document 4073144 on July 1, 2016. The Hidden Meadows 2<sup>nd</sup> Addition Final Plat was approved by Council on July 5, 2017. The aforementioned easement will need to be vacated prior to recording of this plat. New easements will be provided with recording of the Final Plat.

### **ISSUE BEFORE COUNCIL:**

The Council is respectfully being requested to hold a public hearing and consider approval of vacation of the drainage and utility easement over the watermain in Outlots A, Hidden Meadows.

### **PROPOSAL DETAILS/ANALYSIS:**

The easement vacation is needed in order for Hidden Meadows 2<sup>nd</sup> Addition to be recorded. New easements will be put into place as required with the recording of the Hidden Meadows 2<sup>nd</sup> Addition. A public hearing is required for an easement vacation according to M.S. 412.851.

### **FISCAL IMPACT:**

None

### **OPTIONS:**

The Council may approve or deny the easement vacation.

### **RECOMMENDATION:**

Staff recommends approval of the request for vacation of the drainage and utility easement over Outlot A, Hidden Meadows, as recorded by Document 4073144 subject to the following condition:

- 1) Hidden Meadows 2<sup>nd</sup> Addition Final Plat must be recorded.

***“Move to approve Resolution 2017-078 approving the vacation of the drainage and utility easement over Outlot A, Hidden Meadows as recorded by Document 4073144, subject to one condition as recommended by Staff.”***

**ATTACHMENTS:**

- Resolution 2017-078
- Recorded Easement, Document 4073144

Receipt# 327871

4073144

EAS: \$46.00  
CRV Not Required  
Exempt from Tax



Certified Filed and/or recorded on:

7/1/2016 9:07 AM

4073144

Return to:  
WASH CO DEPT OF  
TRANSPORTATION  
11660 MYERON RD N  
STILLWATER MN 55082

Office of the County Recorder  
Washington County, Minnesota  
Jennifer Wagenius, County Recorder  
Kevin Corbid, Auditor Treasurer

## PERMANENT PUBLIC ROADWAY AND UTILITY EASEMENT AGREEMENT

THIS PERMANENT PUBLIC ROADWAY AND UTILITY EASEMENT AGREEMENT shall be effective as of the date that the last party executes this Agreement, is made by and between, Rockpoint Church hereinafter referred to as the "Owner," and the City of Lake Elmo, a Minnesota municipal corporation, hereinafter referred to as the "City."

The Owner owns the real property situated within Washington County, Minnesota as described on the attached **Exhibit A** (hereinafter "Owner's Property").

The Owner, in consideration of one dollar (\$1.00) and other good and valuable consideration, does hereby grant and convey to the City, its successors and assigns, the following:

1. **A permanent easement for roadway, utility and drainage purposes; including all rights of a "roadway easement", a "drainage easement" and "utility easement" as defined by Minn. Stat. § 505.01, Subd. 3(b), 3(h) and 3(j); and, all such purposes ancillary, incident or related thereto (hereinafter the "Permanent Easement")** under, over, across, through and upon that real property identified and legally described on **Exhibit B**, attached hereto and incorporated herein by reference (hereinafter the "Permanent Easement Area")

**The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, maintenance, inspection, repair and replacement of any roadway, sanitary sewer, storm sewer, , water mains, utilities, underground pipes, conduits, other utilities and mains, and also together with the right to excavate and refill ditches and/or trenches for the location of said public roadway and utilities and the further right to remove trees, bushes, undergrowth and other obstructions interfering in the location, construction and maintenance of said public roadway and utilities, and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Permanent Easement Area.**

**EXEMPT FROM STATE DEED TAX**

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement; and
- b.) to maintain the Permanent Easement Area, any City improvements and any underground pipes, conduits, or mains, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.
- e.) to prohibit unreasonable obstructions or interference with its use of the Permanent Easement Area.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to the Permanent Easement Area or the Owner's Property prior to the date hereof, except to the extent caused or exacerbated by the negligence or willful conduct of the City.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Owner, its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

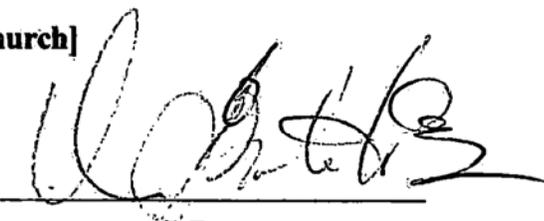
The Owner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that it is well seized in fee of the Owner's Property described on Exhibit A, and the Permanent Easement Area described on Exhibit B, and has good right to grant and convey the Permanent Easement herein to the City. In addition, the Owner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, the right of after acquired title to the Permanent Easement granted and conveyed in this Agreement provided that the Owner receives title to all or part of the Permanent Easement Area after the recording of this Agreement.

This Permanent Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN TESTIMONY WHEREOF**, the Owner and the City have caused this Permanent Easement Agreement to be executed as follows:

**Owner:**  
**[Rockpoint Church]**

Signature:   
Print Name: Robert M. Brydges

**[Rockpoint Church]**  
Signature:   
Print Name: William Bartolic

STATE OF MINNESOTA            )  
  )  
COUNTY OF Washington        )        ss.

On this 12th day of January, 2016, before me a Notary Public within and for said County, **Robert Brydges** and **William Bartolic** personally appeared to me personally known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

  
Notary Public



**CITY OF LAKE ELMO**

By:   
Mike Pearson, Mayor



ATTEST:

  
Julie Johnson, City Clerk

STATE OF MINNESOTA )  
) ss.  
COUNTY OF WASHINGTON )

On this 13<sup>th</sup> day of January, 2016, before me a Notary Public within and for said County, personally appeared Mike Pearson and Julie Johnson, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the **City of Lake Elmo**, a Minnesota municipal corporation, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

  
Notary Public

**This instrument was drafted by:**  
David K. Snyder, Esq.  
Johnson & Turner, P.A.  
56 East Broadway Avenue, Suite 206  
Forest Lake, MN 55025  
651-464-7292



**EXHIBIT A**

**LEGAL DESCRIPTION OF OWNER'S PROPERTY**

LOT A, SUBDIVISION CD 02126, SUBDIVISION NAME HIDDEN MEADOWS OF LAKE ELMO

**EXHIBIT B**  
**LEGAL DESCRIPTION OF**  
**THE PERMANENT EASEMENT AREA**

A perpetual 50 foot wide easement for road, drainage and utility purposes over, under and across part of Outlot A, HIDDEN MEADOWS OF LAKE ELMO, Washington County, Minnesota, the southerly and westerly line of said easement is described as follows:

Commencing at the southeasterly corner of said Outlot A; thence North 00 degrees 32 minutes 13 seconds West (assumed bearing) along the easterly line of said Outlot A a distance of 1067.48 feet to the point of beginning of the line to be described; thence on a bearing of WEST a distance of 316.32 feet; thence northwesterly 45.49 feet along a non-tangential curve concave to the southwest, having a radius of 76.95 feet, a central angle of 33 degrees 52 minutes 15 seconds and a chord bearing of North 73 degrees 08 minutes 48 seconds West; thence South 89 degrees 55 minutes 04 seconds West and tangent to last described curve a distance of 12.72 feet; thence westerly 211.81 feet along a tangential curve concave to the north, having a radius of 2003.92 feet and a central angle of 6 degrees 03 minutes 22 seconds; thence westerly 210.85 feet along a reverse curve concave to the south, having a radius of 483.60 feet and a central angle of 24 degrees 58 minutes 50 seconds; thence westerly 311.81 feet along a reverse curve concave to the north, having a radius of 924.85 feet and a central angle of 19 degrees 19 minutes 01 second; thence North 89 degrees 41 minutes 23 seconds West, tangent to last described curve, a distance of 127.01 feet; thence northerly 123.99 feet along a non-tangential curve concave to the west, having a radius of 563.51 feet, a central angle of 12 degrees 36 minutes 24 seconds and a chord bearing of North 3 degrees 27 minutes 01 seconds West; thence North 9 degrees 33 minutes 58 seconds West, tangent to last described curve, a distance of 143.11 feet; thence northerly 144.60 feet along a tangential curve concave to the east, having a radius of 356.27 feet and a central angle of 23 degrees 15 minutes 19 seconds to the northerly line of said Outlot A and said line there terminating. The full width of said 50 foot easement to be prolonged to terminate at said northerly line of Outlot A.



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

**RESOLUTION NO. 2017-078**

*A RESOLUTION VACATING A DRAINAGE AND UTILITY EASEMENT OVER OUTLOT A,  
HIDDEN MEADOWS*

**WHEREAS**, the City of Lake Elmo (City) is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, the City Council approved a Preliminary Plat and Conditional Use Permit for Hidden Meadows 2<sup>nd</sup> Addition on April 16, 2006 by Resolution 2006-038; and

**WHEREAS**, PID# 02.029.21.24.0001 is owned by Rockpoint Church, 5825 Kelvin Avenue North, Lake Elmo, MN 55042 (Owner); and

**WHEREAS**, the City of Lake Elmo was granted a Permanent Public Roadway and Utility Easement over a portion of the PID# 02.029.21.24.0001, and this easement was recorded by the Office of the Registrar of Titles of Washington County on July 1, 2016 as Document Number 4073144; and

**WHEREAS**, the City has approved Hidden Meadows 2<sup>nd</sup> Addition Final Plat by Resolution 2017-073 on July 5, 2017, which includes PID#s 02.029.21.24.0001; and

**WHEREAS**, a request has been made to the City Council pursuant to Minnesota Statute §412.851 to vacate the Public Roadway and Utility Easement recorded on July 1, 2016 as Document Number 4073144 over a portion of PID# 02.029.21.24.0001, legally described as follows:

Commencing at the southeasterly corner of said Outlot A; thence North 00 degrees 32 minutes 13 seconds West (assumed bearing) along the easterly line of said Outlot A a distance of 1067.48 feet to the point of beginning of the line to be described; thence on a bearing of WEST a distance of 613.32 feet; thence northwesterly 45.49 feet along a non-tangential curve concave to the southwest, having a radius of 76.95 feet, a central angle of 33 degrees 52 minutes 15 seconds and a chord bearing of North 73 degrees 08 minutes 48 seconds West; thence South 89 degrees 55 minutes 04 seconds West and tangent to last described curve a distance of 12.72 feet; thence westerly 211.81 feet along a tangential curve concave to the north, having a radius of 2003.92 feet and a central angle of 6 degrees 03 minutes 22 seconds; thence westerly 210.85 feet long a reverse curve concave to the south, having a radius of 483.60 feet and a central angle of 24 degrees 58 minutes 50 seconds; thence westerly 311.81 feet along a reverse curve concave to the north, having a radius of 924.85 feet and a central angle 19 degrees 19 minutes 01 second; thence northerly 123.99 feet along a non-tangential curve concave to the west, having a radius of 563.51 feet, a central angle of 12 degrees 36 minutes 24 seconds and a chord bearing of North 3 degrees

27 minutes 01 seconds West; thence North 9 degrees 33 minutes 58 seconds West, tangent to last described curve, a distance of 143.11 feet; thence northerly 144.60 feet along a tangential curve concave to the east, having a radius of 356.27 feet and a central angle of 23 degrees 15 minutes 19 seconds to the northerly line of said Outlot A and said line there terminating. The full width of said 50 foot easement to be prolonged to terminate at said northerly line of Outlot A.

**WHEREAS**, the City Clerk reviewed and examined the signatures on said request and determined that such signatures constituted all of the landowners abutting upon the portion of easement to be vacated and rededicated; and

**WHEREAS**, a public hearing to consider the vacation of the Permanent Public Roadway and Utility Easement was held on the 1<sup>st</sup> day of August 2017 before the City Council in the Lake Elmo City Hall located at 3800 Laverne Avenue North at 7:00 p.m. or shortly thereafter after due published and posted notice had been given, as well as personal mailed notice to all property owners within 350 feet of the Public Roadway and Utility Easement by the City Clerk on the 19<sup>th</sup> day of July 2017 and all interested and affected persons were given an opportunity to voice their concerns and be heard; and

**WHEREAS**, the City Council in its discretion has determined that the vacation will benefit the public interest because:

- 1) The City has granted Final Plat Approval for Hidden Meadows 2<sup>nd</sup> Addition, which includes PID# 02.029.21.24.0001, a portion over which the easement has been recorded, which will grant the City more appropriate easements for similar purposes.

**WHEREAS**, the Council, at its meeting on the 1<sup>st</sup> day of August 2017, considered the easement vacation request.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO, COUNTY OF WASHINGTON MINNESOTA**, that such request for vacation of an existing Public Roadway and Utility Easement is hereby granted in accordance with the property descriptions provided above, subject to the following condition:

- 1) Recording of the Hidden Meadows 2<sup>nd</sup> Addition Final Plat.

**BE IT FURTHER RESOLVED**, that the Mayor and City Clerk are hereby authorized to sign all documents necessary to effectuate the intent of this resolution.

Adopted by the Council this 1<sup>st</sup> day of August 2017.

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

Approved:

---

Mike Pearson, Mayor

Attested by:

---

Julie Johnson, City Clerk



## STAFF REPORT

DATE: 8/1/2017

### **REGULAR MOTION**

**TO:** City Council

**FROM:** Emily Becker, City Planner

**AGENDA ITEM:** Shoreland Variance Request to Allow Expansion of an Existing Non-Conforming Structure Which Does Not Meet Minimum Structure Setback from Ordinary High Water Level – 8690 Lake Jane Trail North

**REVIEWED BY:** Stephen Wensman, Planning Director

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### **BACKGROUND:**

The City has received application from Glenwood Homes of 10920 Kingsborough Ct S Cottage Grove, MN 55016 for a variance to allow expansion of a non-conforming structure which does not meet the required minimum structure setback standard from the Ordinary High Water Level (OHWL) within a shoreland district of the City's shoreland ordinance.

### **ISSUE BEFORE COUNCIL:**

The City Council is being asked to consider and approve or deny the above-mentioned variance request.

### **PROPOSAL DETAILS/ANALYSIS:**

*Applicant:* Glenwood Homes, 10920 Kingsborough Ct, Cottage Grove, MN 55016

*Property Owners:* Ben and Breanna Pepin, 8690 Lake Jane Trail North, Lake Elmo, MN 55042

*Location:* 8690 Lake Jane Trail North, PID# 09.029.21.42.0014, Lot 8, Block 1, Lake Jane Manor No. 1, Washington County, Minnesota

*Request:* Variance from Shoreland Standard – Expansion of a Non-Conforming Structure Not Meeting Minimum Structure Setback from the Ordinary High Water Level

*Existing Land Use:* Single-Family Detached Residential Dwelling

*Surrounding Land Use:* Surrounded by other single-family detached residential dwellings and abuts Lake Jane on the northerly side of the property

*Existing Zoning:* Rural Single Family/Shoreland Overlay District

*Comprehensive Plan:* Rural Single Family

*History:* The home was built in 1968, prior to the City's adoption of its shoreland ordinance.

*Deadline for Action:* Application Complete – 6/26/2017  
60 Day Deadline – 8/25/2017  
Extension Letter Mailed – N/A  
120 Day Deadline – N/A

*Applicable Regulations:* Article V – Zoning Administration and Enforcement  
Article XIX – Shoreland Management Overlay District

**Request Details.** The applicant is proposing to construct a 640 square foot addition, 196 square foot porch, 188 square foot patio, 626 square foot addition to his garage (including a 129 square foot storage area), and a 12 foot X 10 foot temporary storage structure on the existing concrete pad to the east of the proposed addition. The applicant is not able to expand the home on the front side of the house due to septic setback standards and cannot expand the garage on the west side of the existing garage due to side yard setback standards and so is requesting that the expansions be made to the side and rear of the lot. The current home is currently non-conforming in that it is setback approximately 75 feet from the OHWL, and the required structure setback from the OHWL is 100 feet.

**Lot Details.** The property meets all setbacks for the Rural Single Family Zoning district but does not meet the minimum lot size requirement of 1.5 acres.

- *Area:* 29,195 square feet (0.67 acres)
- *Front yard setback:* 92.2 feet (40 feet required)
- *Side yard setback (west):* 16.4 feet (10 feet required)
- *Proposed side yard setback (east):* Approximately 28 feet (10 feet required)
- *Proposed structure setback from OHWL:* 75.1 feet (100 feet required)
- *Proposed septic setbacks:* approximately 32 feet from septic equipment and approximately 60 feet from drainfield (10 and 20 feet required, respectively)
- *Existing Impervious Surface:* 23.7% (6921 sf) (maximum 15% allowed)
- *Proposed Impervious Surface Area:* 23.2% (6772 sf) (maximum 15% allowed)
- *Septic Permit Needs.* The proposed addition will include a guest bedroom but will also convert an existing bedroom in to living space and therefore no septic permit or inspection is required.

**Impervious Surface.** The existing amount of impervious surface on the lot totals 23.7%, which exceeds the maximum amount allowed of 15%. The proposal also includes removing 235 square feet of bituminous surface along with 1553 square feet of concrete (a total of 1788 square feet of impervious surface), reducing the total impervious surface area on the property to 23.2%. It is a recommended condition of approval that the escrow for the building permit include the cost of removal of the impervious surface to ensure that the impervious surface on the lot does not increase as a result of the proposed additions.

**Nonconformities within a Shoreland.** The City's Shoreland Ordinance states that all additions or expansions to the outside dimensions of an existing nonconforming structure must meet the setback, height, and other requirements of the Shoreland Ordinance. Any deviation from these requirements must be authorized by a variance. It should be noted that this provision in the ordinance was not drastically changed in the 2017 amendment to the Shoreland Section of the Zoning Code, as previously an improvement to a riparian substandard structure was allowed to extend laterally by a conditional use permit (as opposed to a variance), provided it was in compliance with all other dimensional standard. There is also a provision that allows setback averaging where structures exist on the adjoining lots on both sides of a proposed building site, but the existing home on the subject lot is closer to the OHWL than those of adjoining properties.

**Minnesota Department of Natural Resources (MNDNR) Review.** Per State Statute, the City is required to notify the MNDNR of variance requests within a shoreland district. The MNDNR has reviewed and responded to this variance request, and their response is attached to this report. The MNDNR has recommended that if this variance is granted, that the City include the condition that the impervious surface created by the further encroachment of the structure within the required setback from the OHWL be mitigated. The MNDNR has specifically recommended that the condition be that the Applicant direct rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff). However, because the Applicant is actually reducing the impervious surface on the lot, especially that within the required structure setback from the OHWL, Staff did not recommend to the

Planning Commission that this condition be added. This condition had been recommended by Staff in previous variance requests due to MNDNR recommendation, but that was because the impervious surface was increased.

### **PLANNING COMMISSION REVIEW:**

The Planning Commission held a public hearing and considered the variance request at its July 24, 2017 meeting. The public notice was mailed to property owners within 350 feet and published in the official City newspaper. No public comments were received prior to the public hearing, though two nearby property owners (Kelly and Susan Schmidt of 8644 Lake Jane Trail N and John Mayek of 8680 Lake Jane Trail N) wrote letters in support of the requested variance.

The Planning Commission had the following comments in regards to the requested variance: There was concern about meeting the required finding that the plight of the landowner was due to circumstances unique to the property not created by the landowner. Some felt that the landowner should have been aware of the shoreland ordinance standards and that the home was non-conforming and therefore could not be expanded. Some felt that the recommendation made by the MNDNR that a mitigation condition (such as directing gutter discharges in to an infiltration basin) be added to the variance approval should be followed, as it could further protect the lake.

The Planning Commission voted to recommend adding the following findings (added to the Unique Circumstances criteria – Finding #3):

- The proposed additions do not increase the degree of non-conformity.
- The amount of impervious surface is not being increased.

The Planning Commission voted to recommend adding the following conditions to the variance approval:

- 3) The Applicant shall either (at the Applicant's option) use pervious pavers on the proposed patio area or construct a rain garden (at a size as recommended by the Valley Branch Watershed District) to contain runoff.

### **RECOMMENDED FINDINGS:**

An applicant must establish and demonstrate compliance with the variance criteria set forth in Lake Elmo City Code Section 154.017 before an exception or modification to city code requirements can be granted. These criteria are listed below, along with recommended findings from Staff and the Planning Commission regarding applicability of these criteria to the applicant's request.

- 1) **Practical Difficulties.** A variance to the provision of this chapter may be granted by the Board of Adjustment upon the application by the owner of the affected property where the strict enforcement of this chapter would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirit and intent of this chapter. Definition of practical difficulties - "Practical difficulties" as used in connection with the granting of a variance, means that the property owner proposes to use the property in a reasonable manner not permitted by an official control.

***FINDINGS:** The subject property was platted and the house was built prior to adoption of Shoreland standards by the City and therefore the house does not meet the minimum structure*

*setback requirement from the Ordinary High Water Level and is legal non-conforming. The property owner wants to expand the current home and garage, and because of the location of the septic tank and septic mound in the front yard as well as the location of the garage near the side yard, it is not an option to do so in the front of the existing house or on the side of the existing garage.*

- 2) **Unique Circumstances.** The plight of the landowner is due to circumstances unique to the property not created by the landowner.

***FINDINGS:** The property owner did not plat the lot or construct the original home, which were both done prior to adoption of the City's shoreland standards.*

- 3) **Character of Locality.** The proposed variance will not alter the essential character of the locality in which the property in question is located.

***FINDINGS:** The proposed additions do not encroach any further than the existing deck in to the setback from the Ordinary High Water Level of Lake Jane, and therefore the degree of non-conformity is not being increased. The proposed addition will not further impair lake views for adjacent or nearby property owners. Additionally, the proposed additions will not increase the amount of impervious surface on the property; rather the Applicant will decrease the total amount of impervious surface on the property by removing existing concrete and bituminous surface.*

- 4) **Adjacent Properties and Traffic.** The proposed variance will not impair an adequate supply of light and air to properties adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.

***FINDINGS.** The proposed additions will not further impair lake views of neighboring properties. They also will not increase congestion of public streets or substantially diminish or impair property values within the neighborhood.*

**FISCAL IMPACT:**

None.

**OPTIONS:**

The Council may:

- Adopt Resolution 2017-083 approving the variance request with the recommended conditions of approval.
- Amend recommended conditions of approval and adopt Resolution 2017-083 as amended.
- Not adopt Resolution 2017-083 and deny the variance request.

**RECOMMENDATION:**

Staff and the Planning Commission recommend the Council adopt Resolution 2017-083, approving the request by Glenwood Homes for a shoreland variance request to allow expansion of a non-conforming structure not meeting the minimum structure setback requirement from the Ordinary High Water Level for the property located at 8690 Lake Jane Trail North, subject to the following conditions of approval:

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.
- 2) The Applicant shall provide an escrow in the amount of an estimated cost of the removal of the existing bituminous and concrete surface as shown on the proposed survey.
- 3) The Applicant shall either (at the Applicant's option) use pervious pavers on the proposed patio area or construct a rain garden (at a size as recommended by the Valley Branch Watershed District) to contain runoff.

The suggestion motion for taking action on the recommendation is as follows:

***“Move to adopt Resolution 2017-083, approving a shoreland variance to allow the expansion of a non-conforming structure not meeting the minimum structure setback requirement from the Ordinary High Water Level for the property located at 8690 Lake Jane Trail N, subject to conditions of approval as recommended by Staff and the Planning Commission.”***

**ATTACHMENTS:**

- Application with narrative and survey
- MNDNR comments
- Resolution 2017-083

Date Received: \_\_\_\_\_  
Received By: \_\_\_\_\_  
Permit #: \_\_\_\_\_



651-747-3900  
3800 Laverne Avenue North  
Lake Elmo, MN 55042

## LAND USE APPLICATION

- Comprehensive Plan  Zoning District Amend  Zoning Text Amend  Variance\*(see below)  Zoning Appeal
- Conditional Use Permit (C.U.P.)  Flood Plain C.U.P.  Interim Use Permit (I.U.P.)  Excavating/Grading
- Lot Line Adjustment  Minor Subdivision  Residential Subdivision Sketch/Concept Plan
- PUD Concept Plan  PUD Preliminary Plan  PUD Final Plan  Wireless Communications

Applicant: GLENWOOD HOMES  
Address: 10920 KINGSEBOROUGH CT  
Phone # 651-261-7931  
Email Address: MORGAN@GLENWOODHOMESL.LC.COM

Fee Owner: BEN & BREANNA PEPIN  
Address: 8690 LAKE JANE TRAIL N  
Phone # 651-428-4191  
Email Address: \_\_\_\_\_

Property Location (Address): 8690 LAKE JANE TRAIL N  
(Complete (long) Legal Description: SEE SURVEY - L&B1 LAKE JANE MANOR No. 1)  
PID#: \_\_\_\_\_

Detailed Reason for Request: WE ARE SEEKING A LAKE SHORE SETBACK AND WADGEFACE RATIO VARIANCE  
\_\_\_\_\_  
\_\_\_\_\_

\*Variance Requests: As outlined in Section 301.060 C. of the Lake Elmo Municipal Code, the applicant must demonstrate practical difficulties before a variance can be granted. The practical difficulties related to this application are as follows:

CURRENT PROPERTY HAS LOT BORDER ON GARAGE SIDE AND SEPTIC TO FRONT SO ONLY LEAVES REAR AND HOUSE SIDE, WHICH IS WHERE ARE MAKING THE IMPROVEMENTS.  
\_\_\_\_\_  
\_\_\_\_\_

In signing this application, I hereby acknowledge that I have read and fully understand the applicable provisions of the Zoning ordinance and current administrative procedures. I further acknowledge the fee explanation as outlined in the application procedures and hereby agree to pay all statements received from the City pertaining to additional application expense.

Signature of applicant: [Signature] Date: 6.26.17

Signature of fee owner: [Signature] Date: \_\_\_\_\_

Ben J Pepin



**MORGAN JENKINS**  
*Residential Design LLC*

## Project Site Variance Description Supplement

June 26, 2017

**Subject:**

This is brief description of the variance requests for the project located at 8690 Lake Jane Trail North, Lake Elmo.

**Description:**

The current site is a lakeside site with an existing property and an onsite septic area. The current house does not meet building conditions including setbacks to lake OHWL and hard surface area coverage ratio.

**Proposed Home:**

The proposed remodeled home will require two variances:

1. The lakeside setback of the existing property is currently 73.1'. This is nonconforming to the city ordinance for septic serviced lakeside lots lakeside setback of 100.0'. We are requesting a variance of 26.9' this would match the existing house; we are not looking to encroach any closer than the existing condition. This is still well beyond the DNR shoreline ordinance of 50'. This variance would be a requirement of any applicant requesting any permit for this property due to the existing house position. Please keep in mind the existing does not meet the setback ordinance. See the survey for actual dimensions.
2. The current property has a hard surface coverage area ratio of 23.7% we are proposing to remove and reduce this to 23.2%. This is a significant improvement to the existing conditions. Please keep in mind the existing property does not meet the ratio currently. See the survey for the actual calculations.

In general, each of the above variance requests meets the criteria of approval under the city variance provisions listed in city code.

In addition, any modification to one request would most likely result in a negative way to another. The footprint of the proposed home has been designed to work within the lakeside setback existing, and reduce the hard surface area, and lastly, been designed from the exterior to be a major improvement to the site and to the city neighborhood landscape.

