



*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 Workshop
3800 Laverne Avenue North
January 12, 2022
6:30 PM**

AGENDA

- | | |
|---|----------------|
| I. Call to Order | 6:30 PM |
| II. Business Subsidy Policy Draft | 6:30 PM |
| III. Metrics and Dashboards | 7:30 PM |
| IV. Planning/Building Dept Audit Follow Up | 8:00 PM |
| V. Items for Future Work Session Agenda | 8:30 PM |
| VI. Adjourn | 8:30 PM |



DATE: January 11, 2022

DISCUSSION

AGENDA ITEM: Business Subsidy Policy

TO: Mayor and City Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

At the September 14, 2021 council work session, the council received information on TIF in response to a request from NorthPoint Development to create a TIF (Tax Increment Financing) District on the 77 acres they have under contract with the city. The first step in considering TIF would be for the city to adopt a business subsidy policy. At the work session a majority of the council was interested in having the EDA begin work on a business subsidy policy.

The EDA began working on a business subsidy policy in September. They reviewed examples from other communities (sample found at <https://mn.gov/deed/government/business-subsidy/criteria/>) and directed staff to make updates using the Cottage Grove policy as a template.

Information about business subsidies and TIF is provided in the Handbook for MN Cities from the League of MN Cities. A copy of the full chapter is attached but I would draw your attention to page 3 (Business Subsidies) for this discussion and page 16 (TIF) for later consideration. A business subsidy is defined in state law as a state or local government agency grant, contribution of personal property, real property, infrastructure, or the principal amount of a loan at rates below those commercially available, the reduction or deferral of any tax or fee, guarantee of any payment under a loan, lease, or other obligation or any preferential use of government facilities to a business in an amount greater than \$150,000.

An authority, city council or EDA, must establish criteria for awarding a business subsidy and a public hearing must be held before those criteria are adopted. In Lake Elmo since the EDA is a recommending body, the City Council will be the final authority. The criteria must set the minimum requirements for any business to be eligible. The criteria must include a policy regarding any wages to be paid for any jobs created. Some cities include other criteria in their policies but it must at a minimum set a standard for wages.

Since this policy would be for any business subsidy and the policy is not easy to change, the wage is best tied to something