# Design Principles- Narrative

## 8690 Lake Jane Trail North

### Lake Elmo, MN

1. Regionalism: The design reflects on stone material from the region, and shake siding from lakeshore inspired architecture of older area homes.
2. Context: This project is situated on a lot with an onsite septic treatment area in the front of home leaving no area for improvement. The existing home is positioned against the garage side lot line setback with no room for improvement. The rear of the home fronts on Lake Jane and is currently setback approximately 73' to the OHNL, leaving no improvement without encroaching closer to the lake. There is currently room to the house side to the eastern lot line. Due to the existing house position there are only two areas where applicate can make improvements without negatively impacting the lakeside setback or hard surface ratio.  
The proposed additions to the house occur in these areas. However, due the removal of existing concrete hard surface areas we are proposing a reduction in hard surface area ratio from 23.7% to 23.2%. Approval of our requests will result in an improvement to the existing conditions.
3. Scale & Massing: I feel we have done a good job of blending the needed space and the proportions; this house does not feel big, but rather "fits" the existing house style and does not overpower the rear lakeside elevation.
4. Composition: Again as mentioned in item 3, I believe the house presents itself very well. Smaller multi- level, moving to modern design elevation, and anchored by quality materials.
5. Hierarchy: The plan uses elements at the front complimented with window placement and detailed trim work.
6. Color: Selection for exterior colors has not been finalized but will reflect an lakeshore inspired base of colors.
7. Detail & Craftsmanship: Glenwood Homes is the general contractor for this project and has a history of producing a high level of quality and service to his clients and is commitment to building only a quality product. Morgan Jenkins Residential Design is the designer of the project and has a history of producing quality designed projects for clients and has more than 25 years of designing homes on lakes all over the Twin Cities and surrounding communities. More information is available if requested.
8. Transformation: This home is being designed and built for the sole use of the current Owners, but has been given attention to qualities that will make it attractive to the community.
9. Simplicity: This home requires careful attention to its multi-level plan and position on the site. The challenge is the available space for improvement. This small home manages to function well as a whole to meet the needs of the owner and is a good fit for the neighborhood. The existing home has manu current conditions that affect the remodelina neaativelu. and this plan will improve the existing conditions. Therefore we respectfully ask for the relaxation of the hard surface ratio to 23.2% and the lakeside setback to the existing 73.1' as per the survey submitted. These needed approvals will make this a house that will be an attractive and beneficial building to the city of Lake Elmo.

# CERTIFICATE OF SURVEY

~for~ GLENWOOD HOMES, LLC  
~of~ 8690 LAKE JANE TRAIL NORTH

## VICINITY MAP

PART OF SEC. 9, TWP. 29, RNG. 21



WASHINGTON COUNTY, MINNESOTA  
(NO SCALE)

NORTH

GRAPHIC SCALE



1 INCH = 20 FEET

## LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
  - DENOTES IRON MONUMENT SET, MARKED RLS# 41578
  - DENOTES AIR CONDITIONING UNIT
  - DENOTES ELECTRICAL BOX
  - x 952.36 DENOTES EXISTING SPOT ELEVATION
  - ⊕ DENOTES GAS METER
  - ⊖ DENOTES GUY WIRE
  - ⊞ DENOTES MAILBOX
  - ⊙ DENOTES POWER POLE
  - ⊚ DENOTES SEPTIC MANHOLE
  - ⊛ DENOTES SIGN
  - ⊜ DENOTES WELL
  - ⊝ DENOTES EXISTING CONTOURS
  - ⊞ DENOTES OVERHEAD WIRES
  - ⊟ DENOTES RETAINING WALL
  - ⊠ DENOTES BITUMINOUS SURFACE
  - ⊡ DENOTES CONCRETE SURFACE
  - ⊢ DENOTES IMPERVIOUS SURFACE REMOVAL
- TREE DETAIL:**
- Denotes Elevation
  - Denotes Tree Quantity
  - Denotes Tree Size in Inches
  - Denotes Tree Type

## NOTES

- Field survey was completed by E.G. Rud and Sons, Inc. on 1/13/17.
- Bearings shown are on Washington County datum.
- This survey was prepared without the benefit of title work. Additional easements, restrictions and/or encumbrances may exist other than those shown hereon. Survey subject to revision upon receipt of a current title commitment or an attorney's title opinion.
- Due to field work being completed during the winter season there may be improvements in addition to those shown that were not visible due to snow and ice conditions characteristic of Minnesota winters.

## IMPERVIOUS COVERAGE

### EXISTING:

Lot area above OHW: 29,195 sq. ft.  
Existing house/garage: 2,226 sq. ft.  
Existing bituminous drive: 1,874 sq. ft.  
Existing concrete: + 2,821 sq. ft.  
Total existing impervious area: 6,921 sq. ft.  
23.7%

### PROPOSED

Lot area above OHW: 29,195 sq. ft.  
Existing house/garage: 2,226 sq. ft.  
Existing bituminous drive: 1,874 sq. ft.  
Existing concrete: + 2,821 sq. ft.  
Total existing impervious area: 6,921 sq. ft.  
23.7%

Proposed garage: + 626 sq. ft.  
Proposed addition: + 629 sq. ft.  
Proposed patio: + 188 sq. ft.  
Proposed porch: + 196 sq. ft.  
Bituminous removals: - 235 sq. ft.  
Concrete removals: - 1,553 sq. ft.  
Total proposed impervious area: 6,772 sq. ft.  
23.2%

## LEGAL DESCRIPTION

Lot 8, Block 1, LAKE JANE MANOR NO. 1, Washington County, Minnesota.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

JASON E. RUD

Date: 6/27/17 License No. 41578



## BENCHMARK

MNDOT GSID STATION #33636  
MNDOT NAME: MICHAEL MN163  
ELEVATION: 919.421 (NGVD 29)

**E. G. RUD & SONS, INC.**  
EST. 1977  
Professional Land Surveyors  
6776 Lake Drive NE, Suite 110  
Lino Lakes, MN 55014  
Tel. (651) 361-8200 Fax (651) 361-8701

DRAWN BY: BPN	JOB NO: 17018BT	DATE: 1/18/17	
CHECK BY: JER	SCANNED <input type="checkbox"/>		
1	2/22/17	ADDED PROPOSED ADDITIONS BPN	
2	6/27/17	REVISED IMPERVIOUS COVERAGE CMB	
3			
NO.	DATE	DESCRIPTION	BY



MORGAN JENKINS

Residential Design, LLC

10920

KINGSBOROUGH COURT

COTTAGE GROVE

MN. 55016

651-261-7931

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GLENWOOD



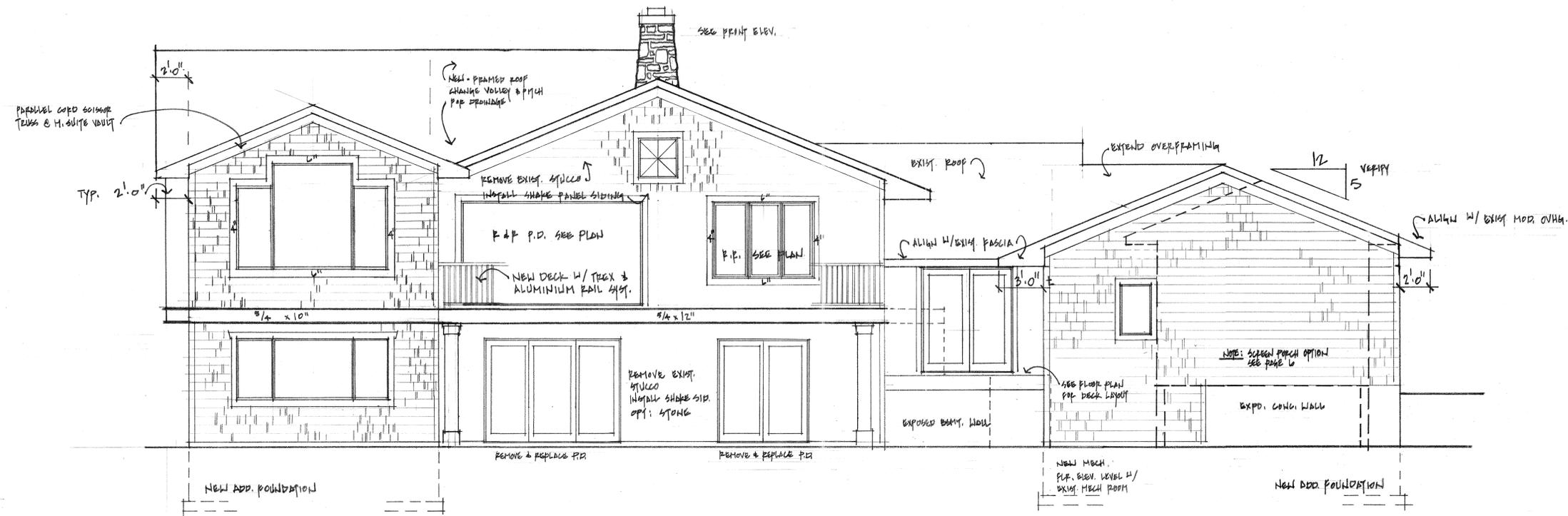
HOMES, LLC

MORGAN JENKINS  
651-261-7931

FINE HOMES AND RENOVATIONS

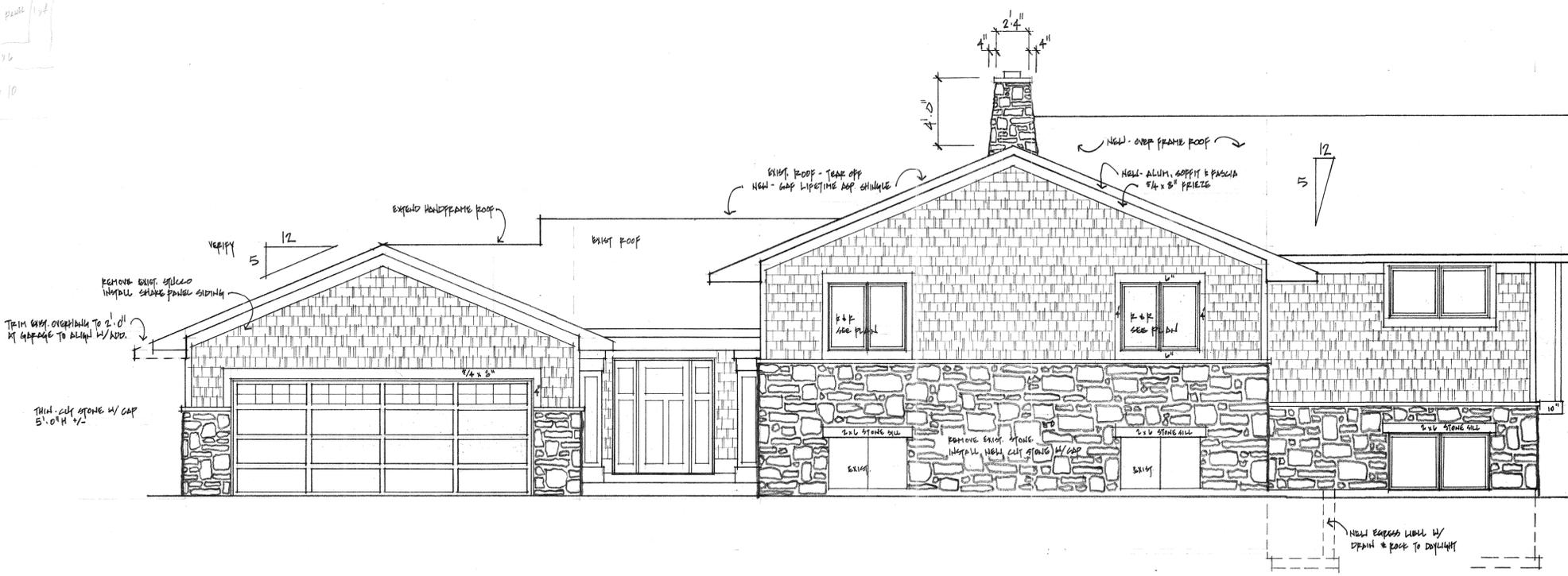
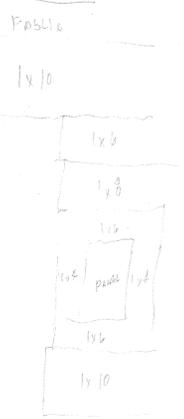
10920 KINGSBOROUGH CT.  
COTTAGE GROVE, MN. 55016

BEN & BREANNA PEPIN  
8690 LAKE JANE TRAIL  
LAKE ELMO, MN



REAR ELEVATION

SCALE: 1/4" = 1'-0"



FRONT ELEVATION

SCALE: 1/4" = 1'-0"

REVISION RECORD

1	6.20.17	
2		
3		
4		
5		
6		

PROJ. NO.

SHEET

1 OF 5

**From:** [Sorensen, Jenifer \(DNR\)](#)  
**To:** [Emily Becker](#)  
**Subject:** RE: Lake Jane Variance Request 8690 Lake Jane Trail North  
**Date:** Friday, July 07, 2017 10:16:13 AM

---

Yes, I'd like to include this comment. Since the structure is expanding toward the shoreline, this would seem like a reasonable expectation to have the landowner construct the gutters such that they redirect the runoff to an area of infiltration.

Thanks –

**Jen**

**Jenifer Sorensen**

East Metro Area Hydrologist (Ramsey and Washington Counties)  
Division of Ecological and Water Resources

**Minnesota Department of Natural Resources**

1200 Warner Road  
St Paul, MN 55106  
Phone: 651-259-5754  
Email: [jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)

---

**From:** Emily Becker [mailto:[EBecker@lakeelmo.org](mailto:EBecker@lakeelmo.org)]  
**Sent:** Friday, July 07, 2017 9:26 AM  
**To:** Sorensen, Jenifer (DNR) <[jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)>  
**Subject:** RE: Lake Jane Variance Request 8690 Lake Jane Trail North

Jen,

As noted in the application, the impervious surface will in fact be decreased, as they will be removing existing asphalt and bituminous surface. Please let me know that you saw this and if you still recommend that they install the rain garden.

Emily Becker  
City Planner  
City of Lake Elmo  
651-747-3912  
[ebecker@lakeelmo.org](mailto:ebecker@lakeelmo.org)



---

**From:** Sorensen, Jenifer (DNR) [mailto:[jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)]  
**Sent:** Thursday, July 06, 2017 7:01 PM

**To:** Emily Becker <[EBecker@lakeelmo.org](mailto:EBecker@lakeelmo.org)>

**Subject:** RE: Lake Jane Variance Request 8690 Lake Jane Trail North

Emily –

MNDNR has the following comment for the variance request for 8690 Lake Jane Trail North to expand the existing residential structure:

- If a variance is granted for this project, MNDNR recommends that the City of Lake Elmo include condition on the variance that mitigates for the impervious surface created by the further encroachment of the structure within the OHW setback, such as:
  - Direct rain gutter discharges into a rain garden (infiltration basin designed to capture and infiltrate runoff).

Thank you for the opportunity to comment on this variance request.

**Jen**

**Jenifer Sorensen**

East Metro Area Hydrologist (Ramsey and Washington Counties)  
Division of Ecological and Water Resources

**Minnesota Department of Natural Resources**

1200 Warner Road  
St Paul, MN 55106  
Phone: 651-259-5754  
Email: [jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)

---

**From:** Emily Becker [<mailto:EBecker@lakeelmo.org>]

**Sent:** Friday, June 30, 2017 11:02 AM

**To:** Sorensen, Jenifer (DNR) <[jenifer.sorensen@state.mn.us](mailto:jenifer.sorensen@state.mn.us)>

**Subject:** Lake Jane Variance Request 8690 Lake Jane Trail North

Jen,

Attached is another shoreland variance request and very rough draft staff report. Please note that the impervious surface will not actually increase, it will decrease, as they are proposing to remove existing impervious surface. The public hearing will be held on July 24, so please have any comments in by July 19<sup>th</sup> at the latest.

Emily Becker  
City Planner  
City of Lake Elmo  
651-747-3912  
[ebecker@lakeelmo.org](mailto:ebecker@lakeelmo.org)





MORGAN JENKINS  
Residential Design, LLC

10920  
KINGSBOROUGH COURT  
COTTAGE GROVE  
MN. 55016  
651-261-7931

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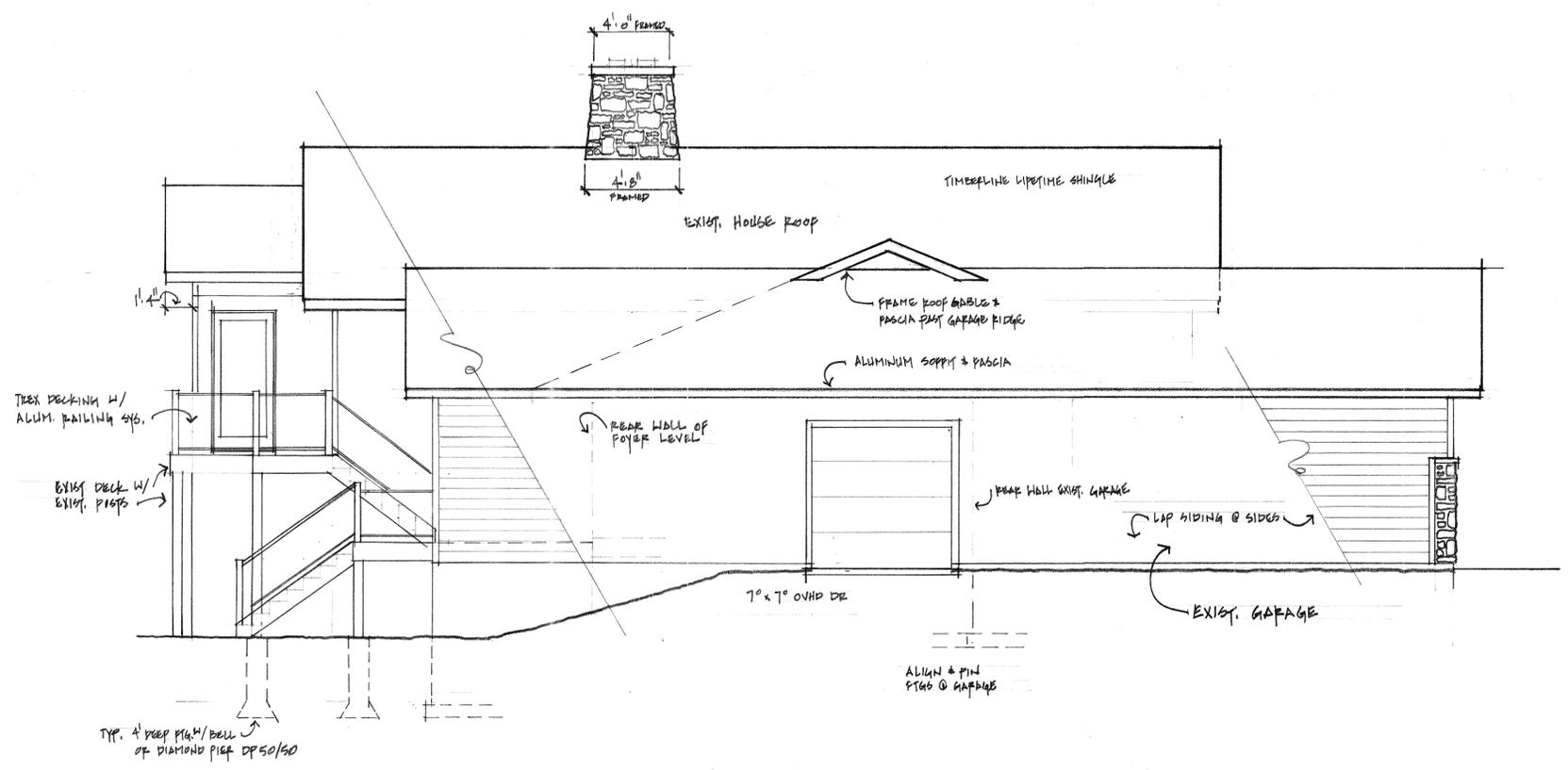
GLENWOOD  
HOMES, LLC

MORGAN JENKINS  
651-261-7931

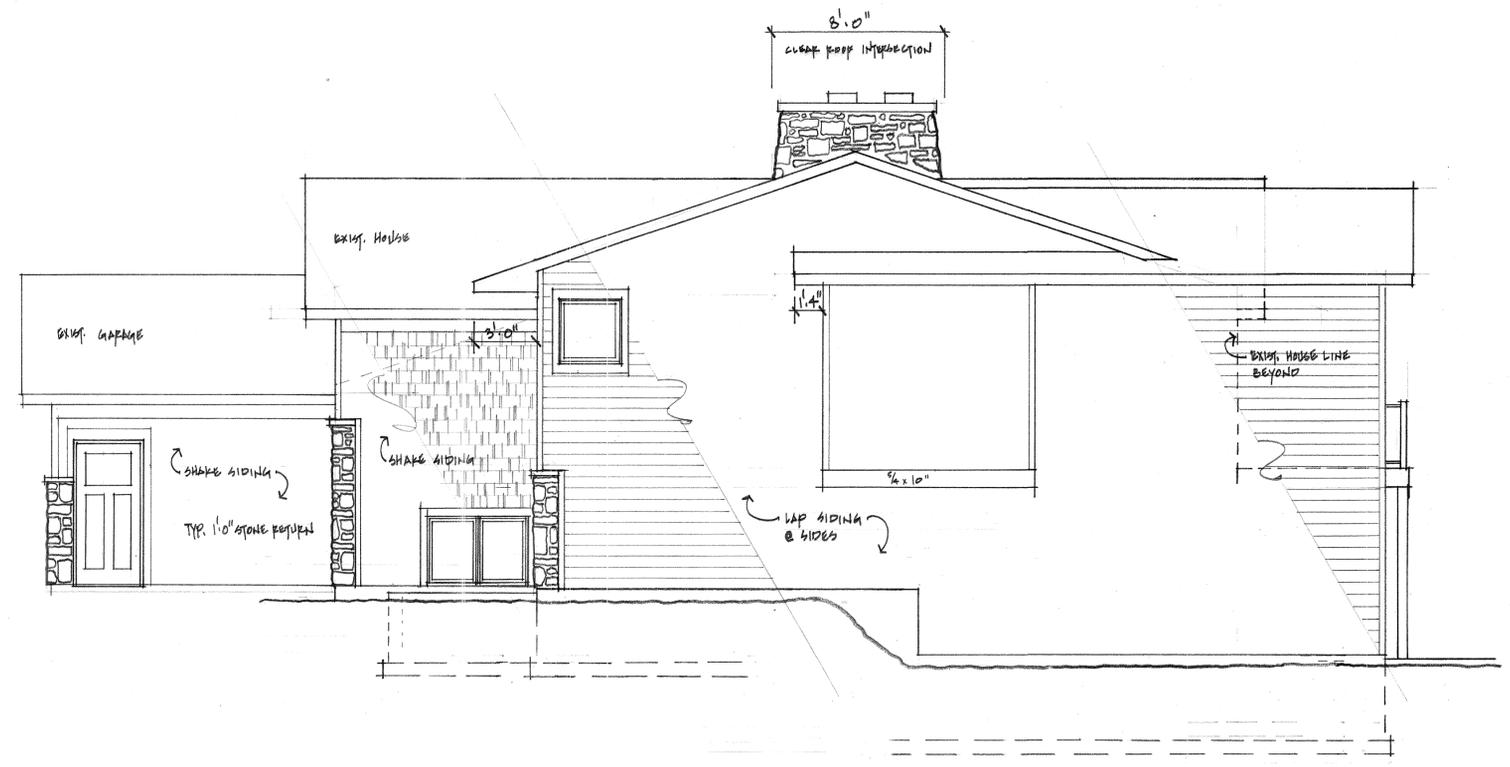
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RENOVATIONS

10920 KINGSBOROUGH CT.  
COTTAGE GROVE MN. 55016

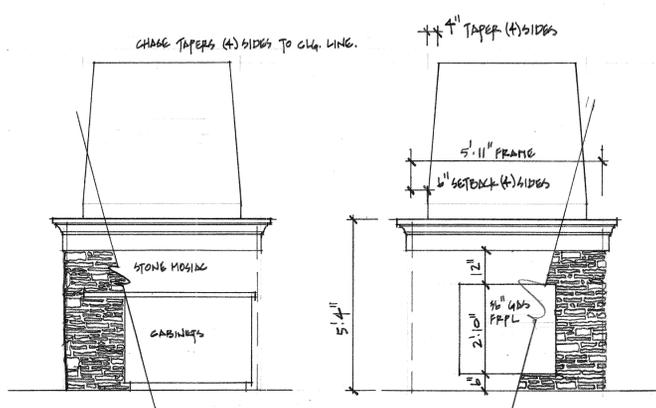
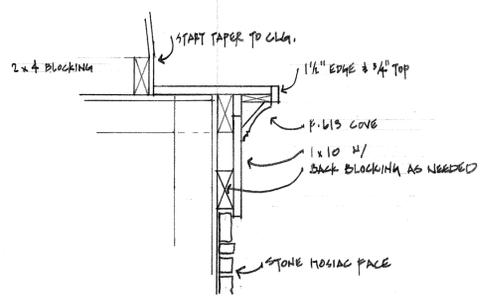
BEN & BREANNA PEPIN  
2690 LAKE JANE TRAIL  
LAKE ELMO, MN



2 LEFT ELEVATION  
SCALE: 1/4" = 1'-0"



1 RIGHT ELEVATION  
SCALE: 1/4" = 1'-0"



3 FIREPLACE DETAIL  
SCALE: 3/8" = 1'-0"

REVISION RECORD

1	6.20.17	
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PROJ. NO.

SHEET  
2 OF 5

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

**RESOLUTION 2017-083**

*A RESOLUTION APPROVING A VARIANCE TO ALLOW EXPANSION OF A NON-  
CONFORMING STRUCTURE NOT MEETING MINIMUM STRUCTURE SETBACK  
REQUIREMENTS FROM THE ORDINARY HIGH WATER LEVEL OF THE CITY'S  
SHORELAND DISTRICT*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Glenwood Homes, 10920 Kingsborough Ct, Cottage Grove, MN 55016 (“Applicant”), has submitted an application to the City of Lake Elmo (the “City”) for a variance to allow the expansion of a non-conforming structure not meeting the minimum structure setback requirement from the Ordinary High Water Level (OHWL). The proposed additions to the structure do not encroach further in to the existing setback of 73.6 feet from the OHWL and include a 640 square foot addition; 196 square foot porch; 188 square foot patio; 626 square foot addition to his garage (including a 129 square foot storage area); and a 12 foot X 10 foot temporary storage structure on the existing concrete pad to the east of the proposed addition.

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 154.109; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on July 24, 2017; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated July 24, 2017; and

**WHEREAS**, the City Council considered said matter at its August 1, 2017 meeting.

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

- 1) That the procedures for obtaining said Variance are found in the Lake Elmo Zoning Ordinance, Section 154.109.
- 2) That all the submission requirements of said Section 154.109 have been met by the Applicant.

- 3) That the proposed variance includes the following components:
  - a) A variance to allow for additions to an existing single-family detached home that does not meet the minimum structure setback requirement from the OHWL.
- 4) That the Variance will be located on property legally described as follows: Lot 8, Block 1, Lake Jane Manor No. 1, Washington County, Minnesota, PID# 09.029.21.42.0014.
- 5) That the strict enforcement of Zoning Ordinance would cause practical difficulties and that the property owner proposes to use the property in a reasonable manner not permitted by an official control. ***Specific findings: The subject property was platted and the house was built prior to adoption of Shoreland standards by the City and therefore the house does not meet the minimum structure setback requirement from the Ordinary High Water Level and is legal non-conforming. The property owner wants to expand the current home and garage, and because of the location of the septic tank and septic mound in the front yard as well as the location of the garage near the side yard, it is not an option to do so in the front of the existing house or on the side of the existing garage.***
- 6) That the plight of the landowner is due to circumstances unique to the property not created by the landowner. ***Specific findings: The property owner did not plat the lot or construct the original home. Both were done prior to adoption of the City's shoreland standards.***
- 7) That the proposed variance will not alter the essential character of the locality in which the property in question is located. ***Specific findings: The proposed additions do not encroach any further than the existing deck in to the setback from the Ordinary High Water Level of Lake Jane, and therefore the degree of non-conformity is not being increased. The proposed addition will not further impair lake views for adjacent or nearby property owners. Additionally, the proposed additions will not increase the amount of impervious surface on the property; rather the Applicant will decrease the total amount of impervious surface on the property by removing existing concrete and bituminous surface.***
- 8) That the proposed variance will not impair an adequate supply of light and air to properties adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood. ***Specific findings: The proposed additions will not further impair lake views of neighboring properties. They also will not increase congestion of public streets or substantially diminish or impair property values within the neighborhood.***

### **CONCLUSIONS AND DECISION**

Based on the foregoing, the Applicant's application for a Variance is granted, subject to the following conditions.

- 1) The Applicant shall secure any required permits and plan approvals from the City and other applicable jurisdictions.

- 2) The Applicant shall provide an escrow in the amount of an estimated cost of the removal of the existing bituminous and concrete surface as shown on the proposed survey.
- 3) The Applicant shall either (at the Applicant's option) use pervious pavers on the proposed patio area or construct a rain garden (at a size as recommended by the Valley Branch Watershed District) to contain runoff.

Passed and duly adopted this 1<sup>st</sup> day of August 2017 by the City Council of the City of Lake Elmo, Minnesota.

---

Mike Pearson, Mayor

ATTEST:

---

Julie Johnson, City Clerk



## STAFF REPORT

DATE: August 1, 2017

**REGULAR**

**TO:** City Council  
**FROM:** Brian A. Swanson – Finance Director  
**AGENDA ITEM:** Presentation of 2016 Comprehensive Annual Financial Report (CAFR)  
**REVIEWED BY:** Kristina Handt – City Administrator

---

### **BACKGROUND:**

Annually, the City engages the services of an independent outside audit firm to audit and assist with the preparation of the financial statements. The auditors are asked to assure that the financial statements are free from material misstatement in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The firm also performs testing and makes inquiries to help ensure that proper internal controls are in place. This is the fourth year that the City of Lake Elmo has presented the report in the Comprehensive Annual Financial Report (CAFR) layout.

As such, the City has retained the services of Smith Schafer & Associates, Ltd., to perform the City of Lake Elmo's audit for 2016. The 2016 Comprehensive Annual Financial Report and Management Report will be presented to the City Council by Mr. Jason Miller – Principal, from Smith Schafer and Associates, Ltd. with the opportunity to ask questions of both Mr. Miller and City Staff.

An overview summary of the 2016 CAFR and results were presented to the Finance Committee on July 27, 2017. Copies of the report were provided to the Finance Committee and it was unanimously agreed to recommend that the report be presented to the City Council.

### **QUESTION BEFORE THE CITY COUNCIL:**

- 1) Does the City Council have any questions regarding the 2016 CAFR?

### **DISCUSSION:**

Mr. Jason Miller – Principal, from Smith Schafer and Associates, Ltd., will present information regarding the 2016 Audit, answer any questions the City Council may have, with staff also present to answer any questions pertaining to the 2016 Audit and 2016 CAFR.

### **FISCAL IMPACT:**

Overall sound policies, fiscal management, effective operational, capital, and long range planning are all integral parts of City business leading up to the audit and completion of the CAFR. As such, continued investment in the aforementioned items will help position the City to continue to provide quality, efficient, timely and cost effective services to the constituents of the community.

### **RECOMMENDATION:**

- 1) No formal recommendation is required, but the City Council at its discretion may accept the results of the 2016 Audit and 2016 CAFR.

### **ATTACHMENT:**

- 1) 2016 Comprehensive Annual Financial Report

**CITY OF LAKE ELMO, MINNESOTA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2016**

**PREPARED BY:  
FINANCE DEPARTMENT  
CITY OF LAKE ELMO, MINNESOTA**



**CITY OF LAKE ELMO, MINNESOTA  
FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2016**

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**CITY OF LAKE ELMO, MINNESOTA  
FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2016**

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**CITY OF LAKE ELMO, MINNESOTA**

**INTRODUCTORY SECTION**

**DECEMBER 31, 2016**

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**3800 Laverne Avenue North  
Lake Elmo, MN 55042  
651-747-3900 [www.lakeelmo.org](http://www.lakeelmo.org)**

June 29, 2017

**To the Honorable Mayor, Members of the City Council, and Citizens of the  
City of Lake Elmo:**

Minnesota Statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), under the guidance of the Government Accounting Standard Board (GASB), and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Lake Elmo, MN for the fiscal year ended December 31, 2016.

This report consists of management's representation concerning the finances of the City of Lake Elmo. Consequently, management assumes full responsibility for the completeness, accuracy and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Lake Elmo has established a thorough internal control system designed to both protect the City's assets from loss, theft and misuse and to compile all necessary information for the preparation of the City of Lake Elmo's financial statements in conformity with GAAP and GASB. As a management team, we assert that the financial statements will be free from material misstatement and that the financial report is reliable in all material respects.

The City of Lake Elmo's financial statements have been audited by Smith, Schafer and Associates, Ltd, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Lake Elmo for the fiscal year ended December 31, 2016 are free from material misstatement. The independent audit involved examining, on an approved test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Lake Elmo's financial statements for fiscal year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

A “Single Audit” designed to meet the special needs of a federal grantor agency was not performed for the year ended December 31, 2016 as the City did not participate in any programs that required this additional independent audit.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in form of the Management’s Discussion and Analysis (MD&A). This letter of transmittal is included to complement the MD&A and should be read in conjunction with it. The City of Lake Elmo’s MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

The City of Lake Elmo was incorporated in 1926 and is a statutory city in the State of Minnesota six miles east of St. Paul Minnesota. Located in Washington County, it covers 25 square miles and has an estimated population of 9,000 which represents 3,100 households.

Policy-making and legislative authority are vested in a governing council consisting of an elected Mayor and four council members. Per Minnesota State Statute, the governing council is responsible for passing ordinances, adopting an annual budget, appointing committees and hiring both the city’s administrator and attorney. The City Administrator is responsible for carrying out the policies and ordinances of the governing council and overseeing the day-to-day operations of the city. The Council is elected on a non-partisan basis. The Mayor serves a four-year term and council members serve a four-year staggered term, with two of these positions elected every two years. The Mayor and the Council are elected at-large.

The City of Lake Elmo provides a full range of Services including fire protection services, construction and maintenance of streets and infrastructure; recreational facilities; and water, sanitary sewer and storm water utility services. The City contracts with the Washington County Sheriff’s Department for police services.

The annual budget serves as the foundation for the City of Lake Elmo’s financial management and fiscal stewardship. City departments and agencies of the City submit their requested budget to the City Administrator and the Finance Director in order to compile a preliminary budget for submission to the Finance Committee for their consideration. The Finance Committee then meets with the Department Heads to better understand their proposed budgets to later submit a budget to the City Council. The preliminary balanced budget is presented to the City Council in September each year so that the preliminary property tax levy can be submitted to Washington County by the annual due date. The preliminary property tax levy may be decreased but not increased. The 2016 Adopted Budget and final property tax levy was required to be adopted by and submitted to Washington County by December 28, 2015. Included in the City annual budget process is the compilation of a Capital Improvement Plan which allows for strategic planning of City infrastructure and equipment needs while maintaining a reasonable level of debt and a strong unassigned fund balance. Monthly budget to actual comparison reports are provided to the Finance Committee and the City Council to keep them apprised of the financial performance of the City.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lake Elmo operates.

### **LOCAL ECONOMY**

Lake Elmo is home to numerous businesses that are leaders in their respective industries. New residential developments platted since 2014 number approximately 2,200 have been approved. The City's highway infrastructure continues to make Lake Elmo a desirable residential location. Rapid growth is further reflected in 2016 population estimates of 9,000 or an increase of 10% since the 2010 census.

New housing starts in 2016 numbered 252 with a total value of \$79,884,649 and an average value of \$317,003. Commercial new construction numbered 4 with a total value of \$32,058,022 and an average value of \$8,014,505. All these new start have been built in 2016 or will be finished in 2017, which will greatly strengthen the existing tax base of the City.

### **LONG TERM FINANCIAL PLANNING**

Total unassigned General Fund balance as of December 31, 2016 was 89% of the total 2016 General Fund expenditures. Although the State Auditor recommends maintaining a level of 35% - 50%, the City has consistently exceeded that rate, showing the City's financial strength.

The City's 5-year Capital Improvement Plan serves as the foundation for long-term financial planning. Funding needs for capital replacements are reflected in tax levies for the street renewal and general fund asset replacements. Funding needs for capital infrastructure in the enterprise funds are funded through user fees in those funds.

During 2016, Moody's Investors Service maintained the City's long term debt rating of Aa2. In their assessment of the City, Moody's noted the following:

- Strong financial operations supported by healthy reserves and liquidity
- Healthy unassigned fund balance
- Affluent tax base favorably located in Twin Cities metropolitan area

Projections for the next 5 years indicate that property tax contributions, user fees and investment income will continue to grow based on planned development and expansion within the City.

### **RELEVANT FINANCIAL POLICIES**

During 2015, the Metropolitan Council issued the 2015 System Statement for the City of Lake Elmo which outlines the updated forecasts for the City as a result of the termination in 2014 of the Memorandum of Understanding (MOU). The previous forecasted population number for 2040 was reduced from 20,500 to 18,200. Receipt of the system statement plans triggers a community obligation to review and amend its comprehensive plan as necessary, which began late in 2016 and will continue into 2017.

## MAJOR INITIATIVES

2016 was an extremely robust year for the City due to continuation of on-going infrastructure upgrades, projects, as well as oversight of the on-going residential and commercial development activity.

Some of the 2016 infrastructure projects included the following:

- Joint project with Washington County on CSAH 17. This project included the replacement of old water main and installation of sanitary sewer and storm sewer while reconstructing the streets.
- Continued work with the Union Pacific Railroad regarding the downtown project and a new development impacting the Railroad at various locations.
- Construction of a lift station, pump house, well and water tower
- 2016 seal coating and crack filling project
- Use of Parkland dedication fees to continue to make improvements to existing parks and providing oversight to the new City parks being constructed by developers.
- 2016 street reconstruction in the Stonegate, Kirkwood and Kelvin Avenue neighborhoods including the extension of water service to Kelvin Avenue homes.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the City again for the fiscal year ending December 31, 2015. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation for state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A certificate is valid for one year only.

The City of Lake Elmo is pleased to present its Comprehensive Annual Financial Report, which will be submitted to the Government Finance Officers Association (GFOA) for consideration of a Certificate of Achievement for Excellence in Financial Reporting for its financial reports for the fiscal year ended December 31, 2016. The preparation of this report would not have been possible without the efficient and dedicated services of the personnel of the City of Lake Elmo. Further, we would like to express our appreciation to all members of the organization who assisted in contributing to the preparation of the report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of management of the City of Lake Elmo's finances.

Respectfully submitted,



Kristina Handt  
City Administrator



Brian A. Swanson  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Elmo  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**CITY OF LAKE ELMO, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
December 31, 2016**

POSITION	NAME	TERM EXPIRES
----------	------	--------------

**ELECTED OFFICIALS**

City Council:

Mayor	Mike Pearson	December 31, 2016
Council Member	Justin Bloyer	December 31, 2016
Council Member	Julie Fliflet	December 31, 2018
Council Member	Jill Lundgren	December 31, 2018
Council Member	Anne Smith	December 31, 2016

**APPOINTED OFFICIALS**

City Administrator	Kristina Handt	Continuous
Finance Director	Cathy Bendel	Continuous
City Clerk	Julie Johnson	Continuous

**FINANCE COMMITTEE**

Julie Fliflet, Committee Chair and City Council  
Anne Smith, City Council  
Terry Forrest, Retired CFO

# CITY OF LAKE ELMO ORGANIZATIONAL CHART 2017



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As of 07/12/2016

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**CITY OF LAKE ELMO, MINNESOTA**

**FINANCIAL SECTION**

**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lake Elmo, Minnesota, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lake Elmo, Minnesota, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13 and the required supplemental information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Smith, Schafu and Associates, Ltd.*

Minneapolis, Minnesota  
June 29, 2017

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

As management of the City of Lake Elmo, Minnesota, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lake Elmo, Minnesota for the fiscal year ended December 31, 2016.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City of Lake Elmo, Minnesota exceeded its liabilities at the close of the most recent fiscal year by \$38,252,973 (*net position*). Of this amount, \$10,536,667 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$6,517,098 during 2016.
- As of the close of the current fiscal year, the City of Lake Elmo, Minnesota's governmental funds reported combined ending fund balances of \$8,223,754, an increase of \$1,217,847 from the prior year. This increase was due primarily to licenses and permit revenue related to construction within the City.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,279,815, or 89% of total general fund expenditures. The nonspendable portion of the general fund balance as of December 31, 2016 (\$409,222) related to the interfund loan to the Village Project fund and prepaid items. The committed portion of the general fund balance as of December 31, 2016 (\$200,000) was a reserve for future insurance and legal fees.
- The City's total noncurrent liabilities increased by \$9,033,112 or 38% during the current fiscal year due to the issuance of the 2016A General Obligation bonds.
- The City was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for obtaining a Certificate of Achievement for Excellence in Financial Reporting for the City's 2015 Comprehensive Annual Financial Report.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lake Elmo, Minnesota that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lake Elmo, Minnesota include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Lake Elmo, Minnesota include the water, sewer and storm sewer funds.

The government-wide financial statements can be found on pages 14-16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lake Elmo, Minnesota, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Lake Elmo, Minnesota can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

The City of Lake Elmo, Minnesota maintains twenty-two individual governmental funds, twelve of which are debt service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the infrastructure reserve fund and the vehicle acquisition fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City of Lake Elmo, Minnesota adopts an annual budget for its general fund. Budgetary comparison statements have been provided for this fund (pages 23 to 26) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

**Proprietary funds.** There are two different types of proprietary funds - enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lake Elmo, Minnesota uses three enterprise funds to account for its water, sewer and storm sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Lake Elmo, Minnesota's various functions. The City of Lake Elmo, Minnesota uses three internal service funds to account for certain capital acquisition activities. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and storm sewer funds, all of which are considered to be major funds of the City of Lake Elmo, Minnesota.

The proprietary fund financial statements can be found on pages 27-34 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 35 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-83 of this report.

**Other Information.** The combining schedules referred to earlier in connection with non-major governmental funds, debt service funds, internal service funds and the fiduciary fund can be found on pages 88-105 of this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lake Elmo, Minnesota, assets exceeded liabilities by \$38,252,973 at the close of the most recent fiscal year.

The largest portion of the City of Lake Elmo, Minnesota's net position, \$21,539,009 (56%) reflects its investment in capital assets (e.g. land, buildings and improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Lake Elmo, Minnesota uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lake Elmo, Minnesota's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Lake Elmo, Minnesota's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 10,893,806	\$ 9,687,510	\$ 10,098,093	\$ 6,221,558	\$ 20,991,899	\$ 15,909,068
Capital assets	20,755,034	18,527,639	30,240,029	22,792,835	50,995,063	41,320,474
Total assets	<u>31,648,840</u>	<u>28,215,149</u>	<u>40,338,122</u>	<u>29,014,393</u>	<u>71,986,962</u>	<u>57,229,542</u>
Deferred outflows of resources	856,676	171,032	128,684	67,075	985,360	238,107
Long-term liabilities outstanding	13,471,388	10,889,186	19,244,126	12,793,216	32,715,514	23,682,402
Other liabilities	955,137	1,265,752	812,316	645,372	1,767,453	1,911,124
Total liabilities	<u>14,426,525</u>	<u>12,154,938</u>	<u>20,056,442</u>	<u>13,438,588</u>	<u>34,482,967</u>	<u>25,593,526</u>
Deferred inflows of resources	206,031	119,126	30,351	19,125	236,382	138,251
Net position:						
Net investment in capital assets	9,032,535	8,723,329	12,506,474	10,170,351	21,539,009	18,893,680
Restricted	4,704,133	3,446,142	1,473,164	1,876,119	6,177,297	5,322,261
Unrestricted	4,136,292	3,942,646	6,400,375	3,577,285	10,536,667	7,519,931
Total net position	<u>\$ 17,872,960</u>	<u>\$ 16,112,117</u>	<u>\$ 20,380,013</u>	<u>\$ 15,623,755</u>	<u>\$ 38,252,973</u>	<u>\$ 31,735,872</u>

An additional portion of the City of Lake Elmo, Minnesota's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,536,667) may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

**Governmental activities.** Governmental activities increased the City of Lake Elmo, Minnesota's net position by \$1,760,840 during 2016. Key elements of this increase include:

- Charges for services increased by \$864,288 from the prior year due primarily to an increase in the amount of building permits issued by the City.
- Special assessments revenue for 2015 projects increase by \$239,804.

**Business-type activities.** Business-type activities increased the City of Lake Elmo, Minnesota's net position by \$4,756,258. This increase is due primarily to a construction grant received from the State of Minnesota.

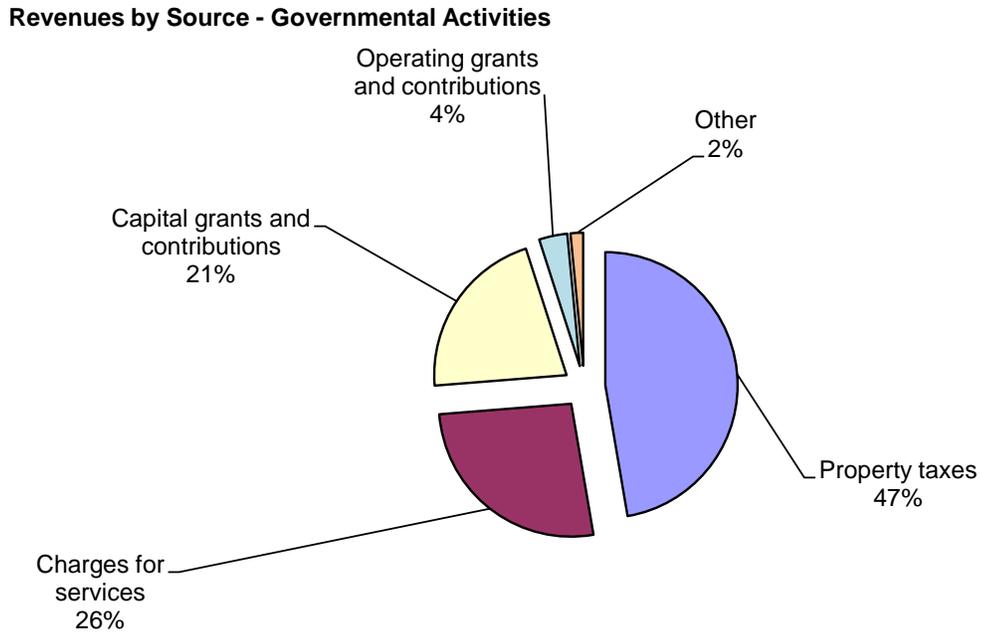
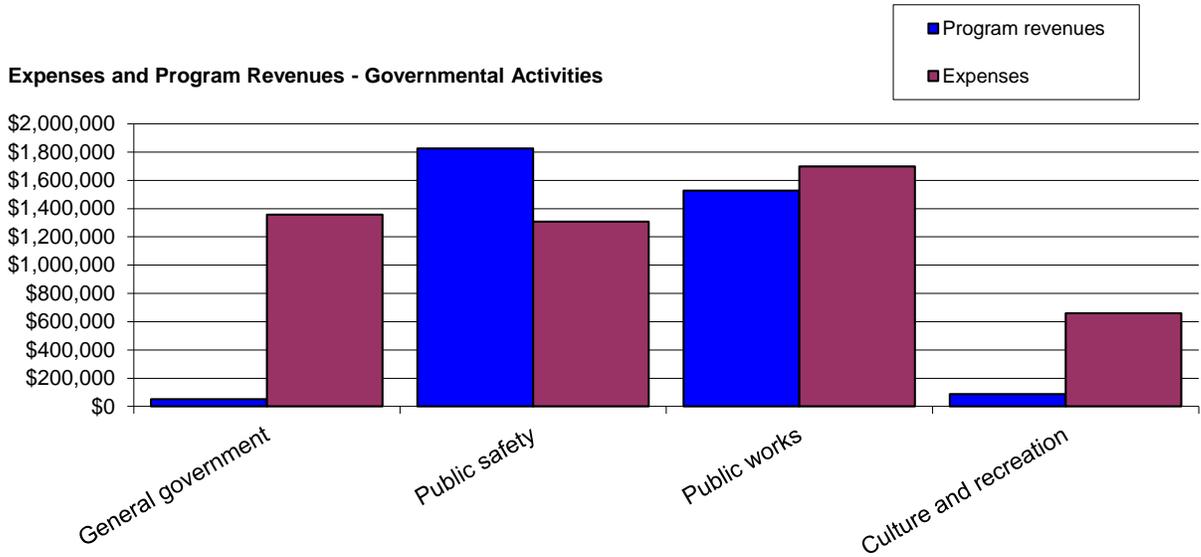
A condensed version of the Statement of Activities follows:

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,803,531	\$ 939,243	\$ 3,330,409	\$ 3,602,559	\$ 5,133,940	\$ 4,541,802
Operating grants and contributions	235,214	249,094			235,214	249,094
Capital grants and contributions	1,452,469	2,038,940	3,464,567		4,917,036	2,038,940
General revenues:						
Property taxes	3,226,739	3,204,119			3,226,739	3,204,119
Other	104,291	123,076	45,171	39,757	149,462	162,833
Total revenues	<u>6,822,244</u>	<u>6,554,472</u>	<u>6,840,147</u>	<u>3,642,316</u>	<u>13,662,391</u>	<u>10,196,788</u>
Expenses:						
General government	1,358,370	1,134,132			1,358,370	1,134,132
Public safety	1,308,360	1,344,282			1,308,360	1,344,282
Public works	1,698,566	1,377,969			1,698,566	1,377,969
Culture and recreation	660,947	639,006			660,947	639,006
Interest on long-term debt	178,266	215,611			178,266	215,611
Water			1,409,832	1,363,043	1,409,832	1,363,043
Sewer			380,650	250,866	380,650	250,866
Storm sewer			150,302	103,536	150,302	103,536
Total expenses	<u>5,204,509</u>	<u>4,711,000</u>	<u>1,940,784</u>	<u>1,717,445</u>	<u>7,145,293</u>	<u>6,428,445</u>
Increase in net position before transfers	1,617,735	1,843,472	4,899,363	1,924,871	6,517,098	3,768,343
Transfers	<u>143,105</u>	<u>220,842</u>	<u>(143,105)</u>	<u>(220,842)</u>		
Change in net position	1,760,840	2,064,314	4,756,258	1,704,029	6,517,098	3,768,343
Net position - beginning of year	<u>16,112,120</u>	<u>14,047,803</u>	<u>15,623,755</u>	<u>13,919,726</u>	<u>31,735,875</u>	<u>27,967,529</u>
Net position - end of year	<u>\$ 17,872,960</u>	<u>\$ 16,112,117</u>	<u>\$ 20,380,013</u>	<u>\$ 15,623,755</u>	<u>\$ 38,252,973</u>	<u>\$ 31,735,872</u>

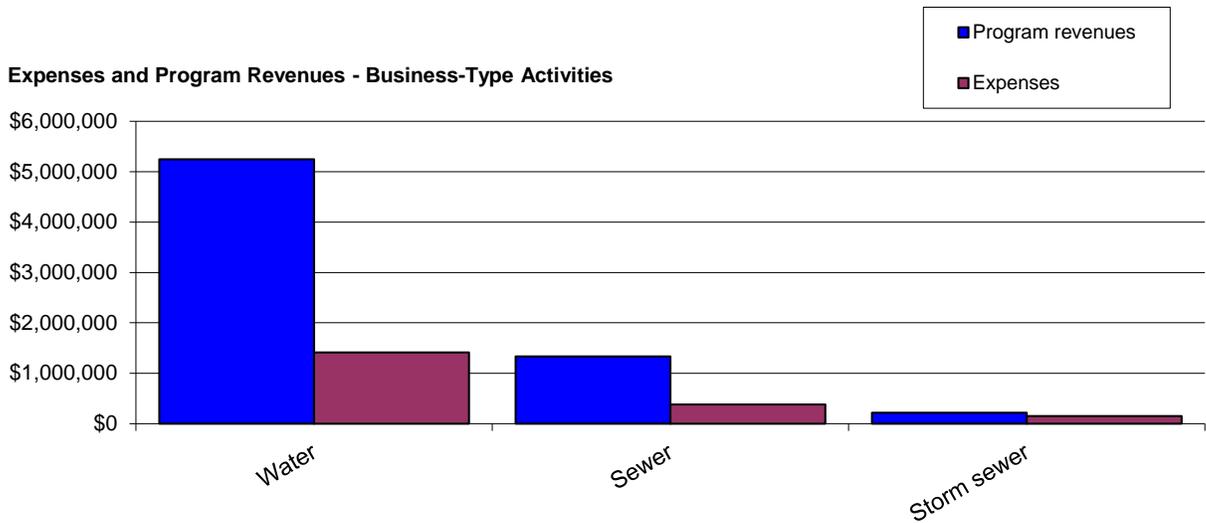
## CITY OF LAKE ELMO, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

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

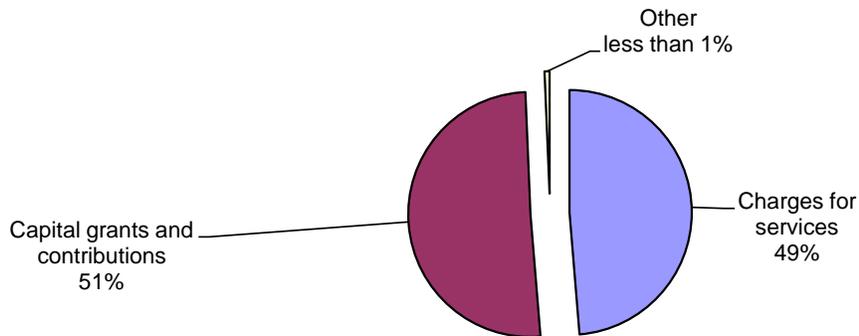


**CITY OF LAKE ELMO, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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



**Revenues by Source - Governmental Activities**



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

### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Lake Elmo, Minnesota's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Lake Elmo, Minnesota's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Lake Elmo, Minnesota's governmental funds reported combined ending fund balances of \$8,223,754, an increase of \$1,217,847 in comparison with the prior year. Approximately \$4,366,302 of this total fund balance, or 53%, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance (\$3,857,452) is *restricted, committed and nonspendable* to indicate that it is not available for new spending because it has already been restricted by creditors, grantors or regulations of other governments, has been committed to a specific purpose by the City Council, has been expensed for prepaid items, or is unavailable because the funds have been loaned to another fund.

The general fund is the chief operating fund of City of Lake Elmo, Minnesota. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,279,815. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represented 89% of total 2016 general fund expenditures. The general fund's total fund balance increased by \$701,755 during the current fiscal year due primarily to an increase in building permits and related revenue during the year.

The debt service fund increased its fund balance by \$761,605 due to property taxes, special assessments and intergovernmental revenues allocated to this fund in excess of debt service expenditures.

The infrastructure reserve fund decreased its fund balance by \$210,621 due primarily to capital outlay expenditures in excess of bond proceeds allocated to this fund.

The vehicle acquisition fund decreased its fund balance by \$27,493 due primarily to capital outlay expenditures in excess of revenue allocated to this fund. This fund will no longer be used in 2017.

The special revenue funds decreased their overall fund balances by \$60,414 due primarily to current expenditures for culture and recreation in excess of property taxes allocated to those funds.

The capital projects funds, other than the infrastructure reserve fund and vehicle acquisition fund described previously, increased their collective fund balance by \$53,015 due primarily to park dedication fees in excess of capital outlay expenditures in those funds.

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

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

Unrestricted net position for water operations, sewer operations and storm sewer operations at the end of the year amounted to \$3,071,906, \$2,406,958 and \$921,511, respectively. The water fund, sewer fund and storm sewer fund increased their net position by \$3,809,117, \$868,277 and \$78,864, respectively, for the year ended December 31, 2016. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Lake Elmo, Minnesota's business-type activities.

**General Fund Budgetary Highlights**

The City's General Fund budget was not amended during the year. The budget called for no change in the General Fund balance. The actual net change to the General Fund balance was an increase of \$701,755. Revenues were more than budget by \$899,019 for the year ended December 31, 2016 due primarily to licenses and permits in excess of budget as result of increased building within the City.

Total expenditures were more than budget by \$197,264 for the year. One department had expenditures in excess of budget: general government expenditures exceeded budget by \$324,086. The over expenditures in the general government department were primarily related to legal expenses incurred over the amounts budgeted.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Lake Elmo, Minnesota's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$50,995,063 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Total capital assets increased by \$9,674,589, or 23%, for the year ended December 31, 2016, due primarily to completed construction projects and additional construction in progress on various capital projects within the City.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,453,979	\$ 3,453,979	\$ 248,869	\$ 248,869	\$ 3,702,848	\$ 3,702,848
Construction in progress	4,418,554	2,857,416	7,025,526	4,193,729	11,444,080	7,051,145
Buildings	2,576,941	2,649,349			2,576,941	2,649,349
Improvements other than buildings	438,996	439,669			438,996	439,669
Machinery and equipment	1,556,170	1,609,507	84,461	100,512	1,640,631	1,710,019
Infrastructure	8,310,394	7,517,719	22,881,173	18,249,725	31,191,567	25,767,444
Total	<u>\$ 20,755,034</u>	<u>\$ 18,527,639</u>	<u>\$ 30,240,029</u>	<u>\$ 22,792,835</u>	<u>\$ 50,995,063</u>	<u>\$ 41,320,474</u>

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

Additional information on the City of Lake Elmo, Minnesota's capital assets can be found in Note 3D beginning on page 55 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Lake Elmo, Minnesota had \$30,400,000 in bonds, certificates and notes outstanding. The entire \$30,400,000 outstanding comprises debt backed by the full faith and credit of the government.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 11,625,000	\$ 9,740,000	\$ 18,775,000	\$ 12,535,000	\$ 30,400,000	\$ 22,275,000
General obligation certificates						
General obligation notes payable		21,219				21,219
Total	<u>\$ 11,625,000</u>	<u>\$ 9,761,219</u>	<u>\$ 18,775,000</u>	<u>\$ 12,535,000</u>	<u>\$ 30,400,000</u>	<u>\$ 22,296,219</u>

The City of Lake Elmo, Minnesota's total bonds and certificates payable increased by \$8,103,781 during the current fiscal year. The increase was due primarily to the issuance of the 2016A General Obligation bonds. A more detailed breakdown of these obligations can be found in Note 3E beginning on page 57 of this report.

The City of Lake Elmo, Minnesota maintains an AA2 bond rating from Moody's Investor Service for general obligation debt. The City has also recently been upgraded by Standard and Poor's to a AA+ bond rating.

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

**Economic Factors and Next Year's Budgets and Rates**

- The City planned a new minor collector road to be built (5<sup>th</sup> Street) in the I-94 Corridor and many segments were completed in 2015 and 2016. A new minor collector road (Village Parkway) in the Old Village has been planned out by the City with initial sections having been built out in 2015 and 2016.
- Plans continue with subsequent phases of the multi-phased developments which were approved by the City.
- The Cities taxable market value increased 13% from 2014 to 2015 and 8% from 2015 to 2016.

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

**Economic Factors and Next Year's Budgets and Rates (continued)**

- There was a slight reduction in the amount of total property taxes levied in 2017. This was based on increases in charges for services revenues for building-related activities and the planned use of fund balance, which helped to offset increases to the debt service components of the tax levy.
- Development continues to be strong in the new development areas. The 2017 budget anticipates the building of 250 new homes and the continuation of commercial expansion.
- The Lake Elmo Avenue Downtown project with Washington County is well underway and Phase I was completed in 2015. Phase II of the project was completed in 2016 and Phase III will be completed in 2017. The project covers full reconstruction of the streets as well as upgrading the existing water system and installation of a new sewer system and storm water drainage system.
- The Inwood Avenue segment of the water line (for which the \$3.5M in State Bonding proceeds were secured) has moved into construction. This includes the construction of a new water tower, booster station and the truck water main improvements anticipated to be on-line in 2017.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Lake Elmo, Minnesota's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Lake Elmo, Minnesota, 3800 Laverne Avenue North, Lake Elmo, Minnesota, 55042.

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**CITY OF LAKE ELMO, MINNESOTA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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**CITY OF LAKE ELMO, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 8,879,954	\$ 4,686,929	\$ 13,566,883
Receivables, net of allowance	1,584,601	1,899,537	3,484,138
Due from other governmental units	44,108	3,434,202	3,478,310
Internal balances	(77,425)	77,425	
Prepaid expenses	5,653		5,653
Net pension asset	456,915		456,915
Capital assets:			
Nondepreciable	7,872,531	7,274,395	15,146,926
Depreciable, net	12,882,503	22,965,634	35,848,137
Total Assets	31,648,840	40,338,122	71,986,962
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized deferred amount on refunding	25,070	46,474	71,544
Deferred outflows from pension activity	831,606	82,210	913,816
Total Deferred Outflows of Resources	856,676	128,684	985,360
<b>LIABILITIES</b>			
Accounts payable	670,456	79,110	749,566
Accrued expenses	66,038	8,512	74,550
Accrued interest	124,170	184,114	308,284
Escrow deposits	75,000		75,000
Due to other governmental units	11,173	161,580	172,753
Unearned revenue	8,300	379,000	387,300
Noncurrent liabilities:			
Due within one year	958,467	722,625	1,681,092
Due in more than one year	11,060,143	18,322,092	29,382,235
Net pension liability	1,452,778	199,409	1,652,187
Total Liabilities	14,426,525	20,056,442	34,482,967
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pension activity	206,031	30,351	236,382
<b>NET POSITION</b>			
Net investment in capital assets	9,032,535	12,506,474	21,539,009
Restricted			
Debt service	4,704,133	1,473,164	6,177,297
Unrestricted	4,136,292	6,400,375	10,536,667
Total Net Position	\$ 17,872,960	\$ 20,380,013	\$ 38,252,973

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2016

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government	\$ 1,358,370	\$ 51,009	\$	\$
Public safety	1,308,360	1,752,522	72,591	
Public works	1,698,566		139,121	1,388,315
Culture and recreation	660,947		23,502	64,154
Interest on long-term debt	178,266			
<b>Total governmental activities</b>	<u>5,204,509</u>	<u>1,803,531</u>	<u>235,214</u>	<u>1,452,469</u>
<b>Business-Type activities:</b>				
Water	1,409,832	1,801,228		3,443,636
Sewer	380,650	1,315,948		20,931
Storm sewer	150,302	213,233		
<b>Total business-type activities</b>	<u>1,940,784</u>	<u>3,330,409</u>		<u>3,464,567</u>
<b>Total</b>	<u>\$ 7,145,293</u>	<u>\$ 5,133,940</u>	<u>\$ 235,214</u>	<u>\$ 4,917,036</u>

General revenues:  
  General property taxes  
  Grants and contributions not restricted to specific programs  
  Interest earnings  
  Miscellaneous  
Transfers  
  Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,307,361)		\$ (1,307,361)
516,753		516,753
(171,130)		(171,130)
(573,291)		(573,291)
(178,266)		(178,266)
<u>(1,713,295)</u>		<u>(1,713,295)</u>
	\$ 3,835,032	3,835,032
	956,229	956,229
	62,931	62,931
	<u>4,854,192</u>	<u>4,854,192</u>
<u>(1,713,295)</u>	<u>4,854,192</u>	<u>3,140,897</u>
3,226,739		3,226,739
8,584	748	9,332
43,228	44,423	87,651
52,479		52,479
143,105	(143,105)	
<u>3,474,135</u>	<u>(97,934)</u>	<u>3,376,201</u>
1,760,840	4,756,258	6,517,098
16,112,120	15,623,755	31,735,875
<u>\$ 17,872,960</u>	<u>\$ 20,380,013</u>	<u>\$ 38,252,973</u>

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**CITY OF LAKE ELMO, MINNESOTA**

**FUND FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**CITY OF LAKE ELMO, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2016

	General Fund (101)	Debt Service (300s)	Infrastructure Reserve (409)
<b>ASSETS</b>			
Cash and investments	\$ 3,727,367	\$ 3,326,884	\$ 143,963
Receivables (Net of allowance for uncollectibles)			
Accounts	2,168		65,511
Delinquent taxes	44,088		
Special assessments		1,189,170	266,733
Accrued interest	16,931		
Due from other funds	200,937		
Advances to other funds	405,398		
Due from other governmental units	39,274	4,834	
Prepaid items	3,824		
	<u>\$ 4,439,987</u>	<u>\$ 4,520,888</u>	<u>\$ 476,207</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 438,008	\$	\$ 172,571
Escrow deposits payable			
Accrued liabilities	60,554		
Due to other funds		95,605	7,032
Unearned revenue	8,300		
Advances from other funds			
Total liabilities	<u>506,862</u>	<u>95,605</u>	<u>179,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue:			
Property taxes	44,088		
Special assessments		1,189,170	266,733
Total deferred inflows of resources	<u>44,088</u>	<u>1,189,170</u>	<u>266,733</u>
<b>FUND BALANCE</b>			
Nonspendable	409,222		
Restricted		3,248,230	
Committed	200,000		
Assigned			29,871
Unassigned	3,279,815	(12,117)	
Total Fund Balance	<u>3,889,037</u>	<u>3,236,113</u>	<u>29,871</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
	<u>\$ 4,439,987</u>	<u>\$ 4,520,888</u>	<u>\$ 476,207</u>

**See Notes to Financial Statements**

Vehicle Acquisition (410)	Other Governmental Funds	Total
\$ 39,191	\$ 1,642,549	\$ 8,879,954
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>
		67,679
		44,088
		1,455,903
		16,931
		200,937
		405,398
		44,108
		3,824
<u>\$ 39,191</u>	<u>\$ 1,642,549</u>	<u>\$ 11,118,822</u>

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

December 31, 2016

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

Total governmental fund balances (pages 17-18)		\$ 8,223,754
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental funds - capital assets	\$ 27,619,139	
Accumulated depreciation	<u>(7,036,476)</u>	20,582,663
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:		
Delinquent property taxes	\$ 44,088	
Special assessments	<u>1,455,903</u>	1,499,991
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and notes payable	\$ (11,625,000)	
Net pension liability (asset), deferred outflows and inflows from pension activity	(370,288)	
Compensated absences	(64,623)	
Post employment benefit obligation	(206,419)	
Accrued interest	(124,170)	
Unamortized deferred amount on refunding	25,070	
Unamortized bond premiums	(181,792)	
Unamortized bond discounts	<u>59,224</u>	(12,487,998)
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental statement of net position.		
		<u>54,550</u>
Net position of governmental activities (page 14)		<u><u>\$ 17,872,960</u></u>

**CITY OF LAKE ELMO, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2016

	General Fund (101)	Debt Service (300s)	Infrastructure Reserve (409)
<b>REVENUES</b>			
Taxes	\$ 2,310,177	\$ 664,540	\$
Licenses and permits	1,713,918		
Intergovernmental	209,373	72,100	1,401
Charges for services	38,608		
Fines and forfeitures	49,505		
Special assessments		897,323	
Dedication fees			
Refunds and reimbursements			
Investment earnings	20,437	15,309	
Miscellaneous revenue	42,515		
<b>TOTAL REVENUES</b>	<u>4,384,533</u>	<u>1,649,272</u>	<u>1,401</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General government	1,280,259		
Public safety	1,262,040		
Public works	893,644		
Culture and recreation	168,788		
Unallocated	78,047		
<b>Capital Outlay</b>			
Public safety			
Public works			2,974,274
Culture and recreation			
<b>Debt Service</b>			
Principal		805,000	
Interest and other charges		225,772	
Bond issuance costs			16,233
<b>TOTAL EXPENDITURES</b>	<u>3,682,778</u>	<u>1,030,772</u>	<u>2,990,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>701,755</u>	<u>618,500</u>	<u>(2,989,106)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt			2,690,000
Premium on issuance of debt			102,877
(Discount) on issuance of debt			(14,392)
Transfers		143,105	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>143,105</u>	<u>2,778,485</u>
Net change in fund balances	701,755	761,605	(210,621)
<b>FUND BALANCES, Beginning</b>	<u>3,187,282</u>	<u>2,474,508</u>	<u>240,492</u>
<b>FUND BALANCES, Ending</b>	<u>\$ 3,889,037</u>	<u>\$ 3,236,113</u>	<u>\$ 29,871</u>

Vehicle Acquisition (410)	Other Governmental Funds	Total
\$	\$ 256,957	\$ 3,231,674
		1,713,918
		282,874
		38,608
		49,505
		897,323
	171,708	171,708
	21,390	21,390
180	7,302	43,228
	13,586	56,101
<u>180</u>	<u>470,943</u>	<u>6,506,329</u>
		1,280,259
		1,262,040
		893,644
	331,901	500,689
		78,047
6,067		6,067
		2,974,274
	146,441	146,441
21,219		826,219
387		226,159
		16,233
<u>27,673</u>	<u>478,342</u>	<u>8,210,072</u>
<u>(27,493)</u>	<u>(7,399)</u>	<u>(1,703,743)</u>
		2,690,000
		102,877
		(14,392)
		143,105
		2,921,590
(27,493)	(7,399)	1,217,847
66,684	1,036,941	7,005,907
<u>\$ 39,191</u>	<u>\$ 1,029,542</u>	<u>\$ 8,223,754</u>

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**CITY OF LAKE ELMO, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2016

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

Net change in fund balances - total governmental funds (pages 20-21)	\$	1,217,847
Governmental funds report capital outlay as expenditures.		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay capitalized	\$	3,100,540
Depreciation expense		<u>(917,521)</u>
		2,183,019
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Special assessments	\$	487,491
Property taxes		900
Intergovernmental revenue		(70,000)
Park dedication fees		<u>(107,554)</u>
		310,837
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences, end of year	\$	(64,623)
Compensated absences, beginning of year		70,161
Post employment benefit obligation, end of year		(206,419)
Post employment benefit obligation, beginning of year		<u>174,282</u>
		(26,599)
Bond, contract and loan proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal retirement on long-term debt	\$	826,219
Issuance of long-term debt		(2,690,000)
Change in net pension liability (asset)		70,909
Change in deferred amount on refunding		(2,539)
Change in accrued interest, bond premiums and bond discounts		<u>(104,223)</u>
		(1,899,634)
Internal service funds are used by management to charge the costs of capital equipment replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities in the government-wide financial statements		
		<u>(24,630)</u>
Change in net position of governmental activities (page 16)	\$	<u><u>1,760,840</u></u>

**CITY OF LAKE ELMO, MINNESOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2016

	Budgeted Amounts		2016 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$ 2,218,406	\$ 2,218,406	\$ 2,210,359	\$ (8,047)
Franchise	49,000	49,000	99,818	50,818
Total Taxes	<u>2,267,406</u>	<u>2,267,406</u>	<u>2,310,177</u>	<u>42,771</u>
Licenses and Permits				
Business	15,180	15,180	12,185	(2,995)
Nonbusiness	901,529	901,529	1,701,733	800,204
Total Licenses and Permits	<u>916,709</u>	<u>916,709</u>	<u>1,713,918</u>	<u>797,209</u>
Intergovernmental				
MSA - maintenance	101,696	101,696	123,433	21,737
Fire state aid	41,500	41,500	59,136	17,636
Other	7,813	7,813	11,116	3,303
County and local	15,500	15,500	15,688	188
Total Intergovernmental	<u>166,509</u>	<u>166,509</u>	<u>209,373</u>	<u>42,864</u>
Charges for Services	<u>30,890</u>	<u>30,890</u>	<u>38,608</u>	<u>7,718</u>
Fines and Forfeits	<u>45,000</u>	<u>45,000</u>	<u>49,505</u>	<u>4,505</u>
Investment Earnings	<u>55,000</u>	<u>55,000</u>	<u>20,437</u>	<u>(34,563)</u>
Miscellaneous Revenue	<u>4,000</u>	<u>4,000</u>	<u>42,515</u>	<u>38,515</u>
<b>TOTAL REVENUES</b>	<u>\$ 3,485,514</u>	<u>\$ 3,485,514</u>	<u>\$ 4,384,533</u>	<u>\$ 899,019</u>

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**  
For the Year Ended December 31, 2016

	Budgeted Amounts		2016 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>General Government</b>				
Mayor and Council				
Personnel services	\$ 27,956	\$ 27,956	\$ 27,656	\$ 300
Other services and charges	18,000	18,000	28,257	(10,257)
Total Mayor and Council	45,956	45,956	55,913	(9,957)
Election				
Other services and charges	15,800	15,800	9,092	6,708
Finance and Administration				
Personnel services	304,906	304,906	361,223	(56,317)
Supplies	7,457	7,457	7,349	108
Other services and charges	60,040	60,040	84,590	(24,550)
Total Finance and Administration	372,403	372,403	453,162	(80,759)
Communications				
Other services and charges			3,955	(3,955)
Total Communications			3,955	(3,955)
City Facilities				
Supplies	350	350	4	346
Other services and charges	55,632	55,632	70,437	(14,805)
Total City Facilities	55,982	55,982	70,441	(14,459)
Professional Services				
Assessor	38,000	38,000	52,049	(14,049)
Accounting and auditing	35,350	35,350	29,459	5,891
Legal	60,000	60,000	322,842	(262,842)
Engineering	48,000	48,000	34,229	13,771
Total Professional Services	181,350	181,350	438,579	(257,229)

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**  
For the Year Ended December 31, 2016

	Budgeted Amounts		2016 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>General Government</b>				
Planning and Zoning				
Personnel services	\$ 198,282	\$ 198,282	\$ 201,367	\$ (3,085)
Supplies	2,550	2,550	810	1,740
Other services and charges	83,850	83,850	46,940	36,910
Total Planning and Zoning	<u>284,682</u>	<u>284,682</u>	<u>249,117</u>	<u>35,565</u>
Total General Government	<u>956,173</u>	<u>956,173</u>	<u>1,280,259</u>	<u>(324,086)</u>
<b>Public Safety</b>				
Police				
Contracted services	<u>527,060</u>	<u>527,060</u>	<u>536,330</u>	<u>(9,270)</u>
Fire Protection				
Personnel services	235,170	235,170	218,234	16,936
2% fire aid	37,323	37,323	59,136	(21,813)
Supplies	32,250	32,250	21,237	11,013
Other services and charges	109,812	109,812	132,336	(22,524)
Total Fire Protection	<u>414,555</u>	<u>414,555</u>	<u>430,943</u>	<u>(16,388)</u>
Building Inspector				
Personnel services	228,341	228,341	217,829	10,512
Supplies	9,300	9,300	2,123	7,177
Other services and charges	23,125	23,125	15,080	8,045
Total Building Inspector	<u>260,766</u>	<u>260,766</u>	<u>235,032</u>	<u>25,734</u>
Animal Control				
Other services and charges	<u>7,550</u>	<u>7,550</u>	<u>10,646</u>	<u>(3,096)</u>
Criminal Legal	<u>54,700</u>	<u>54,700</u>	<u>44,144</u>	<u>10,556</u>
Emergency Communications	<u>7,400</u>	<u>7,400</u>	<u>4,945</u>	<u>2,455</u>
Total Public Safety	<u>\$ 1,272,031</u>	<u>\$ 1,272,031</u>	<u>\$ 1,262,040</u>	<u>\$ 9,991</u>

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**  
For the Year Ended December 31, 2016

	Budgeted Amounts		2016 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>Public Works</b>				
General				
Personnel services	\$ 265,259	\$ 265,259	\$ 347,070	\$ (81,811)
Supplies	525,950	525,950	367,657	158,293
Other services and charges	126,225	126,225	155,817	(29,592)
Total General	917,434	917,434	870,544	46,890
Trees	1,000	1,000	615	385
Street Lighting	26,400	26,400	22,485	3,915
Total Public Works	944,834	944,834	893,644	51,190
<b>Culture and Recreation</b>				
Parks				
Personnel services	192,420	192,420	136,617	55,803
Supplies	10,000	10,000	9,884	116
Other services and charges	28,900	28,900	22,287	6,613
Total Culture and Recreation	231,320	231,320	168,788	62,532
<b>Other Unallocated</b>				
Compensation adjustments	20,000	20,000		20,000
IT and telephone expense	61,156	61,156	78,047	(16,891)
Total Other Unallocated	81,156	81,156	78,047	3,109
Total Expenditures	3,485,514	3,485,514	3,682,778	(197,264)
Excess (deficiency) of revenues over (under) expenditures			701,755	701,755
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers				
NET CHANGE IN FUND BALANCE			701,755	701,755
FUND BALANCE, January 1	3,187,282	3,187,282	3,187,282	
FUND BALANCE, December 31	\$ 3,187,282	\$ 3,187,282	\$ 3,889,037	\$ 701,755

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Combining Statement of Net Position**  
December 31, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water (601)</u>	<u>Sewer (602)</u>	<u>Storm Sewer (603)</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 135,048	\$ 2,606,515	\$ 1,945,366
Receivables			
Accounts	130,481	40,774	221,693
Special assessments	360,690	1,131,468	14,431
Due from other governments	3,432,485	1,466	251
Due from other funds		54,305	23,915
	<u>4,058,704</u>	<u>3,834,528</u>	<u>2,205,656</u>
<b>Total Current Assets</b>			
<b>Noncurrent Assets</b>			
Property and Equipment			
Land	248,869		
Machinery and equipment	300,587		
Infrastructure	20,536,904	6,404,080	611,337
Construction in progress	4,861,511	550,564	1,613,451
Total Property and Equipment	<u>25,947,871</u>	<u>6,954,644</u>	<u>2,224,788</u>
Less: Accumulated depreciation	<u>4,387,149</u>	<u>381,713</u>	<u>118,412</u>
<b>Net Property and Equipment</b>	<u>21,560,722</u>	<u>6,572,931</u>	<u>2,106,376</u>
<b>Total Assets</b>	<u>25,619,426</u>	<u>10,407,459</u>	<u>4,312,032</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	46,474		
Deferred outflows from pension activity	55,931	16,581	9,698
<b>Total Deferred Outflows of Resources</b>	<u>\$ 102,405</u>	<u>\$ 16,581</u>	<u>\$ 9,698</u>

**See Notes to Financial Statements**

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 4,686,929	\$
392,948	
1,506,589	
3,434,202	
78,220	
<u>10,098,888</u>	<u></u>
248,869	
300,587	654,692
27,552,321	
7,025,526	
<u>35,127,303</u>	<u>654,692</u>
<u>4,887,274</u>	<u>482,321</u>
<u>30,240,029</u>	<u>172,371</u>
<u>40,338,917</u>	<u>172,371</u>
46,474	
82,210	
<u>\$ 128,684</u>	<u>\$</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Combining Statement of Net Position (Continued)**  
December 31, 2016

	Business-Type Activities - Enterprise Funds		
	Water (601)	Sewer (602)	Storm Sewer (603)
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 35,640	\$ 41,664	\$ 1,806
Accrued salaries payable	5,816	1,834	862
Accrued interest payable	96,963	57,604	29,547
Due to other funds	795		
Due to other governments	7,511	145,493	8,576
Unearned revenue	379,000		
Current portion of compensated absences	8,844	6,604	2,177
Current portion of bonds payable	485,000	220,000	
Total Current Liabilities	<u>1,019,569</u>	<u>473,199</u>	<u>42,968</u>
<b>Long-term Liabilities</b>			
Other postemployment benefits payable	17,499	5,405	7,918
Compensated absences payable	2,948	2,201	726
Net pension liability	126,574	45,108	27,727
Bonds payable and unamortized premium on bonds, net of unamortized discount on bonds	<u>11,141,149</u>	<u>4,320,429</u>	<u>2,823,817</u>
Total Long-term Liabilities	<u>11,288,170</u>	<u>4,373,143</u>	<u>2,860,188</u>
<b>Total Liabilities</b>	<u>12,307,739</u>	<u>4,846,342</u>	<u>2,903,156</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pension activity	<u>19,443</u>	<u>6,770</u>	<u>4,138</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,981,047	2,032,502	492,925
Restricted			
Debt service	341,696	1,131,468	
Unrestricted	<u>3,071,906</u>	<u>2,406,958</u>	<u>921,511</u>
Total Net Position	<u>\$ 13,394,649</u>	<u>\$ 5,570,928</u>	<u>\$ 1,414,436</u>

**See Notes to Financial Statements**

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 79,110	\$
8,512	
184,114	
795	117,821
161,580	
379,000	
17,625	
705,000	
<u>1,535,736</u>	<u>117,821</u>
30,822	
5,875	
199,409	
<u>18,285,395</u>	
<u>18,521,501</u>	
<u>20,057,237</u>	<u>117,821</u>
<u>30,351</u>	
12,506,474	172,371
1,473,164	
<u>6,400,375</u>	<u>(117,821)</u>
<u>\$ 20,380,013</u>	<u>\$ 54,550</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds		
	Water (601)	Sewer (602)	Storm Sewer (603)
<b>Operating Revenues</b>	<u>\$ 1,504,202</u>	<u>\$ 932,448</u>	<u>\$ 213,233</u>
<b>Operating Expenses</b>			
Personnel services	184,129	55,740	30,248
Supplies	140,861	8,730	6,272
Professional services	15,442	13,311	31,111
Repairs and maintenance	10,800	27,428	21,944
Insurance	8,975		
Utilities	180,117	22,754	
Depreciation	612,352	132,265	15,962
Total Operating Expenses	<u>1,152,676</u>	<u>260,228</u>	<u>105,537</u>
<b>Operating Income (Loss)</b>	<u>351,526</u>	<u>672,220</u>	<u>107,696</u>
<b>Other Revenue (Expense)</b>			
Investment earnings	13,987	14,584	15,852
Rents	52,526		
Future infrastructure charges	244,500	383,500	
Bond issuance costs	(19,465)	(5,191)	(16,718)
Intergovernmental revenue	525	142	81
Interest and fiscal expense	(237,691)	(115,231)	(28,047)
Total Other Revenue (Expense)	<u>54,382</u>	<u>277,804</u>	<u>(28,832)</u>
Income (Loss) Before Transfers and Contributions	405,908	950,024	78,864
Capital contributions	3,443,636	20,931	
Transfers out	<u>(40,427)</u>	<u>(102,678)</u>	
Change in net position	3,809,117	868,277	78,864
<b>Net Position, Beginning</b>	<u>9,585,532</u>	<u>4,702,651</u>	<u>1,335,572</u>
<b>Net Position, End of Year</b>	<u><u>\$ 13,394,649</u></u>	<u><u>\$ 5,570,928</u></u>	<u><u>\$ 1,414,436</u></u>

**See Notes to Financial Statements**

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,649,883	\$
270,117	
155,863	
59,864	
60,172	
8,975	
202,871	
760,579	24,630
<u>1,518,441</u>	<u>24,630</u>
1,131,442	(24,630)
44,423	
52,526	
628,000	
(41,374)	
748	
<u>(380,969)</u>	
<u>303,354</u>	
1,434,796	(24,630)
3,464,567	
<u>(143,105)</u>	
4,756,258	(24,630)
<u>15,623,755</u>	<u>79,180</u>
<u>\$ 20,380,013</u>	<u>\$ 54,550</u>

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Combining Statement of Cash Flows**  
For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Sewer (603)		
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 2,191,512	\$ 1,570,518	\$ 235,763	\$ 3,997,793	\$
Cash payments to suppliers	(558,431)	1,904	(56,666)	(613,193)	
Cash payments to employees	(164,894)	(44,897)	(26,303)	(236,094)	
Net Cash Provided By (Used In) Operating Activities	<u>1,468,187</u>	<u>1,527,525</u>	<u>152,794</u>	<u>3,148,506</u>	
<b>Cash Flows From Investing Activities</b>					
Interest earnings received	<u>13,987</u>	<u>14,584</u>	<u>15,852</u>	<u>44,423</u>	
<b>Cash Flows from Noncapital Financing Activities</b>					
Rents received	52,526			52,526	
Increase in due to other funds					41,740
Transfers to other funds	(40,427)	(102,678)		(143,105)	
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>12,099</u>	<u>(102,678)</u>		<u>(90,579)</u>	<u>41,740</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of capital assets	(6,187,932)	(538,590)	(1,481,249)	(8,207,771)	(69,003)
Special assessments received	137,938	292,432	2,487	432,857	
Proceeds from issuance of long-term debt	3,225,000	860,000	2,770,000	6,855,000	
Bond issuance costs	(19,465)	(5,191)	(16,718)	(41,374)	
Increase in unamortized bond premiums	58,434	15,660	55,315	129,409	
Principal paid on long-term debt	(415,000)	(200,000)		(615,000)	
Interest paid on long-term debt	(197,021)	(107,425)		(304,446)	
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(3,398,046)</u>	<u>316,886</u>	<u>1,329,835</u>	<u>(1,751,325)</u>	<u>(69,003)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(1,903,773)</u>	<u>1,756,317</u>	<u>1,498,481</u>	<u>1,351,025</u>	<u>(27,263)</u>
<b>Cash and Cash Equivalents, January 1</b>	<u>2,038,821</u>	<u>850,198</u>	<u>446,885</u>	<u>3,335,904</u>	<u>27,263</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 135,048</u>	<u>\$ 2,606,515</u>	<u>\$ 1,945,366</u>	<u>\$ 4,686,929</u>	<u>\$</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Combining Statement of Cash Flows (Continued)**  
For the Year Ended December 31, 2016

<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Sewer (603)	Total	
Operating income (loss)	\$ 351,526	\$ 672,220	\$ 107,696	\$ 1,131,442	\$ (24,630)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	612,352	132,265	15,962	760,579	24,630
Change in net pension liability	6,821	1,847	1,050	9,718	
Future infrastructure charges, included in nonoperating revenue	244,500	383,500		628,000	
(Increase) decrease in:					
Accounts receivable	227,290	256,036	22,781	506,107	
Due from other governments	520	(1,466)	(251)	(1,197)	
Prepaid expenses		1,290		1,290	
Increase (decrease) in:					
Accounts payable	(207,454)	(61,701)	(1,279)	(270,434)	
Accrued salaries payable	2,418	568	57	3,043	
Due to other governments	5,218	134,538	3,940	143,696	
Unearned revenue	215,000			215,000	
Other postemployment benefits payable	3,494	1,520	1,112	6,126	
Compensated absences payable	6,502	6,908	1,726	15,136	
Net Cash Provided By (Used In) Operating Activities	\$ 1,468,187	\$ 1,527,525	\$ 152,794	\$ 3,148,506	\$
Noncash Capital and Related Financing Activities					
Amortization of deferred charges	\$ 5,333	\$ 547	\$ 402	\$ 6,282	\$
Amortization of bond premiums	8,966	2,032	1,902	12,900	
Receipt of contributed capital	11,334	20,931		32,265	
Capital asset grant included in receivables	3,432,302			3,432,302	

**See Notes to Financial Statements**

**CITY OF LAKE ELMO, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 2,394,526
Accounts receivable	128
<b>TOTAL ASSETS</b>	<b>\$ 2,394,654</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 64,812
Deposits payable	2,329,842
<b>TOTAL LIABILITIES</b>	<b>\$ 2,394,654</b>

**CITY OF LAKE ELMO, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

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## CITY OF LAKE ELMO, MINNESOTA

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies

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

##### A. Reporting Entity

The City operates under Optional Plan A as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and a four-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability for a component unit. These criteria include appointing a voting majority of the component unit's governing body, and 1) the ability of the primary government to impose its will on that component unit, or 2) the potential for the component unit to provide specific benefits to, or impose specific financial burdens on the primary government. The City has no component units.

##### *Related Organizations*

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

## CITY OF LAKE ELMO, MINNESOTA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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##### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

##### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met are recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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

The *debt service fund* is an accumulation of resources (primarily special assessments and property tax revenues) for the payments of principal and interest on long-term general obligation debt of governmental funds.

The *infrastructure reserve fund* accounts for the accumulation of funds for the current and future road and street infrastructure projects.

The *vehicle acquisition fund* accounts for the accumulation of funds for the purchase of vehicles to be used by various City departments. Although this fund did not meet the requirements to be considered a major fund, management has elected to include this fund as a major fund as of and for the year ended December 31, 2016. This fund will be closed during 2017.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water distribution operations.

The *sewer fund* accounts for revenues and costs associated with the City's sewer system.

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

Additionally, the City reports the following fund types:

*Internal service funds* are used to account for the replacement of radios, information technology and furniture, fixtures and equipment expenses of the governmental activities. Internal service funds operate in a manner similar to enterprise funds; however, they accumulate funding primarily from other departments within the City on a cost reimbursement basis.

*Fiduciary funds* account for assets held by the City in a trustee capacity or as an agent on behalf of others.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All other revenues and expenses are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position

1. Cash and investments (including cash equivalents)

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

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

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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**D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "interfund balances."

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

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

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

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

2. Receivables and payables (continued)

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from ten to twenty years with interest charged at 1% over the City's borrowing rate. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The net amount of delinquent assessments receivable are fully offset by deferred inflows of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

3. Capital assets (continued)

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

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

4. Postemployment benefits other than pensions

Under Minnesota Statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The postemployment benefit obligation liability was determined using the alternative measurement method, in accordance with GASB Statement No. 45.

5. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

5. Long-term obligations (continued)

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

6. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Net Position and Fund Balance

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

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

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

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

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

7. Net Position and Fund Balance (continued)

The City classifies governmental fund balances as follows:

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

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

Committed – includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Council rescinds or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The Council has delegated the power to assign fund balances to the City's finance committee. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

7. Net Position and Fund Balance (continued)

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

8. Interfund transactions

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

E. Concentration of Credit Risk

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

F. Use of Estimates

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

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**2. Stewardship, Compliance and Accountability**

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**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted by Council resolution for the General Fund and the special revenue funds. Formal budgetary integration is employed as a management control device during the year for these funds.

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

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

All budget amounts presented as a basic financial statement or in the accompanying supplementary information reflect the original budget and the final budget (which were the same for the year ended December 31, 2016).

The City does not use encumbrance accounting.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2. Stewardship, Compliance, and Accountability

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B. Expenditures Exceeding Appropriations

For the year ended December 31, 2016, the General Fund total expenditures were \$197,264 more than budget. The following funds and General Fund departments had expenditures exceeding the latest amended budget:

	<u>2016 Budgeted Expenditures</u>	<u>2016 Actual Expenditures</u>	<u>Amount Exceeding Budgeted Amount</u>
General Fund:			
General government	\$ 956,173	\$ 1,280,259	\$ 324,086
Library Fund	256,957	331,901	74,944

The above listed over expenditures in the general government department were due primarily to legal expenses incurred over the amounts budgeted. The expenditures in excess of budget for the Library fund were related to repairs to the library building during the year.

All overexpenditures were approved by the City Council.

C. Fund Balance Deficits

As of December 31, 2016, the following funds had deficit fund balances:

<u>Fund</u>	<u>Amount</u>
Nonmajor:	
City Events Special Revenue	\$ 609
Village Project Capital Project	400,546
Manning Avenue/Highway 36 Capital Project	4,897

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

## CITY OF LAKE ELMO, MINNESOTA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 3. Detailed Notes on All Funds

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##### A. Deposits and Investments

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

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

The City's deposits were entirely covered by federal depository insurance or collateral at December 31, 2016.

##### Investment Policy

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

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

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

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**A. Deposits and Investments (Continued)**

Interest Rate Risk

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

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

<u>Investment</u>	<u>Range of Maturities</u>	<u>Rating</u>	<u>Value</u>
Cash	N/A	N/A	\$ 11,127,493
Certificates of Deposit	10/22	N/A	2,933,500
Municipal Bonds	12/18	A	363,667
U.S. Government Agencies	10/23	AAA	<u>1,536,750</u>
Total cash and investments			<u><u>\$ 15,961,410</u></u>

N/A Not applicable or not available

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

Carrying amount of deposits	\$ 11,127,493
Investments	<u>4,833,917</u>
Total	<u><u>\$ 15,961,410</u></u>
Government-wide	
Cash and investments	\$ 13,566,883
Fiduciary	
Cash and investments	<u>2,394,526</u>
Total	<u><u>\$ 15,961,409</u></u>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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3. Detailed Notes on All Funds (Continued)

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A. Deposits and Investments (Continued)

Credit Risk

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

Concentration of Credit Risk

Investments in any one issuer that represented 5% or more of total investments as of December 31, 2016 were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Value</u>
Lake Elmo Bank	Money Market Savings	\$ 10,608,299

The City routinely reviews its deposits to determine that pledged securities are adequate to cover any uninsured deposits.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2016, all investments were insured or registered or the securities were held by the City or its agent in the City's name.

Fair Value Measurements

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

3. Detailed Notes on All Funds (Continued)

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A. Deposits and Investments (Continued)

Fair Value Measurements (continued)

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
  
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

Fair Value Measurements (continued)

The City's investments within the fair value hierarchy at December 31, 2016 and 2015 were as follows:

	As of December 31, 2016			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
U.S. Government Securities	\$ 1,536,750	\$	\$ 1,536,750	\$
Certificates of Deposit	2,933,500	2,933,500		
Municipal Bonds	363,667		363,667	
<b>Total</b>	<b>\$ 4,833,917</b>	<b>\$ 2,933,500</b>	<b>\$ 1,900,417</b>	<b>\$</b>
	As of December 31, 2015			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
U.S. Government Securities	\$ 1,133,809	\$	\$ 1,133,809	\$
Certificates of Deposit	4,932,107	4,932,107		
Municipal Bonds	365,072		365,072	
<b>Total</b>	<b>\$ 6,430,988</b>	<b>\$ 4,932,107</b>	<b>\$ 1,498,881</b>	<b>\$</b>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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3. Detailed Notes on All Funds (Continued)

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B. Due from Other Governmental Units

Amounts due from other governmental units as of December 31, 2016 were as follows:

<u>Fund Type</u>	<u>State of Minnesota</u>	<u>Washington County</u>	<u>Total</u>
General Fund	\$	\$ 39,274	\$ 39,274
Debt Service Fund		4,834	4,834
Water Fund	3,432,302	183	3,432,485
Sewer Fund		1,466	1,466
Storm Sewer Fund		251	251
Total	<u>\$ 3,432,302</u>	<u>\$ 46,008</u>	<u>\$ 3,478,310</u>

C. Accounts and Loans Receivable

Accounts and loans receivable as of December 31, 2016 are expected to be collected in full. Based upon management's assessment of the creditworthiness of the customers comprising the receivable balance, no allowance for uncollectible accounts is necessary.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**D. Capital Assets**

Capital asset activity for the City for the year ended December 31, 2016 was as follows:

<b>Governmental Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,453,979	\$	\$	\$ 3,453,979
Construction in progress	2,857,416	2,971,529	1,410,393	4,418,552
Total capital assets, not being depreciated	6,311,395	2,971,529	1,410,393	7,872,531
Capital assets, being depreciated:				
Buildings	3,533,542			3,533,542
Improvements other than buildings	1,347,650	67,747		1,415,397
Machinery and equipment	3,737,075	130,270		3,867,345
Infrastructure	10,174,623	1,410,393		11,585,016
Total capital assets, being depreciated	18,792,890	1,608,410		20,401,300
Less accumulated depreciation for:				
Building	884,193	72,408		956,601
Improvements other than buildings	907,981	68,420		976,401
Machinery and equipment	2,127,568	183,605		2,311,173
Infrastructure	2,656,904	617,718		3,274,622
Total accumulated depreciation	6,576,646	942,151		7,518,797
Total capital assets, being depreciated, net	12,216,244	666,259		12,882,503
Governmental activities capital assets, net	\$ 18,527,639	\$ 3,637,788	\$ 1,410,393	\$ 20,755,034

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**D. Capital Assets (Continued)**

<b>Business-Type Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 248,869	\$	\$	\$ 248,869
Construction in progress	4,193,729	8,207,773	5,375,976	7,025,526
Total capital assets, not being depreciated	4,442,598	8,207,773	5,375,976	7,274,395
Capital assets, being depreciated:				
Machinery and equipment	300,587			300,587
Infrastructure	22,176,345	5,375,976		27,552,321
Total capital assets, being depreciated	22,476,932	5,375,976		27,852,908
Less accumulated depreciation for:				
Machinery and equipment	200,075	16,051		216,126
Infrastructure	3,926,620	744,528		4,671,148
Total accumulated depreciation	4,126,695	760,579		4,887,274
Total capital assets, being depreciated, net	18,350,237	4,615,397		22,965,634
Business-type activities capital assets, net	\$ 22,792,835	\$ 12,823,170	\$ 5,375,976	\$ 30,240,029

Certain assets in the City's business-type activities have been partially funded by grants from the State of Minnesota and therefore are considered jointly owned property. In the unlikely event the City would sell these assets, the City would be required to reimburse the State up to the full amount of the grants.

Depreciation expense for the year ended December 31, 2016 was charged to functions/programs as follows:

<b>Governmental Activities</b>	
General government	\$ 11,471
Public safety	119,657
Public works	729,004
Culture and recreation	82,019
Total	\$ 942,151
<b>Business-Type Activities</b>	
Water	\$ 612,352
Sewer	132,265
Storm sewer	15,962
Total	\$ 760,579

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**E. Long-Term Debt**

The City issues general obligation bonds to provide funds for economic development and for the acquisition and construction of major capital assets including infrastructure. General obligation bonds have been issued for both governmental and business-type activities. Bonds issued to provide funds for business-type activities are reported in proprietary funds if they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation improvement bonds are expected to be repaid, in part, from assessments to the benefited properties. A summary of long-term debt outstanding at December 31, 2016 is as follows:

	<u>Issue Date</u>	<u>Range of Interest Rates</u>	<u>Final Maturity</u>	<u>Balance 12/31/16</u>
General obligation bonds:				
2009B Improvement Bonds	10/1/2009	3.00% - 3.05%	2020	\$ 250,000
2010A Improvement Bonds	11/15/2010	1.85% - 2.80%	2021	365,000
2010B CIP Crossover Refunding Bonds	11/15/2010	2.00% - 3.20%	2025	1,535,000
2011A Improvement Bonds	10/1/2011	1.25% - 2.30%	2022	525,000
2012B Improvement Bonds	8/16/2012	0.75% - 1.90%	2023	625,000
2013A Improvement Bonds	10/1/2013	2.00% - 3.75%	2028	1,345,000
2014A Improvement Bonds	7/15/2014	2.00% - 3.50%	2030	2,670,000
2015A Improvement Bonds	8/13/2015	2.00% - 3.00%	2031	1,620,000
2016A Improvement Bonds	6/1/2016	2.00%	2027	2,690,000
General obligation revenue bonds:				
2009A Refunding Bonds	5/1/2009	3.45% - 3.85%	2021	240,000
2012A Refunding Bonds	8/13/2012	2.00% - 2.50%	2030	3,840,000
2013A Improvement Bonds	10/1/2013	2.00% - 4.00%	2033	3,435,000
2014A Improvement Bonds	7/15/2014	2.00% - 3.50%	2030	3,210,000
2015A Improvement Bonds	8/13/2015	2.00% - 3.00%	2031	1,195,000
2016A Improvement Bonds	6/1/2016	2.00%	2032	6,855,000
Other Liabilities:				
Compensated Absences				88,123
Post Employment Benefit Obligation				237,241
Unamortized premium				480,485
Less: Unamortized discount				<u>(142,522)</u>
Total Long-Term Debt				<u>\$ 31,063,327</u>

Liquidation of the compensated absences liability occurs within the department and fund for which the corresponding employees are assigned. The City is subject to statutory limitation by the State of Minnesota for bonded indebtedness payable principally from property taxes. As of December 31, 2016, the City had not utilized approximately \$35,930,000 of its net legal debt margin.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**E. Long-Term Debt (Continued)**

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation bonds:					
2009A Refunding Bonds	\$ 70,000	\$	\$ 70,000	\$	\$
2009B Improvement Bonds	310,000		60,000	250,000	60,000
2010A Improvement Bonds	435,000		70,000	365,000	70,000
2010B CIP Crossover Refunding Bonds	1,685,000		150,000	1,535,000	155,000
2011A Improvement Bonds	610,000		85,000	525,000	85,000
2012B Improvement Bonds	710,000		85,000	625,000	85,000
2013A Improvement Bonds	1,450,000		105,000	1,345,000	105,000
2014A Improvement Bonds	2,850,000		180,000	2,670,000	210,000
2015A Improvement Bonds	1,620,000			1,620,000	140,000
2016A Improvement Bonds		2,690,000		2,690,000	
General obligation note payable:					
Note Payable - Lake Elmo Bank	21,219		21,219		
Other Liabilities:					
Compensated Absences	70,161	90,110	95,648	64,623	48,467
Post Employment Benefit Obligation	174,282	32,137		206,419	
Unamortized premium	93,353	102,877	14,438	181,792	
Less: Unamortized (discount)	(50,262)	(14,392)	(5,430)	(59,224)	
Governmental Activities					
Long-Term Liabilities	<u>10,048,753</u>	<u>2,900,732</u>	<u>930,875</u>	<u>12,018,610</u>	<u>958,467</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation revenue bonds:					
2009A Refunding Bonds	280,000		40,000	240,000	45,000
2012A Refunding Bonds	4,035,000		195,000	3,840,000	190,000
2013A Improvement Bonds	3,640,000		205,000	3,435,000	205,000
2014A Improvement Bonds	3,385,000		175,000	3,210,000	205,000
2015A Improvement Bonds	1,195,000			1,195,000	60,000
2016A Improvement Bonds		6,855,000		6,855,000	
Other Liabilities:					
Compensated Absences	8,364	44,973	29,837	23,500	17,625
Post Employment Benefit Obligation	24,696	6,126		30,822	
Unamortized premium	138,007	173,586	12,900	298,693	
Less: Unamortized (discount)	(50,523)	(36,674)	(3,899)	(83,298)	
Business-Type Activities					
Long-Term Liabilities	<u>12,655,544</u>	<u>7,043,011</u>	<u>653,838</u>	<u>19,044,717</u>	<u>722,625</u>
Total	<u>\$ 22,704,297</u>	<u>\$ 9,943,743</u>	<u>\$ 1,584,713</u>	<u>\$ 31,063,327</u>	<u>\$ 1,681,092</u>

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**E. Long-Term Debt (Continued)**

Debt service requirements to maturity for long-term debt, excluding compensated absences and post employment benefit obligation, as of December 31, 2016 were as follows:

Year	General Obligation Improvement Bonds		General Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 910,000	\$ 267,528	\$ 705,000	\$ 457,498
2018	1,175,000	240,855	1,145,000	422,505
2019	1,205,000	216,853	1,165,000	399,256
2020	1,230,000	191,308	1,175,000	375,525
2021	1,185,000	165,371	1,185,000	351,212
2022-2026	4,760,000	456,118	6,215,000	1,355,536
2027-2031	1,160,000	60,001	6,240,000	562,101
2032-2033			945,000	30,800
Totals	<u>\$ 11,625,000</u>	<u>\$ 1,598,031</u>	<u>\$ 18,775,000</u>	<u>\$ 3,954,431</u>

**F. Tax Abatement Agreements**

The City enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various Minnesota Statutes. Under these statutes, the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.001 to 469.047 and 469.174 to 469.179 (the Tax Increment Act) to create these districts.

During the year ended December 31, 2016, the City had one agreement established under Minnesota Statute 469.001 to 469.047 which resulted in property taxes totaling \$3,629 being abated.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**F. Interfund Receivables and Payables**

The following schedule reports the interfund receivables and payables within the City's funds as of December 31, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 200,937	\$
Debt Service		95,605
Infrastructure Reserve		7,032
Subtotal	<u>200,937</u>	<u>102,637</u>
Nonmajor Governmental Funds:		
City Events		1,144
Village Project		56,760
Subtotal		<u>57,904</u>
Proprietary Funds:		
Water		795
Sewer	54,305	
Storm Sewer	23,915	
Subtotal	<u>78,220</u>	<u>795</u>
Internal Service Funds:		
Radio Replacement		41,740
FFE Replacement		76,081
Subtotal		<u>117,821</u>
Total All Funds	<u>\$ 279,157</u>	<u>\$ 279,157</u>

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

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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3. Detailed Notes on All Funds (Continued)

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F. Interfund Receivables and Payables (continued)

The City established an interfund loan from the General Fund to the Village Project fund. At December 31, 2016, the outstanding balance was \$405,398. The loan carries an interest rate of 4 percent.

G. Interfund Transfers

The following schedule reports the interfund transfers within the City's funds as of December 31, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
Debt Service	\$ 143,105	\$
Proprietary Funds:		
Water		40,427
Sewer		<u>102,678</u>
 Total All Funds	 <u>\$ 143,105</u>	 <u>\$ 143,105</u>

Transfers are used to move unassigned revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**H. Fund Equity**

In accordance with the requirements of GASB Statement No. 54, below is a schedule of ending fund balances as of December 31, 2016:

	<u>General</u>	<u>Debt Service</u>	<u>Infrastructure Reserve</u>	<u>Vehicle Acquisition</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable						
Prepaid items	\$ 3,824	\$	\$	\$	\$	\$ 3,824
Advance to other funds	405,398					405,398
Total Nonspendable	<u>409,222</u>					<u>409,222</u>
Restricted						
Debt service		<u>3,248,230</u>				<u>3,248,230</u>
Committed						
Legal reserve	<u>200,000</u>					<u>200,000</u>
Assigned						
Library					174,540	174,540
City facilities					272,924	272,924
Infrastructure improvements			29,871		8,089	37,960
Park improvements					980,041	980,041
Vehicle acquisition				39,191		39,191
Total Assigned			<u>29,871</u>	<u>39,191</u>	<u>1,435,594</u>	<u>1,504,656</u>
Unassigned	<u>3,279,815</u>	<u>(12,117)</u>			<u>(406,052)</u>	<u>2,861,646</u>
Total Fund Balance	<u>\$ 3,889,037</u>	<u>\$ 3,236,113</u>	<u>\$ 29,871</u>	<u>\$ 39,191</u>	<u>\$ 1,029,542</u>	<u>\$ 8,223,754</u>

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Other Information**

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**A. Risk Management**

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

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

**B. Commitments and Contingencies**

**General Litigation:**

Although the City is occasionally involved in litigation, management was unaware of any pending lawsuits in which the City was involved as of December 31, 2016. It is the opinion of management that any potential claim regarding any lawsuits against the City would be covered by the liability insurance of the City and that any potential claim against the City would not affect the financial statements.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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B. Commitments and Contingencies (Continued)

Operating Lease:

The City is obligated under a lease agreement for office space accounted for as an operating lease. Expenditures under this operating lease for the year ended December 31, 2016 totaled \$30,147. The following is a schedule by year of future minimum rental payments required under the lease as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 31,992
2018	32,301
2019	<u>24,921</u>
Total	<u>\$ 89,214</u>

C. Other Post Employment Benefits

Plan Description

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan until Medicare age, which covers both active and retired members. During 2016, there were 20 active participants and no retiree participants. Benefit provisions are established by the Council. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The City has historically funded these liabilities on a pay-as-you-go basis. Contribution requirements are negotiated between the City and union representatives on a per contract basis. At the present time, no retiree benefits are provided except the allowance to continue health insurance that is mandated by Minnesota Law. The City does not contribute any of the cost of current-year premiums for eligible retired plan members or their spouses. Plan members receiving benefits contribute 100 percent of their premium costs.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

C. Other Post Employment Benefits (Continued)

Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligations

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 46,247
Interest on net OPEB obligations	1,347
Adjustment to ARC	<u>(9,331)</u>
Annual OPEB cost	38,263
Contributions during the year	<u>                    </u>
Increase in net OPEB obligation	38,263
Net OPEB, beginning of year	<u>198,978</u>
Net OPEB, ending of year	<u><u>\$ 237,241</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ended December 31, 2016, 2015 and 2014 are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2014	\$ 2,484	0%	\$ 160,187
12/31/2015	38,791	0%	198,978
12/31/2016	38,263	0%	237,241

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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C. Other Post Employment Benefits (Continued)

Funded Status and Funding Progress

As of January 1, 2016, the actuarial accrued liability for benefits was \$188,502, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,417,483, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 13.30 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projected unit credit cost method was used.

The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 63, or at the first subsequent year in which the member would qualify for benefits. In addition, spouses of retired employees were assumed to continue on the plan for the lesser of eighteen months after the retired employee reaches Medicare age or until the spouse reaches Medicare age.

*Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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C. Other Post Employment Benefits (Continued)

Methods and Assumptions (Continued)

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

*Turnover* - Non-group-specific age-based turnover data from GASB Statement No. 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing expected future working lifetime assumptions for purposes of allocation to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 2.0 percent initially, rising to an ultimate rate of 6.0 percent after six years, was used.

*Health insurance premiums* - 2016 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* - The expected long-term inflation assumption of 4.00 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Based on the historical and expected return of the City's short-term investment portfolio, a discount rate of 3.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016 was thirty years.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans

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

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund)) – All full-time and certain part-time employees of the City of Lake Elmo are covered by the General Employees Retirement Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.
2. Public Employees Police and Fire Plan (Police and Fire Plan (accounted for in the Police and Fire Fund)) – The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Other Information (Continued)**

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**D. Pension Plans (Continued)**

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

**A. Plan Description (continued)**

**1. General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**2. PEPFF Benefits**

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

**B. Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Other Information (Continued)**

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**D. Pension Plans (Continued)**

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

**B. Contributions (continued)**

**1. General Employees Fund Contributions**

Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. The City's contributions to the General Employees Fund for the year ended December 31, 2016 were \$85,649. The City's contributions were equal to the required contributions as set by state statute.

**2. Police and Fire Fund Contributions**

Plan members were required to contribute 10.80% of their annual covered salary in calendar year 2016. The City was required to contribute 16.20% of pay for members in calendar year 2016. The City's contributions to the Police and Fire Fund for the year ended December 31, 2016 were \$13,967. The City's contributions were equal to the required contributions as set by state statute.

**C. Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2016, the City reported a liability of \$1,291,001 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$16,853. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion share was .0159% which was a decrease of .001% from its proportion measured as of June 30, 2015.

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**4. Other Information (Continued)**

**D. Pension Plans (Continued)**

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

**C. Pensions Costs (continued)**

**1. General Employees Fund Pension Costs (continued)**

For the year ended December 31, 2016, the City recognized pension expense of \$178,937 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$5,025 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund.

At December 31, 2016, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$	\$ 106,617
Changes in actuarial assumptions	252,779	
Difference between projected and actual investment earnings	248,717	
Changes in proportion		90,542
Contributions paid to PERA subsequent to the measurement date	<u>44,719</u>	
Total	<u>\$ 546,215</u>	<u>\$ 197,159</u>

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

C. Pensions Costs (continued)

1. General Employees Fund Pension Costs (continued)

\$44,719 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2017	\$ 72,383
2018	72,383
2019	112,938
2020	46,633

2. Police and Fire Fund Pension Costs

At December 31, 2016, the City reported a liability of \$361,186 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was .009%, which is unchanged from its proportion measured as of June 30, 2015. The City also recognized \$810 for the year ended December 31, 2016 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$61,416 for its proportionate share of the Police and Fire Plan's pension expense.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

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

C. Pensions Costs (continued)

2. Police and Fire Fund Pension Costs (continued)

At December 31, 2016, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$	\$ 39,223
Changes in actuarial assumptions	198,776	
Difference between projected and actual investment earnings	55,119	
Contributions paid to PERA subsequent to the measurement date	<u>7,561</u>	
Total	<u>\$ 261,456</u>	<u>\$ 39,223</u>

\$7,561 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2017	\$ 43,487
2018	43,487
2019	49,015
2020	44,561
2021	34,122

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

D. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actual assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for the General Employees Plan and RP-2000 tables for the Police and Fire Plan for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% per year for all future years for the General Employees Plan and Police and Fire Plan.

Actuarial assumptions used in the June 30, 2016 valuation were based on the result of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The experience study for Police and Fire Plan was for the period July 1, 2004 through June 30, 2009.

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

D. Actuarial Assumptions (continued)

Police and Fire Fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%
Total	<hr/> 100%	

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Other Information (Continued)**

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**D. Pension Plans (Continued)**

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

**E. Discount Rate**

The discount rate used to measure the total pension liability in 2016 was 7.50%, a reduction from the 7.90% used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057, when projected benefit payments exceed the fund's projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60% was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 2.85% after.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

F. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Sensitivity of Net Pension Liability at Current Single Discount Rate			
	General Employees Fund		Police and Fire Fund	
1% Higher	6.50%	\$ 1,833,604	4.60%	\$ 505,612
Current Discount Rate	7.50%	1,291,001	5.60%	361,186
1% Lower	8.50%	844,044	6.60%	243,178

G. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**CITY OF LAKE ELMO, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Other Information (Continued)**

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D. Pension Plans (Continued)

2. Lake Elmo Firefighter's Relief Association

A. Plan Description

The Lake Elmo Firefighter's Relief Association administers a single-employer defined benefit pension plan (FRA plan) available to volunteer firefighters. As of December 31, 2016, the plan covered 19 active firefighters and 5 vested terminated firefighters whose pension benefits are deferred. The plan was established and is administered in accordance with Minnesota Statutes, Chapters 69 and 424A. The December 31, 2016 information is the latest reported for this Plan.

B. Benefits Provided

Volunteer firefighters for the City are members of the Lake Elmo Firefighter's Relief Association. Association members are eligible to receive a lump sum benefit after 20 years of service with a minimum retirement age of 50. Currently retirees receive a benefit of \$3,400 for every year of service. These benefit provisions and all other requirements are consistent with State statutes. Volunteers of the fire department are not required to contribute to the relief association. Members with 10 years of service receive partial vesting at 60% of the 20-year rate and 4% added for every one year of service beyond ten years up to 20 years.

C. Contributions

The Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes, and voluntary City contributions. The State of Minnesota contributed \$59,136 in state aid to the plan on behalf of the Association for the year ended December 31, 2016. This contribution was recorded as a revenue and an expenditure in the City's general fund. The City levies property taxes for the benefit of the Association and passes through state aids allocated to the plan, all in accordance with State statutes. During 2016, at the Association's direction, the City did not levy any property taxes to be paid to the Association.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

D. Pension Plans (Continued)

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

D. Pension Costs

At December 31, 2016, the City reported a net pension asset of \$456,915 for the plan. The net pension asset was measured as of December 31, 2016. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by applying an actuarial formula to specific census data certified by the fire department as of December 31, 2016. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance 12/31/15	\$ 588,689	\$ 963,628	\$ (374,939)
Changes for the Year			
Service cost	27,579		27,579
Interest on pension liability	36,976		36,976
Assumption changes	11,690		11,690
Net investment income	(46,403)	70,101	(116,504)
Contributions (employer)			
Contributions (state)		59,136	(59,136)
Benefit payouts			
Administrative expenses		(17,419)	17,419
Net Changes	29,842	111,818	(81,976)
Balance End of Year 12/31/16	\$ 618,531	\$ 1,075,446	\$ (456,915)

For the year ended December 31, 2016, the City did not recognize pension expense related to the FRA plan.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

D. Pension Costs (continued)

At December 31, 2016, the Association reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment earnings	<u>\$ 106,145</u>	<u>\$</u>
Total	<u><u>\$ 106,145</u></u>	<u><u>\$</u></u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2017	\$ 27,831
2018	27,831
2019	27,830
2020	22,653

E. Actuarial Assumptions

The total pension liability at December 31, 2016 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 5.50%
- Inflation rate 4.0%

During 2016, the investment rate of return decreased from 6.00% to 5.50%.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

F. Discount Rate

The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that contributions to the FRA plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's net pension asset for the Association's plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease in Discount Rate (4.50%)</u>	<u>Discount Rate (5.50%)</u>	<u>1% Increase in Discount Rate (6.50%)</u>
Net pension liability (asset)	\$ (432,549)	\$ (456,915)	\$ (479,967)

H. Plan Investments

1. Investment Policy

All investments undertaken by the plan are governed by the prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 356A. Within the requirements defined by state law, the Plan establishes investment policy for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the ongoing management of the funds and are updated periodically.

CITY OF LAKE ELMO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4. Other Information (Continued)

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D. Pension Plans (Continued)

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

2. Asset Allocation

The long-term target asset allocation and long-term expected real rate of return of the Plan's assets is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	17.00%	2.25%
Fixed income	28.00%	3.30%
Equities	54.00%	7.50%
Other	<u>1.00%</u>	<u>6.00%</u>
Total	100%	5.50%

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

3. Description of significant investment policy changes during the year

The Plan made no significant changes to their investment policy during the year.

I. Pension Plan Fiduciary Net Position

Detailed information about the Lake Elmo Firefighter's Relief Association plan's fiduciary net position as of December 31, 2016 is available in a separately-issued financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the Finance Director for the City of Lake Elmo.

## CITY OF LAKE ELMO, MINNESOTA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 5. Implementation of New Accounting Principles

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The City adopted the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. This statement generally requires investments to be measured at fair value and requires disclosures to be made about fair value measurements including the level of hierarchy and the valuation techniques utilized by the City.

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 76, *Hierarchy of Generally Accepted Accounting Principles of the State and Local Governments*. This statement established the order and priority of pronouncements and other sources of accounting and financial reporting guidance that governments should apply. This statement did not impact the preparation of these financial statements.

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. This statement requires the disclosure of information related to tax abatement agreements entered into by the City, such as the financial statement impact, amount of taxes the City has promised to forego, and commitments made under the agreements.

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, No. 73*. The objective of this statement is to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised during implementation of the three standards listed above. One of the significant changes included in this statement clarifies the presentation of covered payroll in the required supplementary information to reflect the amount of payroll on which contributions made to the pension plan are based.

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#### 6. Subsequent Event

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In June 2017, the City issued 2017A General Obligation Bonds in the amount of \$9,045,000. The proceeds of the bonds will be used to finance an improvement project, the purchase of equipment, a sewer project, a water project, a storm water project, and to pay costs associated with issuance of the bonds.

**CITY OF LAKE ELMO, MINNESOTA**  
**REQUIRED SUPPLEMENTAL INFORMATION**

**December 31, 2016**

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**CITY OF LAKE ELMO, MINNESOTA**  
**Schedule of City Contributions**  
**PERA General Employees Retirement Plan**  
**December 31, 2016**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2014	\$ 73,182	\$ 73,182	\$	\$ 1,009,407	7.2%
2015	70,582	70,582		941,092	7.5%
2016	85,649	85,649		1,141,987	7.5%
2017					
2018					
2019					
2020					
2021					
2022					
2023					

**Schedule of City Contributions**  
**PERA Public Employees Police and Fire Plan**  
**December 31, 2016**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2014	\$ 13,035	\$ 13,035	\$	\$ 85,195	15.3%
2015	14,257	14,257		88,005	16.2%
2016	13,967	13,967		86,216	16.2%
2017					
2018					
2019					
2020					
2021					
2022					
2023					

Note: These schedules are intended to provide information for ten years. The City will include that information as it becomes available.

**CITY OF LAKE ELMO, MINNESOTA**  
**Schedule of Proportionate Share of Net Pension Liability**  
**PERA General Employees Retirement Plan**  
**December 31, 2016**

Fiscal Year Ended June 30	Proportionate (Percentage) of Net Pension Liability (Asset)	Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered- Employee Payroll (b)	Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0191%	\$ 897,222	\$ 1,009,407	88.9%	78.7%
2015	0.0169%	875,846	941,092	93.1%	78.2%
2016	0.0159%	1,291,001	1,141,987	113.0%	68.9%
2017					
2018					
2019					
2020					
2021					
2022					
2023					

**Schedule of Proportionate Share of Net Pension Liability**  
**PERA Public Employees Police and Fire Plan**  
**December 31, 2016**

Fiscal Year Ended June 30	Proportionate (Percentage) of Net Pension Liability (Asset)	Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered- Employee Payroll (b)	Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0090%	\$ 97,204	\$ 85,195	114.1%	87.1%
2015	0.0090%	102,261	88,005	116.2%	86.6%
2016	0.0090%	361,186	86,216	418.9%	63.9%
2017					
2018					
2019					
2020					
2021					
2022					
2023					

Note: These schedules are intended to provide information for ten years. The City will include that information as it becomes available.

**CITY OF LAKE ELMO, MINNESOTA**  
**Schedule of Funding Progress for the Fire Relief Association**  
**December 31, 2016**

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL) Valuation of Plan Assets (a)</u>	<u>Actuarial Valuation of Plan Assets (b)</u>	<u>Net Pension Liability (Asset) (a-b)</u>
12/31/16	\$ 618,531	\$ 1,075,446	\$ (456,915)
12/31/15	588,689	963,628	(374,939)

**CITY OF LAKE ELMO, MINNESOTA**  
**Schedule of Employer Contributions for the Fire Relief Association**  
**December 31, 2016**

	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$	\$
Actual contributions paid	<u>                    </u>	<u>                    </u>
Contributions deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>

**CITY OF LAKE ELMO, MINNESOTA**  
**SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS**  
**For the Year Ended December 31, 2016**

Actuarial valuations are provided every one to three years unless events occur (e.g. plan changes, layoffs, etc.) that would materially impact results. See Note 4C in the Notes to Financial Statements for more details on this schedule.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2009	\$	\$ 112,761	\$ 112,761	0%	\$ 892,528	12.63%
1/1/2012		101,981	101,981	0%	932,540	10.94%
1/1/2013		293,220	293,220	0%	913,884	32.09%
1/1/2014		204,437	204,437	0%	1,022,592	19.99%
1/1/2015		186,284	186,284	0%	1,041,665	17.88%
1/1/2016		188,502	188,502	0%	1,417,483	13.30%

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING AND INDIVIDUAL**  
**FUND STATEMENTS AND SCHEDULES**  
**December 31, 2016**

**CITY OF LAKE ELMO, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2016**

	Special Revenue	Capital Projects	Total
<b>ASSETS</b>			
Cash and investments	\$ 249,780	\$ 1,392,769	\$ 1,642,549
<b>TOTAL ASSETS</b>	<b>\$ 249,780</b>	<b>\$ 1,392,769</b>	<b>\$ 1,642,549</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 71,225	\$	\$ 71,225
Accrued liabilities	3,480		3,480
Due to other funds	1,144	56,760	57,904
Advances from other funds		405,398	405,398
Escrow deposits payable		75,000	75,000
Total liabilities	75,849	537,158	613,007
 <b>FUND BALANCE (DEFICIT)</b>			
Nonspendable			
Assigned	174,540	1,261,054	1,435,594
Unassigned	(609)	(405,443)	(406,052)
Total Fund Balance (Deficit)	173,931	855,611	1,029,542
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 249,780</b>	<b>\$ 1,392,769</b>	<b>\$ 1,642,549</b>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2016

	Special Revenue	Capital Projects	Total
<b>REVENUES</b>			
Taxes	\$ 256,957	\$	\$ 256,957
Dedication fees		171,708	171,708
Refunds and reimbursements		21,390	21,390
Investment earnings	944	6,358	7,302
Miscellaneous revenue	13,586		13,586
<b>TOTAL REVENUES</b>	<u>271,487</u>	<u>199,456</u>	<u>470,943</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Culture and recreation	331,901		331,901
<b>Capital Outlay</b>			
Culture and recreation		146,441	146,441
<b>TOTAL EXPENDITURES</b>	<u>331,901</u>	<u>146,441</u>	<u>478,342</u>
Net change in fund balances	(60,414)	53,015	(7,399)
<b>FUND BALANCES, Beginning</b>	<u>234,345</u>	<u>802,596</u>	<u>1,036,941</u>
<b>FUND BALANCES, Ending</b>	<u>\$ 173,931</u>	<u>\$ 855,611</u>	<u>\$ 1,029,542</u>

**CITY OF LAKE ELMO, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2016

	City Events (204)	Library (206)	Total
<b>ASSETS</b>			
Cash and investments	\$ 535	\$ 249,245	\$ 249,780
<b>TOTAL ASSETS</b>	<b>\$ 535</b>	<b>\$ 249,245</b>	<b>\$ 249,780</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$	\$ 71,225	\$ 71,225
Due to other funds	1,144		1,144
Accrued liabilities		3,480	3,480
Total liabilities	1,144	74,705	75,849
<b>FUND BALANCE (DEFICIT)</b>			
Assigned		174,540	174,540
Unassigned	(609)		(609)
Total fund balance (deficit)	(609)	174,540	173,931
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 535</b>	<b>\$ 249,245</b>	<b>\$ 249,780</b>

**CITY OF LAKE ELMO, MINNESOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2016

	City Events (204)	Library (206)	Total
<b>REVENUES</b>			
Taxes	\$	\$ 256,957	\$ 256,957
Investment earnings	3	941	944
Miscellaneous revenue	532	13,054	13,586
<b>TOTAL REVENUES</b>	535	270,952	271,487
<b>EXPENDITURES</b>			
<b>Current</b>			
Culture and recreation		331,901	331,901
Net change in fund balances	535	(60,949)	(60,414)
<b>FUND BALANCES, Beginning</b>	(1,144)	235,489	234,345
<b>FUND BALANCES (DEFICIT), Ending</b>	\$ (609)	\$ 174,540	\$ 173,931

**CITY OF LAKE ELMO, MINNESOTA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECT FUNDS  
 December 31, 2016**

	Park Dedication (404)	City Facilities (411)	Village Project (413)
<b>ASSETS</b>			
Cash and investments	\$ 980,041	\$ 272,924	\$ 61,612
<b>TOTAL ASSETS</b>	<b>\$ 980,041</b>	<b>\$ 272,924</b>	<b>\$ 61,612</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Due to other funds	\$	\$	\$ 56,760
Advances from other funds			405,398
Escrow deposits payable			
Total liabilities			462,158
 <b>FUND BALANCE (DEFICIT)</b>			
Assigned	980,041	272,924	
Unassigned			(400,546)
Total fund balance (deficit)	980,041	272,924	(400,546)
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 980,041</b>	<b>\$ 272,924</b>	<b>\$ 61,612</b>

Manning Avenue/Hwy 36 (414)	Washington County Downtown Project (422)	Total
\$ 70,103	\$ 8,089	\$ 1,392,769
<u>\$ 70,103</u>	<u>\$ 8,089</u>	<u>\$ 1,392,769</u>
\$	\$	\$ 56,760
75,000		405,398
<u>75,000</u>		<u>75,000</u>
		<u>537,158</u>
(4,897)	8,089	1,261,054
<u>(4,897)</u>	<u>8,089</u>	<u>(405,443)</u>
(4,897)	8,089	855,611
<u>\$ 70,103</u>	<u>\$ 8,089</u>	<u>\$ 1,392,769</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
For the Year Ended December 31, 2016

	Park Dedication (404)	City Facilities (411)	Village Project (413)
<b>REVENUES</b>			
Dedication fees	\$ 171,708	\$	\$
Refunds and reimbursements			21,390
Investment earnings (loss)	4,509	1,255	233
<b>TOTAL REVENUES</b>	176,217	1,255	21,623
<b>EXPENDITURES</b>			
<b>Capital Outlay</b>			
Culture and recreation	146,441		
Net change in fund balances	29,776	1,255	21,623
<b>FUND BALANCES (DEFICIT), Beginning</b>	950,265	271,669	(422,169)
<b>FUND BALANCES (DEFICIT), Ending</b>	\$ 980,041	\$ 272,924	\$ (400,546)

<u>Manning Avenue/Hwy 36 (414)</u>	<u>Washington County Downtown Project (422)</u>	<u>Total</u>
\$	\$	\$ 171,708
		21,390
<u>323</u>	<u>38</u>	<u>6,358</u>
323	38	199,456
		<u>146,441</u>
323	38	53,015
<u>(5,220)</u>	<u>8,051</u>	<u>802,596</u>
<u>\$ (4,897)</u>	<u>\$ 8,089</u>	<u>\$ 855,611</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2016

	Radio Replacement (701)	IT Replacement (702)	FFE Replacement (703)	Total
<b>ASSETS</b>				
<b>Noncurrent Assets</b>				
Property and Equipment				
Machinery and equipment	\$ 168,854	\$ 95,355	\$ 390,483	\$ 654,692
Less: Accumulated depreciation	<u>79,506</u>	<u>77,095</u>	<u>325,720</u>	<u>482,321</u>
Net Property and Equipment	<u>89,348</u>	<u>18,260</u>	<u>64,763</u>	<u>172,371</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 89,348</u></u>	<u><u>\$ 18,260</u></u>	<u><u>\$ 64,763</u></u>	<u><u>\$ 172,371</u></u>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current Liabilities</b>				
Due to other funds	<u>\$ 41,740</u>	<u>\$</u>	<u>\$ 76,081</u>	<u>\$ 117,821</u>
<b>Net Position</b>				
Net investment in capital assets	89,348	18,260	64,763	172,371
Unrestricted	<u>(41,740)</u>	<u></u>	<u>(76,081)</u>	<u>(117,821)</u>
Total Net Position	<u>47,608</u>	<u>18,260</u>	<u>(11,318)</u>	<u>54,550</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 89,348</u></u>	<u><u>\$ 18,260</u></u>	<u><u>\$ 64,763</u></u>	<u><u>\$ 172,371</u></u>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2016

	Radio Replacement (701)	IT Replacement (702)	FFE Replacement (703)	Total
<b>Operating Expenses</b>				
Depreciation	\$ 9,471	\$ 4,654	\$ 10,505	\$ 24,630
Net (Loss)	(9,471)	(4,654)	(10,505)	(24,630)
<b>Net Position, Beginning of Year</b>	<u>57,079</u>	<u>22,914</u>	<u>(813)</u>	<u>79,180</u>
<b>Net Position, End of Year</b>	<u>\$ 47,608</u>	<u>\$ 18,260</u>	<u>\$ (11,318)</u>	<u>\$ 54,550</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2016

	Radio Replacement (701)	IT Replacement (702)	FFE Replacement (703)	Total
<b>Cash Flows From Noncapital Financing Activities</b>				
Increase in due to other funds	\$ 41,740	\$	\$	\$ 41,740
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	(69,003)			(69,003)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(27,263)			(27,263)
<b>Cash and Cash Equivalents, Beginning of Year</b>	27,263			27,263
<b>Cash and Cash Equivalents, End of Year</b>	\$	\$	\$	\$
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating (loss)	\$ (9,471)	\$ (4,654)	\$ (10,505)	\$ (24,630)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	9,471	4,654	10,505	24,630
Net Cash Provided By (Used In) Operating Activities	\$	\$	\$	\$

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**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
December 31, 2016

	2002 GO Improvement Bonds (312)	2006A GO Equipment Certificates (314)	2009A GO Refunding Bonds (315)	2009B GO Improvement Bonds (316)	2010A GO Improvement Bonds (317)
<b>ASSETS</b>					
Cash and investments	\$ 475	\$ 29,544	\$	\$ 106,002	\$ 114,650
Receivables (Net of allowance for uncollectibles)					
Special assessments				23,665	40,400
Due from other governmental units				121	
<b>TOTAL ASSETS</b>	<b>\$ 475</b>	<b>\$ 29,544</b>	<b>\$</b>	<b>\$ 129,788</b>	<b>\$ 155,050</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$	\$	\$	\$	\$
Due to other funds			1,002		
Total liabilities			1,002		
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Special assessments				23,665	40,400
Total deferred inflows of resources				23,665	40,400
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	475	29,544		106,123	114,650
Unassigned			(1,002)		
Total fund balance (deficit)	475	29,544	(1,002)	106,123	114,650
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 475</b>	<b>\$ 29,544</b>	<b>\$</b>	<b>\$ 129,788</b>	<b>\$ 155,050</b>

2010B GO CIP Bonds (318)	2011A GO Improvement Bonds (319)	2012B GO Improvement Bonds (321)	2013A GO Improvement Bonds (322)	2014A GO Improvement Bonds (323)	2015A GO Improvement Bonds (324)	2016A GO Improvement Bonds (326)	Total
\$ 126,551	\$ 301,350	\$ 6,061	\$ 1,597,733	\$ 762,457	\$ 41,149	\$ 240,912	\$ 3,326,884
	39,920	119,700	28,560	565,065 4,713		371,860	1,189,170 4,834
<u>\$ 126,551</u>	<u>\$ 341,270</u>	<u>\$ 125,761</u>	<u>\$ 1,626,293</u>	<u>\$ 1,332,235</u>	<u>\$ 41,149</u>	<u>\$ 612,772</u>	<u>\$ 4,520,888</u>
\$	\$	\$	\$	\$	\$	\$	\$
		17,176	77,427				95,605
		<u>17,176</u>	<u>77,427</u>				<u>95,605</u>
	39,920	119,700	28,560	565,065		371,860	1,189,170
	<u>39,920</u>	<u>119,700</u>	<u>28,560</u>	<u>565,065</u>		<u>371,860</u>	<u>1,189,170</u>
126,551	301,350	(11,115)	1,520,306	767,170	41,149	240,912	3,248,230
<u>126,551</u>	<u>301,350</u>	<u>(11,115)</u>	<u>1,520,306</u>	<u>767,170</u>	<u>41,149</u>	<u>240,912</u>	<u>(12,117)</u> <u>3,236,113</u>
<u>\$ 126,551</u>	<u>\$ 341,270</u>	<u>\$ 125,761</u>	<u>\$ 1,626,293</u>	<u>\$ 1,332,235</u>	<u>\$ 41,149</u>	<u>\$ 612,772</u>	<u>\$ 4,520,888</u>

**CITY OF LAKE ELMO, MINNESOTA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUNDS**

For the Year Ended December 31, 2016

	2002 GO Improvement Bonds (312)	2006A GO Equipment Certificates (314)	2009A GO Refunding Bonds (315)	2009B GO Improvement Bonds (316)	2010A GO Improvement Bonds (317)
<b>REVENUES</b>					
Taxes	\$	\$	\$	\$ 49,598	\$ 59,043
Intergovernmental			72,100		
Special assessments				7,463	10,507
Investment earnings	2	136		489	528
<b>TOTAL REVENUES</b>	<u>2</u>	<u>136</u>	<u>72,100</u>	<u>57,550</u>	<u>70,078</u>
<b>EXPENDITURES</b>					
<b>Debt Service</b>					
Principal			70,000	60,000	70,000
Interest and other charges			5,177	8,163	9,550
<b>TOTAL EXPENDITURES</b>			<u>75,177</u>	<u>68,163</u>	<u>79,550</u>
Excess (deficiency) of revenues over (under) expenditures	2	136	(3,077)	(10,613)	(9,472)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers					
Net change in fund balances	2	136	(3,077)	(10,613)	(9,472)
<b>FUND BALANCES (DEFICIT), Beginning</b>	<u>473</u>	<u>29,408</u>	<u>2,075</u>	<u>116,736</u>	<u>124,122</u>
<b>FUND BALANCES (DEFICIT), Ending</b>	<u>\$ 475</u>	<u>\$ 29,544</u>	<u>\$ (1,002)</u>	<u>\$ 106,123</u>	<u>\$ 114,650</u>

2010B GO CIP Bonds (318)	2011A GO Improvement Bonds (319)	2012B GO Improvement Bonds (321)	2013A GO Improvement Bonds (322)	2014A GO Improvement Bonds (323)	2015A GO Improvement Bonds (324)	2016A GO Improvement Bonds (326)	Total
\$ 205,860	\$ 75,485	\$ 62,926	\$	\$ 211,628	\$	\$	\$ 664,540
	8,175	23,904	483,548	123,922		239,804	72,100
583	1,386	28	7,351	3,509	189	1,108	897,323
206,443	85,046	86,858	490,899	339,059	189	240,912	1,649,272
150,000	85,000	85,000	105,000	180,000			805,000
42,603	10,296	9,751	38,105	68,838	33,289		225,772
192,603	95,296	94,751	143,105	248,838	33,289		1,030,772
13,840	(10,250)	(7,893)	347,794	90,221	(33,100)	240,912	618,500
			143,105				143,105
13,840	(10,250)	(7,893)	490,899	90,221	(33,100)	240,912	761,605
112,711	311,600	(3,222)	1,029,407	676,949	74,249		2,474,508
<u>\$ 126,551</u>	<u>\$ 301,350</u>	<u>\$ (11,115)</u>	<u>\$ 1,520,306</u>	<u>\$ 767,170</u>	<u>\$ 41,149</u>	<u>\$ 240,912</u>	<u>\$ 3,236,113</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**CITY EVENTS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$	\$	\$ 3	\$ 3
Miscellaneous revenue			532	532
<b>TOTAL REVENUES</b>			535	535
<b>EXPENDITURES</b>				
<b>Current</b>				
Culture and recreation				
Net change in fund balances			535	535
<b>FUND BALANCES, Beginning</b>	(1,144)	(1,144)	(1,144)	
<b>FUND BALANCES, Ending</b>	<u>\$ (1,144)</u>	<u>\$ (1,144)</u>	<u>\$ (609)</u>	<u>\$ 535</u>

Note: The City adopted a \$0 activity budget in this fund for the year ended December 31, 2016.

**CITY OF LAKE ELMO, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 256,957	\$ 256,957	\$ 256,957	\$
Investment earnings			941	941
Miscellaneous revenue			13,054	13,054
<b>TOTAL REVENUES</b>	256,957	256,957	270,952	13,995
<b>EXPENDITURES</b>				
<b>Current</b>				
Culture and recreation	256,957	256,957	331,901	(74,944)
Net change in fund balances			(60,949)	(60,949)
<b>FUND BALANCES, Beginning</b>	235,489	235,489	235,489	
<b>FUND BALANCES, Ending</b>	<u>\$ 235,489</u>	<u>\$ 235,489</u>	<u>\$ 174,540</u>	<u>\$ (60,949)</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**

For the Year Ended December 31, 2016

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
<b>ESCROW</b>				
ASSETS				
Cash and investments	\$ 1,827,298	\$ 2,062,165	\$ 1,494,809	\$ 2,394,654
LIABILITIES				
Accounts payable	\$ 99,952	\$ 1,403,507	\$ 1,438,647	\$ 64,812
Deposits payable	1,727,346	2,155,295	1,552,799	2,329,842
TOTAL LIABILITIES	<u>\$ 1,827,298</u>	<u>\$ 3,558,802</u>	<u>\$ 2,991,446</u>	<u>\$ 2,394,654</u>
<b>YELLOW RIBBON</b>				
ASSETS				
Cash and investments	\$ (128)	\$	\$	\$ (128)
Accounts receivable	128			128
TOTAL ASSETS	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>TOTAL AGENCY FUNDS</b>				
ASSETS				
Cash and investments	\$ 1,827,170	\$ 2,062,165	\$ 1,494,809	\$ 2,394,526
Accounts receivable	128			128
TOTAL ASSETS	<u>\$ 1,827,298</u>	<u>\$ 2,062,165</u>	<u>\$ 1,494,809</u>	<u>\$ 2,394,654</u>
LIABILITIES				
Accounts payable	\$ 99,952	\$ 1,403,507	\$ 1,438,647	\$ 64,812
Deposits payable	1,727,346	2,155,295	1,552,799	2,329,842
TOTAL LIABILITIES	<u>\$ 1,827,298</u>	<u>\$ 3,558,802</u>	<u>\$ 2,991,446</u>	<u>\$ 2,394,654</u>

**CITY OF LAKE ELMO, MINNESOTA  
REDEVELOPMENT GRANT PROGRAM  
Supplemental Schedule of Sources and Uses  
For the Year Ended December 31, 2016**

	Total (1)
<b>SOURCES</b>	<b>\$ 3,432,302</b>
<b>USES**</b>	
Inwood Avenue trunk watermain construction	\$ 953,584
Inwood Avenue booster station construction	775,000
Inwood Avenue water tower construction	1,703,718
<b>TOTAL USES</b>	<b>\$ 3,432,302</b>

(1) Redevelopment Grant Program SPAP-14-0007-P-FY14

\*\* Amounts expended for grant purposes are recorded under the full accrual method in the proprietary funds and therefore were recorded as a noncurrent asset (property and equipment) rather than current period expenses.

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**CITY OF LAKE ELMO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**December 31, 2016**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<b><u>Content</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	107
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	117
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	132
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	134

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**CITY OF LAKE ELMO, MINNESOTA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2015	2014	2013
Governmental activities				
Net investment in capital assets	\$ 9,032,535	\$ 8,723,329	\$ 7,957,840	\$ 9,056,353
Restricted	4,704,133	3,446,142	1,106,200	1,225,849
Unrestricted	4,136,292	3,942,646	5,405,920	4,593,463
Total governmental activities net position	<u>\$ 17,872,960</u>	<u>\$ 16,112,117</u>	<u>\$ 14,469,960</u>	<u>\$ 14,875,665</u>
Business-type activities				
Net investment in capital assets	\$ 12,506,474	\$ 10,170,351	\$ 10,567,418	\$ 6,855,807
Restricted	1,473,164	1,876,119	2,387,312	\$ 2,612,569
Unrestricted	6,400,375	3,577,285	1,100,422	1,846,681
Total business-type activities net position	<u>\$ 20,380,013</u>	<u>\$ 15,623,755</u>	<u>\$ 14,055,152</u>	<u>\$ 11,315,057</u>
Primary government				
Net investment in capital assets	\$ 21,539,009	\$ 18,893,680	\$ 18,525,258	\$ 15,912,160
Restricted	6,177,297	5,322,261	3,493,512	3,838,418
Unrestricted	10,536,667	7,519,931	6,506,342	6,440,144
Total primary government net position	<u>\$ 38,252,973</u>	<u>\$ 31,735,872</u>	<u>\$ 28,525,112</u>	<u>\$ 26,190,722</u>

NOTE: The City adopted GASB Statement No. 65 in 2013. Amounts in this schedule prior to 2012 have not been restated for GASB Statement No. 65.

The City adopted GASB Statements No. 68 and 71 in 2015. Amounts in this schedule prior to 2015 have not been restated for GASB Statements No. 68 and 71.

Schedule 1

2012	2011	2010	2009	2008	2007
\$ 8,782,840	\$ 8,553,984	\$ 8,368,479	\$ 7,983,822	\$ 7,151,543	\$ 5,648,702
4,205,247	2,664,689	2,057,467	1,399,968	718,617	711,966
918,996	2,555,596	3,439,106	3,824,156	4,698,858	5,139,270
<u>\$ 13,907,083</u>	<u>\$ 13,774,269</u>	<u>\$ 13,865,052</u>	<u>\$ 13,207,946</u>	<u>\$ 12,569,018</u>	<u>\$ 11,499,938</u>
\$ 6,788,377	\$ 6,422,782	\$ 6,713,292	\$ 6,644,334	\$ 6,181,055	\$ 5,617,960
\$ 39,153					
1,105,847	1,449,340	1,193,509	1,056,968	951,793	1,080,666
<u>\$ 7,933,377</u>	<u>\$ 7,872,122</u>	<u>\$ 7,906,801</u>	<u>\$ 7,701,302</u>	<u>\$ 7,132,848</u>	<u>\$ 6,698,626</u>
\$ 15,571,217	\$ 14,976,766	\$ 15,081,771	\$ 14,628,156	\$ 13,332,598	\$ 11,266,662
4,244,400	2,664,689	2,057,467	1,399,968	718,617	711,966
2,024,843	4,004,936	4,632,615	4,881,124	5,650,651	6,219,936
<u>\$ 21,840,460</u>	<u>\$ 21,646,391</u>	<u>\$ 21,771,853</u>	<u>\$ 20,909,248</u>	<u>\$ 19,701,866</u>	<u>\$ 18,198,564</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2015	2014	2013
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,358,370	\$ 1,134,132	\$ 1,072,888	\$ 1,103,337
Public safety	1,308,360	1,344,282	1,530,609	1,277,798
Public works	1,698,566	1,377,969	1,032,426	1,273,977
Culture and recreation	660,947	639,006	448,361	424,687
Interest on long-term debt	178,266	215,611	165,028	133,694
Total governmental activities expenses	<u>5,204,509</u>	<u>4,711,000</u>	<u>4,249,312</u>	<u>4,213,493</u>
Business-Type activities:				
Water	1,409,832	1,363,043	1,069,511	958,870
Sewer	380,650	250,866	353,438	119,370
Storm sewer	150,302	103,536	149,887	86,989
Total business-type activities expenses	<u>1,940,784</u>	<u>1,717,445</u>	<u>1,572,836</u>	<u>1,165,229</u>
Total primary government expenses	<u>\$ 7,145,293</u>	<u>\$ 6,428,445</u>	<u>\$ 5,822,148</u>	<u>\$ 5,378,722</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 51,009	\$ 42,706	\$ 45,161	\$ 32,778
Public safety	1,752,522	866,708	496,916	414,472
Public works		3,615		2,647
Culture and recreation		26,214	10,753	17,000
Operating grants and contributions	235,214	249,094	204,462	208,276
Capital grants and contributions	1,452,469	2,038,940	557,601	1,364,622
Total governmental activities program revenues	<u>3,491,214</u>	<u>3,227,277</u>	<u>1,314,893</u>	<u>2,039,795</u>
Business-type activities:				
Charges for services:				
Water	1,801,228	1,850,240	1,291,091	596,421
Sewer	1,315,948	1,523,067	741,054	53,142
Storm sewer	213,233	229,252	214,915	191,087
Operating grants and contributions				
Capital grants and contributions	3,464,567		1,159,222	3,781,528
Total business-type activities program revenues	<u>6,794,976</u>	<u>3,602,559</u>	<u>3,406,282</u>	<u>4,622,178</u>
Total primary government program revenues	<u>\$ 10,286,190</u>	<u>\$ 6,829,836</u>	<u>\$ 4,721,175</u>	<u>\$ 6,661,973</u>

Schedule 2

	2012	2011	2010	2009	2008	2007
\$	1,093,204	\$ 1,036,038	\$ 980,456	\$ 971,677	\$ 1,168,625	\$ 914,212
	1,302,857	1,107,050	1,171,158	1,125,464	1,002,408	956,649
	891,169	1,008,686	1,135,351	872,045	868,804	1,247,398
	362,432	247,845	239,389	248,856	228,393	333,164
	316,039	266,730	222,404	218,319	237,753	207,648
	<u>3,965,701</u>	<u>3,666,349</u>	<u>3,748,758</u>	<u>3,436,361</u>	<u>3,505,983</u>	<u>3,659,071</u>
	872,786	845,474	898,319	857,014	849,018	735,499
	53,903	73,797	61,513	59,243	63,400	125,773
	73,590	142,517	151,384	140,365	123,902	78,807
	<u>1,000,279</u>	<u>1,061,788</u>	<u>1,111,216</u>	<u>1,056,622</u>	<u>1,036,320</u>	<u>940,079</u>
\$	<u>4,965,980</u>	<u>\$ 4,728,137</u>	<u>\$ 4,859,974</u>	<u>\$ 4,492,983</u>	<u>\$ 4,542,303</u>	<u>\$ 4,599,150</u>
\$	48,476	\$ 22,058	\$ 18,296	\$ 15,631	\$ 19,430	\$ 28,890
	379,557	283,813	320,242	270,653	295,353	365,327
	3,256	3,058	3,425	6,584	3,833	18,573
	9,341		10,800			61,274
	160,060	184,476	168,491	174,433	140,176	94,185
	160,444	222,488	1,090,419	798,687	1,345,803	1,371,489
	<u>761,134</u>	<u>715,893</u>	<u>1,611,673</u>	<u>1,265,988</u>	<u>1,804,595</u>	<u>1,939,738</u>
	699,159	575,534	562,585	479,430	467,336	471,226
	65,737	53,012	48,508	45,146	44,568	99,581
	171,229	235,252	185,425	149,407	134,674	138,092
		17,000	32,721	30,100		
	<u>115,127</u>	<u>75,885</u>	<u>418,400</u>	<u>776,473</u>	<u>684,400</u>	<u>298,928</u>
	<u>1,051,252</u>	<u>956,683</u>	<u>1,247,639</u>	<u>1,480,556</u>	<u>1,330,978</u>	<u>1,007,827</u>
\$	<u>1,812,386</u>	<u>\$ 1,672,576</u>	<u>\$ 2,859,312</u>	<u>\$ 2,746,544</u>	<u>\$ 3,135,573</u>	<u>\$ 2,947,565</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2015	2014	2013
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (1,713,295)	\$ (1,483,723)	\$ (2,934,419)	\$ (2,173,698)
Business-type activities	4,854,192	1,885,114	1,833,446	3,456,949
Total primary government net revenue	<u>\$ 3,140,897</u>	<u>\$ 401,391</u>	<u>\$ (1,100,973)</u>	<u>\$ 1,283,251</u>
<b>General Revenues and Other Changes In Net Position</b>				
Governmental activities:				
General property taxes	\$ 3,226,739	\$ 3,204,119	\$ 3,200,291	\$ 3,231,609
Grants and contributions not restricted to specific programs	8,584	2,749	2,749	2,749
Interest income	43,228	46,589	87,586	35,259
Miscellaneous	52,479	73,738	125,400	1,833
Gain on sale of capital assets				8,979
Transfers	143,105	220,842	(887,312)	
Total governmental activities	<u>3,474,135</u>	<u>3,548,037</u>	<u>2,528,714</u>	<u>3,280,429</u>
Business-type activities:				
Grants and contributions not restricted to specific programs	748			
Interest income	44,423	39,757	19,337	30,346
Transfers	(143,105)	(220,842)	887,312	
Total business-type activities	<u>(97,934)</u>	<u>(181,085)</u>	<u>906,649</u>	<u>30,346</u>
Total primary government	<u>\$ 3,376,201</u>	<u>\$ 3,366,952</u>	<u>\$ 3,435,363</u>	<u>\$ 3,310,775</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,760,840	\$ 2,064,314	\$ (405,705)	\$ 1,106,731
Business-type activities	4,756,258	1,704,029	2,740,095	3,487,295
Total primary government	<u>\$ 6,517,098</u>	<u>\$ 3,768,343</u>	<u>\$ 2,334,390</u>	<u>\$ 4,594,026</u>

Schedule 2  
(continued)

2012	2011	2010	2009	2008	2007
\$ (3,204,567)	\$ (2,950,456)	\$ (2,137,085)	\$ (2,170,373)	\$ (1,701,388)	\$ (1,719,333)
50,973	(105,105)	136,423	423,934	294,658	67,748
<u>\$ (3,153,594)</u>	<u>\$ (3,055,561)</u>	<u>\$ (2,000,662)</u>	<u>\$ (1,746,439)</u>	<u>\$ (1,406,730)</u>	<u>\$ (1,651,585)</u>
\$ 3,183,078	\$ 2,793,776	\$ 2,711,067	\$ 2,718,691	\$ 2,568,705	\$ 2,424,782
	10,628	9,771	8,764	57,390	46,154
111,705	94,501	113,989	160,679	209,539	335,578
42,599	20,405	17,311	41,827	50,865	33,204
			8,517		
	(59,637)	(57,947)	(129,177)	(116,031)	(424,940)
<u>3,337,382</u>	<u>2,859,673</u>	<u>2,794,191</u>	<u>2,809,301</u>	<u>2,770,468</u>	<u>2,414,778</u>
10,282	10,789	11,129	15,343	23,533	94,325
	59,637	57,947	129,177	116,031	424,940
<u>10,282</u>	<u>70,426</u>	<u>69,076</u>	<u>144,520</u>	<u>139,564</u>	<u>519,265</u>
<u>\$ 3,347,664</u>	<u>\$ 2,930,099</u>	<u>\$ 2,863,267</u>	<u>\$ 2,953,821</u>	<u>\$ 2,910,032</u>	<u>\$ 2,934,043</u>
\$ 132,815	\$ (90,783)	\$ 657,106	\$ 638,928	\$ 1,069,080	\$ 695,445
61,255	(34,679)	205,499	568,454	434,222	587,013
<u>\$ 194,070</u>	<u>\$ (125,462)</u>	<u>\$ 862,605</u>	<u>\$ 1,207,382</u>	<u>\$ 1,503,302</u>	<u>\$ 1,282,458</u>

**CITY OF LAKE ELMO, MINNESOTA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund					
Reserved	\$	\$	\$	\$	\$
Unreserved					
Nonspendable	409,222	432,306	638,963	859,072	1,024,433
Committed	200,000				
Unassigned	<u>3,279,815</u>	<u>2,754,976</u>	<u>2,542,038</u>	<u>2,318,310</u>	<u>2,414,692</u>
Total general fund	<u>3,889,037</u>	<u>3,187,282</u>	<u>3,181,001</u>	<u>3,177,382</u>	<u>3,439,125</u>
All other governmental funds					
Reserved					
Unreserved					
Nonspendable		3,908			
Restricted	3,248,230	2,477,730	717,781	743,976	3,959,111
Committed					-
Assigned	1,504,656	1,768,742	2,943,525	2,252,931	1,244,900
Unassigned	<u>(418,169)</u>	<u>(431,755)</u>	<u>(693,904)</u>	<u>(885,360)</u>	<u>(1,670,915)</u>
Total all other governmental funds	<u>4,334,717</u>	<u>3,818,625</u>	<u>2,967,402</u>	<u>2,111,547</u>	<u>3,533,096</u>
Total governmental funds	<u>\$ 8,223,754</u>	<u>\$ 7,005,907</u>	<u>\$ 6,148,403</u>	<u>\$ 5,288,929</u>	<u>\$ 6,972,221</u>

Note: The City implemented GASB Statement No. 54 in 2011, therefore, classifications of fund balance have changed.

Schedule 3

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	\$ 1,068,950	\$ 1,032,570	\$ 1,015,753	\$ 1,003,823
1,206,209	1,617,211	1,403,240	1,395,088	1,251,127
1,707,711				
<u>2,913,920</u>	<u>2,686,161</u>	<u>2,435,810</u>	<u>2,410,841</u>	<u>2,254,950</u>
	3,605,250	1,422,049	727,673	698,683
	504,106	1,077,659	1,976,379	2,554,808
4,691,748				
7,114				
654,358				
<u>(1,353,754)</u>				
3,999,466	4,109,356	2,499,708	2,704,052	3,253,491
<u>\$ 6,913,386</u>	<u>\$ 6,795,517</u>	<u>\$ 4,935,518</u>	<u>\$ 5,114,893</u>	<u>\$ 5,508,441</u>

**CITY OF LAKE ELMO, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST FISCAL TEN YEARS**  
(Modified Accrual Basis of Accounting)

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>					
Taxes	\$ 3,231,674	\$ 3,222,216	\$ 3,203,111	\$ 3,231,609	\$ 3,221,733
Licenses and permits	1,713,918	828,494	451,953	374,974	330,819
Intergovernmental	282,874	296,902	413,968	1,704,178	237,254
Charges for services	38,608	35,796	30,192	6,113	5,726
Fines and forfeitures	49,505	48,739	48,647	52,110	58,385
Special assessments	897,323	1,316,239	115,424	180,023	136,150
Dedication fees	171,708	138,158	274,257		
Refunds and reimbursements	21,390				
Investment earnings	43,228	46,415	87,467	35,127	111,737
Miscellaneous revenue	56,101	99,055	165,319	57,260	87,562
<b>Total Revenues</b>	<b>6,506,329</b>	<b>6,032,014</b>	<b>4,790,338</b>	<b>5,641,394</b>	<b>4,189,366</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	1,280,259	1,025,320	1,046,906	1,527,732	1,034,712
Public safety	1,262,040	1,203,765	1,198,546	1,174,145	1,109,937
Public works	893,644	686,401	585,071	614,270	446,541
Culture and recreation	500,689	457,749	368,276	301,404	260,404
Unallocated	78,047	69,403			
<b>Debt service</b>					
Principal	826,219	667,342	585,000	3,348,000	406,000
Interest and other charges	226,159	203,738	135,382	171,148	267,253
Bond issuance costs	16,233	22,873	22,267	7,870	41,828
<b>Capital outlay</b>	<b>3,126,782</b>	<b>2,729,512</b>	<b>2,881,437</b>	<b>1,784,914</b>	<b>1,428,856</b>
<b>Total Expenditures</b>	<b>8,210,072</b>	<b>7,066,103</b>	<b>6,822,885</b>	<b>8,929,483</b>	<b>4,995,531</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,703,743)</u>	<u>(1,034,089)</u>	<u>(2,032,547)</u>	<u>(3,288,089)</u>	<u>(806,165)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	2,690,000	1,620,000	2,850,000	1,604,797	865,000
Premium on issuance of debt	102,877	32,137	31,520		
(Discount) on issuance of debt	(14,392)	(11,386)			
Payment to bond escrow agent					
Sale of property		30,000			
Transfers in	143,105	220,842	10,501		
Transfers out					
<b>Total other financing sources (uses)</b>	<b>2,921,590</b>	<b>1,891,593</b>	<b>2,892,021</b>	<b>1,604,797</b>	<b>865,000</b>
<b>Net change in fund balances</b>	<b>\$ 1,217,847</b>	<b>\$ 857,504</b>	<b>\$ 859,474</b>	<b>\$ (1,683,292)</b>	<b>\$ 58,835</b>
Debt service as a percentage of noncapital expenditures	20.60%	19.48%	17.67%	47.79%	18.66%

Schedule 4

	2011	2010	2009	2008	2007
\$	2,790,773	\$ 2,737,225	\$ 2,685,894	\$ 2,523,332	\$ 2,416,861
	230,419	261,450	225,166	242,074	315,975
	276,638	239,244	288,881	261,743	384,160
	14,691	22,416	11,433	15,623	39,163
	63,819	68,897	54,052	60,919	57,652
	153,536	134,257	73,013	102,929	75,993
	94,066	113,033	160,679	209,539	335,578
	48,217	84,860	61,533	177,599	1,094,478
	<u>3,672,159</u>	<u>3,661,382</u>	<u>3,560,651</u>	<u>3,593,758</u>	<u>4,719,860</u>
	1,016,898	921,590	929,960	1,108,737	942,131
	996,733	1,064,176	988,082	882,135	984,090
	447,629	473,293	459,703	438,591	459,478
	168,747	168,971	180,965	154,011	160,940
	344,000	313,000	361,000	280,000	334,000
	251,385	216,820	229,175	235,450	206,020
	34,327	74,580	45,056		
	<u>1,029,183</u>	<u>1,203,309</u>	<u>998,031</u>	<u>888,382</u>	<u>2,281,938</u>
	<u>4,288,902</u>	<u>4,435,739</u>	<u>4,191,972</u>	<u>3,987,306</u>	<u>5,368,597</u>
	<u>(616,743)</u>	<u>(774,357)</u>	<u>(631,321)</u>	<u>(393,548)</u>	<u>(648,737)</u>
	845,000	2,680,000	1,110,000		
		4,356	17,756		
			(525,000)		
			9,190		
	204,972	314,698	1,466,041	8,500	778,074
	<u>(315,360)</u>	<u>(364,698)</u>	<u>(1,626,041)</u>	<u>(8,500)</u>	<u>(778,074)</u>
	<u>734,612</u>	<u>2,634,356</u>	<u>451,946</u>		
\$	<u>117,869</u>	<u>\$ 1,859,999</u>	<u>\$ (179,375)</u>	<u>\$ (393,548)</u>	<u>\$ (648,737)</u>
	17.43%	15.11%	17.81%	15.42%	14.69%

**CITY OF LAKE ELMO, MINNESOTA  
TAX CAPACITY AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Payable Year	Taxable Market Value	Tax Capacity		Total Tax Capacity	Total Adjusted Tax Capacity (1)	City Urban Tax Rate	% of Tax Capacity to Total Estimated Market Value
		Real Property	Personal Property				
2007	\$ 1,131,010,100	\$ 12,506,910	\$ 207,913	\$ 12,714,823	\$ 12,714,823	19.274	% 0.01
2008	1,146,659,500	12,750,173	203,610	12,953,783	12,953,783	20.553	0.01
2009	1,208,072,300	13,490,182	201,896	13,692,078	13,692,078	19.810	0.01
2010	1,201,213,400	13,394,423	202,299	13,596,722	13,596,722	20.479	0.01
2011	1,142,936,500	12,678,177	221,613	12,899,790	12,899,790	21.832	0.01
2012	1,037,557,100	11,525,623	229,157	11,754,780	11,754,780	27.271	0.01
2013	1,028,011,400	11,392,876	237,584	11,630,460	11,630,460	29.259	0.01
2014	1,046,031,000	11,504,611	238,764	11,743,375	11,743,375	27.761	0.01
2015	1,184,578,800	12,938,515	243,104	13,181,619	13,181,619	23.798	0.01
2016	1,267,841,100	13,386,725	266,218	13,652,943	13,652,943	23.121	0.01

(1) Tax Capacity adjusted for captured tax increment, fiscal disparities, and transmission lines.

NOTE - Valuations are determined as of January 1 of year preceding tax collection year.

The County determines a property's tax capacity by multiplying a property's estimated market value times the property's class rate which is determined by its use. The total City tax levy divided by the total City tax capacity determines a percentage, the City tax rate, that is applied to each parcel's tax capacity to determine the tax amount.

**CITY OF LAKE ELMO, MINNESOTA**  
**PROPERTY TAX RATES AND TAX LEVIES**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
(Percent of Tax Capacity)

Fiscal Year	City of Lake Elmo			Overlapping Rates							
	Operating Tax Rate Urban	Debt Service Tax Rate Urban	Total City Tax Rate Urban	Range of Tax Rates for Independent School Districts 622, 832 and 834		Washington County	Range of Tax Rates for Watershed Districts	Special Taxing Districts	Range of Total Direct and Overlapping Tax Rates		
2007	19.274 %	%	19.274 %	17.698 -	22.628 %	25.673 %	1.315 -	4.580 %	2.331 %	66.291 -	74.486 %
2008	20.553		20.553	17.404 -	22.691	25.936	1.608 -	4.532	2.367	67.868 -	76.079
2009	17.059	2.751	19.810	17.714 -	24.480	26.371	1.545 -	4.002	2.351	67.791 -	77.014
2010	18.033	2.446	20.479	19.734 -	26.389	27.775	1.511 -	4.153	2.558	72.057 -	81.354
2011	19.448	2.384	21.832	20.300 -	34.330	29.772	1.725 -	4.275	2.664	76.293 -	92.873
2012	23.679 (1)	3.592	27.271	22.333 -	38.360	31.939	2.340 -	4.906	2.909	86.792 -	105.385
2013	23.555	5.704	29.259	22.017 -	37.104	31.548	0.779 -	5.306	4.857	88.460 -	108.074
2014	23.472	4.289	27.761	23.150 -	39.770	30.243	0.761 -	5.066	4.641	86.556 -	107.481
2015	20.121	3.677	23.798	21.120 -	35.860	27.691	0.692 -	4.769	4.183	77.484 -	96.301
2016	18.184	4.937	23.121	19.849 -	35.569	27.860	0.075 -	5.111	4.568	75.473 -	96.229

Source: Washington County Taxation Division

**Note:** The City's direct property tax rate is determined by dividing the amount of tax levied by the City Council by the City's total tax capacity.

\*Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Elmo. Not all overlapping rates apply to all City of Lake Elmo property owners. Although the property tax rates apply to all city property owners, some city properties lie within the geographical boundaries of different school and watershed districts.

(1) Beginning in 2012, operating tax rate urban includes library levy component

SCHEDULE 7

**CITY OF LAKE ELMO, MINNESOTA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers (1)	2016			2007		
	Taxable Tax Capacity	Rank	Percentage of Total City Tax Capacity Value	Taxable Tax Capacity	Rank	Percentage of Total City Tax Capacity Value
Xcel Energy	\$ 223,288	1	1.64 %	\$ 177,104	3	1.39 %
IRET Properties	205,342	2	1.50	239,610	1	1.88
Dakota Upreit LP	179,262	3	1.31			
Bremer Financial Services Inc	169,652	4	1.24	195,538	2	1.53
MHC Cimarron LLC	136,610	5	1.02	134,090	7	1.05
Heart of America	108,150	6	0.79			
Tartan Park LLC	100,704	7	0.74			
Norman James LLC	64,976	8	0.48			
Davis Estates LTD	64,912	9	0.48			
Danate Proper Inv I LLC	59,250	10	0.43	61,276	9	0.48
Moline Plow				139,208	5	1.09
United Land LLC				155,494	4	1.22
Lake Elmo Foundation				139,073	6	1.09
United Properties Inv, LLC				58,624	10	0.46
Bri-mar Co In. Etal.				63,518	8	0.50
<b>TOTAL</b>	<b>\$ 1,312,146</b>		<b>9.63 %</b>	<b>\$ 1,363,535</b>		<b>10.69 %</b>

(1) Source: Washington County Taxation Division

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**CITY OF LAKE ELMO, MINNESOTA  
SCHEDULE OF PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	Percentage of Net Levy	
2007	\$ 2,428,644	\$ 2,394,822	\$ 2,357,634	98.45	\$ 37,188
2008	2,597,983	2,559,227	2,485,397	97.12	73,830
2009	2,708,155	2,672,623	2,624,026	98.18	48,591
2010	2,743,346	2,705,782	2,645,536	97.77	59,627
2011	2,789,559	2,745,785	2,692,423	98.06	52,284
2012	3,113,017	3,110,478	3,071,202	98.74	36,721
2013	3,163,359	3,160,524	3,133,764	99.15	23,735
2014	3,163,359	3,160,285	3,128,695	99.00	15,415
2015	3,113,017	3,133,137	3,112,989	99.36	12,713
2016	3,112,204	3,112,204	3,068,116	98.58	

(1) Tax Levy adjusted for powerlines, market value credits and AG program credits prior to 2016

**Schedule 8**

	<u>Total Collections to Date</u>		<u>Total Delinquent Taxes</u>	<u>Delinquent Taxes As A % Of Total Net Tax Levy</u>
	<u>Amount</u>	<u>Percentage of Net Levy</u>		
\$	2,394,822	100.00	\$	0.00
	2,559,227	100.00		0.00
	2,672,617	100.00	6	0.00
	2,705,163	99.98	619	0.02
	2,744,707	99.96	1,078	0.04
	3,107,923	99.92	2,555	0.08
	3,157,499	99.90	3,025	0.10
	3,144,110	99.49	16,175	0.51
	3,125,702	99.76	7,435	0.24
	3,068,116	98.58	44,088	1.42

**CITY OF LAKE ELMO, MINNESOTA  
WATER AND SANITARY SEWER CHARGES BY CUSTOMER  
LAST TEN FISCAL YEARS**

**Water (in millions of gallons)**

<u>Type of Customer</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential	98.044	84.007	98.573	120.676	154.747
Commercial Service	29.379	21.653	12.156	8.253	10.405
Total gallons	<u>127.423</u>	<u>105.660</u>	<u>110.729</u>	<u>128.929</u>	<u>165.152</u>

Total direct rate per 1,000 gallons - residential	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14
Total direct rate per 1,000 gallons - commercial	\$ 3.11	\$ 3.11	\$ 3.11	\$ 3.11	\$ 3.11

**Sanitary Sewer (in millions of gallons)**

<u>Type of Customer</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential (1)	6.812	3.794	0.000	0.000	0.000
Commercial Service	9.125	8.179	6.532	6.149	6.172
Total gallons	<u>15.937</u>	<u>11.973</u>	<u>6.532</u>	<u>6.149</u>	<u>6.172</u>

Total direct rate per 1,000 gallons	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
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(1) City did not have any residential sanitary sewer customers in 2014 and prior

\* City converted to a tiered rate structure effective January 1, 2010; lowest tier rate listed for 2010-2015

**Schedule 9**

<u>2011</u>	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
105.290	95.704	122.461	120.986	108.649
6.872	7.261	7.989	7.851	8.746
112.162	102.965	130.450	128.837	117.395

\$ 2.14	\$ 2.10	\$ 2.15	\$ 2.05	\$ 2.05
\$ 3.11	\$ 3.05	\$ 3.10	\$ 3.00	\$ 3.00

<u>2011</u>	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
0.000	0.000	0.000	0.000	0.000
6.961	7.086	5.381	5.130	4.409
6.961	7.086	5.381	5.130	4.409

\$ 4.50	\$ 4.35	\$ 4.08	\$ 3.71	\$ 2.75
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**CITY OF LAKE ELMO, MINNESOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Other Governmental Activities Debt**

Fiscal Year	Special Assessment Bonds	Certificates of Indebtedness	Capital Improvement Bonds	Note Payable	Total Governmental Activities Debt
2007	\$ 780,000	\$ 364,000	\$ 3,855,000	\$	\$ 4,999,000
2008	695,000	324,000	3,700,000		4,719,000
2009	1,120,000	283,000	3,540,000		4,943,000
2010	1,725,000	240,000	5,345,000		7,310,000
2011	2,440,000	196,000	5,175,000		7,811,000
2012	3,100,092	150,000	4,969,153		8,219,245
2013	4,436,967	102,000	1,941,135		6,480,102
2014	6,919,568	52,000	1,808,024		8,779,592
2015	8,095,288		1,687,803	21,219	9,804,310
2016	10,210,038		1,537,530		11,747,568

**Note:** Details of the city's outstanding debt can be found in the notes to the financial statements.

**Schedule 10**

**Business-Type Activities**

<u>Utility Revenue Bonds</u>	<u>Total Business Activities Debt</u>	<u>Total Primary Government Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 4,810,000	\$ 4,810,000	\$ 9,809,000	0.03	\$ 1,429
4,730,000	4,730,000	9,449,000	0.03	1,377
4,715,000	4,715,000	9,658,000	0.03	1,407
4,680,000	4,680,000	11,990,000	0.03	1,486
4,640,000	4,640,000	12,451,000	0.03	1,543
8,314,837	8,314,837	16,534,082	0.04	2,049
12,476,920	12,476,920	18,957,022	0.05	2,349
15,530,642	15,530,642	24,310,234	0.07	3,013
12,622,484	12,622,484	22,426,794	0.06	2,779
18,990,395	18,990,395	30,737,963	N/A	3,809

**CITY OF LAKE ELMO, MINNESOTA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**General Bonded Debt Outstanding**

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Fiscal Year	Special Assessment Bonds	Certificates of Indebtedness	Capital Improvement Bonds	Utility Revenue Bonds	Total
2007	\$ 780,000	\$ 364,000	\$ 3,855,000	\$ 4,810,000	\$ 9,809,000
2008	695,000	324,000	3,700,000	4,730,000	9,449,000
2009	1,120,000	283,000	3,540,000	4,715,000	9,658,000
2010	1,725,000	240,000	5,345,000	4,680,000	11,990,000
2011	2,440,000	196,000	5,175,000	4,640,000	12,451,000
2012	3,100,092	150,000	4,969,153	8,314,837	16,534,082
2013	4,436,967	102,000	1,941,135	12,476,920	18,957,022
2014	6,919,568	52,000	1,808,024	15,530,642	24,310,234
2015	8,095,288		1,687,803	12,622,484	22,405,575
2016	10,210,038		1,537,530	18,990,395	30,737,963

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

See Schedule 15 for population data

See Schedule 5 for estimated market value information

Source: City of Lake Elmo Finance Department

**Schedule 11**

Less: Available in Debt Service	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
\$ 698,683	\$ 9,110,317	0.81	\$ 1,327
727,673	8,721,327	0.76	1,271
1,422,049	8,235,951	0.68	1,200
3,605,250	8,384,750	0.70	1,039
3,534,742	8,916,258	0.78	1,105
3,500,799	13,033,283	1.26	1,615
726,753	18,230,269	1.77	2,259
691,700	23,618,534	2.26	2,927
2,477,730	19,927,845	1.68	2,470
3,215,590	27,522,373	2.17	3,411

**CITY OF LAKE ELMO, MINNESOTA**  
**COMPUTATION OF DIRECT AND INDIRECT GENERAL OBLIGATION BONDED DEBT**  
**AND LEGAL DEBT MARGIN**  
December 31, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(a)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Independent School District #622	\$ 138,410,000	3.10%	\$ 4,290,710
Independent School District #832	53,720,033	4.70%	2,524,842
Independent School District #834	113,990,000	14.10%	16,072,590
<b>Other debt</b>			
Washington County	177,010,000	4.15%	7,345,915
Metropolitan Council	1,442,296,908	1.10%	<u>15,865,266</u>
Subtotal, overlapping debt			46,099,323
<b>City direct debt</b>	11,747,568	100.00%	<u>11,747,568</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 57,846,891</u></u>

**Sources:** Tax capacity data to estimate applicable percentages provided by Washington County.  
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Elmo. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(a)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using tax capacity values. Applicable percentages were estimated by determining the portion of another governmental unit's tax capacity value that is within the city's boundaries and dividing it by each unit's total tax capacity value.

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**CITY OF LAKE ELMO, MINNESOTA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>				
	2016	2015	2014	2013	2012
Debt limit	\$38,035,233	\$36,733,899	\$35,537,364	\$32,470,203	\$32,054,064
Total net debt applicable to limit	<u>2,102,343</u>	<u>1,572,289</u>	<u>1,757,421</u>	<u>1,894,510</u>	<u>2,099,369</u>
Legal debt margin	\$35,932,890	\$35,161,610	\$33,779,943	\$30,575,693	\$29,954,695
Total net debt applicable to the limit as a percentage of debt limit	5.53%	4.28%	4.95%	5.83%	6.55%

The legal debt limit for municipalities in Minnesota was increased in 2008 from 2% to 3% of the market value of taxable property. This limit applies only to the City's general obligation tax levy bonds and excludes special assessment, tax increment and tax abatement bonds.

**Schedule 13**

**Legal Debt Margin Calculation for the Fiscal Year 2016**

Taxable Market Value	\$1,267,841,100
Debt Limit (3% of market value)	38,035,233
Debt applicable to limit:	
General obligation bonds	2,320,000
Less: Amount set aside for repayment of general obligation debt	<u>217,657</u>
Total net debt applicable to limit	<u>2,102,343</u>
Legal debt margin	<u><u>\$ 35,932,890</u></u>

2011	2010	2009	2008	2007
\$31,126,713	\$34,288,095	\$36,036,402	\$36,242,169	\$ 22,620,202
<u>2,148,203</u>	<u>2,195,153</u>	<u>271,142</u>	<u>315,169</u>	<u>358,220</u>
\$28,978,510	\$32,092,942	\$35,765,260	\$35,927,000	\$ 22,261,982
6.90%	6.40%	0.75%	0.87%	1.58%

**CITY OF LAKE ELMO, MINNESOTA  
PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Utility Revenue Bonds

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
2007	\$ 1,011,400	\$ 595,824	\$ 415,576	\$ 205,000	\$ 211,482	1.00
2008	715,611	536,475	179,136	80,000	202,224	0.63
2009	776,899	513,226	263,673	530,000	208,803	0.36
2010	920,768	563,896	356,872	35,000	191,156	1.58
2011	891,587	516,157	375,430	40,000	190,094	1.63
2012	946,407	426,118	520,289	40,000	221,129	1.99
2013	3,501,321	504,648	2,996,673	165,000	300,789	6.43
2014	2,266,397	678,394	1,588,003	365,000	424,080	2.01
2015	3,642,316	627,977	3,014,339	4,165,000	456,782	0.65
2016	3,407,097	757,862	2,649,235	615,000	380,969	2.66

**Notes: (1)** Gross revenue includes investment earnings, hook-up charges and special assessments.

**(2)** Operating expenses do not include interest, depreciation, or amortization expense.

**(3)** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF LAKE ELMO, MINNESOTA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>YEAR</b>	<b>POPULATION (1)</b>	<b>PERSONAL INCOME</b> (thousands of dollars)	<b>PER CAPITA PERSONAL INCOME (2)</b>	<b>STATE UNEMPLOYMENT RATE (3)</b>	<b>CITY UNEMPLOYMENT RATE (3)</b>
2007	6,863	\$ 323,426	\$ 47,126	5.0	4.2
2008	6,863	329,774	48,051	6.3	5.8
2009	6,863	317,997	46,335	7.6	7.1
2010	8,069	383,834	47,569	7.0	6.4
2011	8,069	409,203	50,713	5.8	5.2
2012	8,069	420,242	52,081	5.4	4.9
2013	8,069	420,879	52,160	4.6	4.0
2014	8,069	357,723	44,333	3.8	3.7
2015	8,069	371,602	46,053	3.2	2.9
2016	8,069	374,345	46,393	3.8	3.3

Sources: (1) Metropolitan Council 2000/2010-Census Bureau  
 (2) Bureau of Economic Analysis - Washington County, Minnesota  
 (3) Estimate based on County unemployment rate provided by Minnesota Department of Employment and Economic Development

**CITY OF LAKE ELMO, MINNESOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees (2)</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>
3M Company (Maplewood)	9,100	1	39.0%	10,100	1	56.4%
Andersen Corp (Bayport)	2,400	2	10.3%			
Washington County (Stillwater)	1,600	3	6.9%			
Healtheast Care/St. Johns Hospital (Maplewood)	1,200	4	5.1%			
Woodwinds Health (Woodbury)	1,100	5	4.7%	485	5	2.7%
Fortis Company (Woodbury)				1,021	2	5.5%
ISD 834 (Stillwater)	1,050	6	4.5%	1,000	3	5.6%
3M Company (Woodbury)						
Ecowater Systems, Inc. (Woodbury)	440	7	1.9%	400	7	2.2%
Bremer Bank Operations Ctr (Lake Elmo)	425	8	1.8%	401	6	2.2%
MN Correctional Facility (Oak Park Hts)	355	9	1.5%			
SunAmerica Financial Group (Woodbury)	310	10	1.3%			
Imation (Oakdale)				500	4	2.8%
High Pointe Health Campus (Lake Elmo)				180	8	1.0%
Lake Elmo Inn Inc.				125	9	0.7%
Machine Shed/Wildwood Inn (Lake Elmo)				110	10	0.6%

(1) City staff estimate

(2) Number of current year employees for each employer was taken from information prepared for the 2016A bond issuance. Bond was issued in April 2016 and therefore this information was updated prior to issuance of the 2015 CAFR and information has not changed since that date.

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**CITY OF LAKE ELMO, MINNESOTA  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Administration	2.45	3.20	3.55	3.55	3.15
Finance	1.20	0.80	1.25	1.25	0.50
Planning and Zoning	2.21	2.75	2.70	2.95	1.55
<b>General Government</b>	<u>5.86</u>	<u>6.75</u>	<u>7.50</u>	<u>7.75</u>	<u>5.20</u>
Fire	3.80	1.50	1.55	2.05	1.60
Building Inspections	4.21	3.15	1.55	1.30	0.95
<b>Public Safety</b>	<u>8.01</u>	<u>4.65</u>	<u>3.10</u>	<u>3.35</u>	<u>2.55</u>
Streets and Roadways	4.55	3.90	3.20	3.21	3.05
<b>Public Works</b>	<u>4.55</u>	<u>3.90</u>	<u>3.20</u>	<u>3.21</u>	<u>3.05</u>
Parks	3.00	1.85	3.30	2.74	2.52
<b>Parks and Recreation</b>	<u>3.00</u>	<u>1.85</u>	<u>3.30</u>	<u>2.74</u>	<u>2.52</u>
Communications	0.00	0.70	0.35	0.40	0.15
	<u>0.00</u>	<u>0.70</u>	<u>0.35</u>	<u>0.40</u>	<u>0.15</u>
<b>Total Governmental Activities</b>	<u>21.42</u>	<u>17.85</u>	<u>17.45</u>	<u>17.45</u>	<u>13.47</u>
Water Utility	2.00	2.45	2.60	2.10	1.85
Sewer Utility	1.66	1.30	0.70	0.70	0.30
<b>Total Business Activities</b>	<u>3.66</u>	<u>3.75</u>	<u>3.30</u>	<u>2.80</u>	<u>2.15</u>
<b>Totals for Organization</b>	<u><u>25.08</u></u>	<u><u>21.60</u></u>	<u><u>20.75</u></u>	<u><u>20.25</u></u>	<u><u>15.62</u></u>

Source: City's Adopted Budgets

**Schedule 17**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
3.15	3.15	3.18	3.75	2.40
0.50	0.50	0.50	1.00	1.29
<u>1.55</u>	<u>1.55</u>	<u>1.75</u>	<u>1.75</u>	<u>2.15</u>
5.20	5.20	5.43	6.50	5.84
1.10	1.10	1.10	1.10	1.26
0.95	0.95	1.95	1.20	2.68
<u>2.05</u>	<u>2.05</u>	<u>3.05</u>	<u>2.30</u>	<u>3.94</u>
<u>3.05</u>	<u>3.05</u>	<u>3.05</u>	<u>3.05</u>	<u>2.78</u>
3.05	3.05	3.05	3.05	2.78
<u>2.52</u>	<u>2.52</u>	<u>3.10</u>	<u>2.72</u>	<u>3.40</u>
2.52	2.52	3.10	2.72	3.40
<u>0.15</u>	<u>0.15</u>	<u>0.19</u>	<u>0.00</u>	<u>0.00</u>
0.15	0.15	0.19	0.00	0.00
<u>12.97</u>	<u>12.97</u>	<u>14.82</u>	<u>14.57</u>	<u>15.96</u>
1.85	1.85	1.85	2.30	2.02
0.30	0.30	0.30	0.35	0.22
<u>2.15</u>	<u>2.15</u>	<u>2.15</u>	<u>2.65</u>	<u>2.24</u>
<u>15.12</u>	<u>15.12</u>	<u>16.97</u>	<u>17.22</u>	<u>18.20</u>

**CITY OF LAKE ELMO, MINNESOTA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Planning and Zoning</b>					
Conditional use permits	3	2	4	2	3
Interim use permits	2	1	1	1	0
Minor subdivisions	2	2	0	2	1
Plats/Planned unit developments	11	9	17	1	0
Rezoning	3	2	11	2	7
Site plans	1	0	0	2	1
Variances	4	2	2	5	4
<b>Fire</b>					
Total emergency responses	430	429	358	448	399
EMS responses	268	274	237	280	262
Fire responses	162	32	21	28	28
<b>Building Inspections</b>					
Residential permit valuations (thousands of dollars)	119,301	50,401	23,032	19,979	20,320
Commercial permit valuations (thousands of dollars)	2,003	1,952	7,309	966	2,351
New residential units (1)	240	140	41	32	31
New commercial units	1	1	3	0	0
<b>Water Utility</b>					
Number of customers	1,538	1,234	1,073	1,051	1,016
Average daily consumption (2) (thousands of gallons)	18	18	19	21	15
<b>Sanitary Sewer Utility</b>					
Number of customers	321	82	45	29	29
Average daily flow (3) (thousands of gallons)	14	74	77	77	75

Sources: Various City Department's annual budget workload measurements

(1) Excludes fire/demolition rebuilds

(2) Residential and Commercial; rate increase effective 1/1/2010 to encourage conservation

(3) Billed and measured based on water usage; new developer homes built in 2014 but not yet sold or occupied so no impact to flows

**Schedule 18**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
0	0	2	1	3
3	1	0	1	1
0	0	2	1	1
0	0	0	0	0
0	0	1	1	0
0	1	1	0	1
6	2	5	6	8
315	361	319	294	369
195	211	205	204	244
24	14	24	20	46
16,133	15,889	12,903	16,525	22,739
2,590	2,013	1,617	1,370	3,600
24	26	29	23	29
0	1	1	0	1
998	967	941	935	918
14	18	24	28	26
29	29	28	28	26
71	72	68	73	66

**CITY OF LAKE ELMO, MINNESOTA  
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Bituminous streets (miles)	103	65	65	63	63	63	62	62	62	62
Gravel streets (miles)	2	2	2	2	2	2	2	3	3	3
Street lights	150	144	144	142	137	137	137	137	137	137
Storm sewer (miles)	30	25	25	25	25	25	25	25	23	23
Park & Recreation										
Acres of parkland	451	451	451	451	451	451	451	451	451	451
Number of parks	17	17	17	17	17	17	17	17	17	17
Water Utility										
Water towers	3	3	3	2	2	2	2	2	2	1
Miles of watermain	50	43	40	39	37	37	37	37	34	26
Number of fire hydrants	415	378	351	293	280	280	280	280	280	233
Sanitary Sewer Utility										
Miles of sanitary sewer	8	4	3	3	3	3	3	3	3	3
Lift stations	4	4	4	3	3	3	3	3	3	3

Sources: Various City Department's annual financial report statistics

**CITY OF LAKE ELMO, MINNESOTA**

**OTHER REPORT SECTION**

**December 31, 2016**

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## MINNESOTA LEGAL COMPLIANCE

### Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lake Elmo, Minnesota, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2017.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota State Statutes Sec. 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because the City has not established a tax increment financing district.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Lake Elmo, Minnesota failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*, except as described below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Lake Elmo, Minnesota's noncompliance with the above referenced provisions.

As of December 31, 2016, the City's records showed uncashed checks held for more than three years. These checks were not reported and paid to the State Commission of Commerce pursuant to Minn. Stat. Sections 345.41 and 345.43.

This report is intended solely for the information and use of those charged with governance and management of the City of Lake Elmo, Minnesota and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Smith, Schafner and Associates, Ltd.*

Minneapolis, Minnesota  
June 29, 2017

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## STAFF REPORT

DATE: August 1, 2017

**REGULAR  
MOTION**

**TO:** City Council

**FROM:** Kristina Handt, City Administrator

**AGENDA ITEM:** Lions Park Improvements

**REVIEWED BY:** Rob Weldon, Public Works Director

Emily Becker, City Planner

Sarah Sonsalla, City Attorney

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### **BACKGROUND:**

Last September the City Council approved a design contract with Miller Architect for improvements to Lions Park. The Parks Commission has held a series of meetings since last fall to gather more public input and refine the proposed improvements. Through this process, they have worked to develop a general master plan with multiple phases. At their April 17, 2017 meeting, the Parks Commission passed a motion to increase the cost of Phase 1 improvements to \$425,000.

Council discussed this at its May 9<sup>th</sup> work session and at the May 16<sup>th</sup> Council meeting authorized advertising for bids for the various bid packages. Bids were advertised the end of June with the bid opening for all bid packages held on July 19<sup>th</sup>.

### **ISSUE FOR DISCUSSION:**

Should Council award the contracts for Lions Park Improvements?

### **PROPOSAL DETAILS/ANALYSIS:**

The following bids were received on July 19:

<b><u>Bidder</u></b>	<b><u>Bid Package 1A Baseball Field and Demo</u></b>	<b><u>Bid Package 1B Volleyball Court</u></b>	<b><u>Bid Package 1C Batting Cages</u></b>	<b><u>Bid Package 1D Parking Lot</u></b>
6 Urban Companies	\$388,000	\$14,000	Not bid	Not bid
Peterson Companies	\$283,324	\$15,079	\$16,749	\$14,521
Rachel Construction	\$254,750	\$11,200	\$29,800	\$11,800
Burski Excavating	\$349,000	\$25,500	\$36,600	\$22,500

<u>Bidder</u>	<u>Bid Package 2A Irrigation</u>
All Green Landscape	\$35,500
Greenscape	\$24,800
Burski Ex	\$30,000

<u>Bidder</u>	<u>Bid Package 3A 6 Metal Poles</u>	<u>Bid Package 3B 4 Metal Poles</u>	<u>Bid Package 3C 6 Wooden Poles</u>
Killmer Electric	\$126,400	\$119,800	\$99,400
Ebert Construction	\$135,000	\$130,000	\$120,000
Burski Ex	\$182,700	\$172,200	\$132,300

<u>Bidder</u>	<u>Bid Package 4A Dugouts</u>
6 Urban Companies	\$97,000
Ebert Const	\$92,800
Burski Ex	\$118,000

Based on the above bids, staff would recommend the Council award contracts to Rachel Construction, the lowest bidder for bid packages 1A (Baseball Field and Demo) in an amount not to exceed \$254,750, 1B (Volleyball Court) in an amount not to exceed \$11,200 and 1D (Parking Lot) in an amount not to exceed \$11,800; award the contract to Greenscape, the lowest bidder for bid package 2A (Irrigation) in an amount not to exceed \$24,800; award the contract to Killmer Electric, the lowest bidder for bid package 3C (6 Wooden Poles) in an amount not to exceed \$99,400, and to reject all bids received for bid packages 3A (6 Metal Poles), 3B (4 Metal Poles), 1C (Batting Cages) and 4A (Dugouts).

With respect to the batting cages and dugout bid packages, for which staff is recommending that the Council reject all bids, staff is of the opinion that the batting cages at the VFW field can be utilized for the time being in order to save costs. Staff recommends not awarding the contract for the dugouts as the Lions have agreed to donate \$20,000 and volunteers in the community, including residents and Lake Elmo Baseball, have offered to volunteer their time to construct the dugouts.

**FISCAL IMPACT:**

The City's parkland dedication as of 7/25/17 was about \$810,000 (after accounting for remaining Savona park costs). The bid packages recommended by staff would total \$401,950, which is less than recommended by the Parks Commission in April due to the removal of some projects.

**OPTIONS:**

- 1) Award the contracts to the lowest bidders for bid packages 1A (Baseball Field and Demo), 1B (Volleyball Court), 1D (Parking Lot), 2A (Irrigation), and 3C (Wooden Poles). Reject all bids received for bid package 1C (Batting Cages), 3A (6 Metal Poles), 3B (4 Metal Poles) and 4A (Dugouts).
- 2) Approve some other combination of bid packages than described above.

3) Reject all bids.

**RECOMMENDATION:**

*Motion to award the contract for bid package 1A to Rachel Construction in an amount not to exceed \$254,750, bid package 1B to Rachel Construction in an amount not to exceed \$11,200, bid package 1D to Rachel Construction in an amount not to exceed \$11,800, bid package 2A to Greenscape in an amount not to exceed \$24,800; bid package 3C to Killmer Electric in an amount not to exceed \$99,400, and to reject all bids received for bid packages 1C, 3A, 3B, and 4A.*

**ATTACHMENTS:**

None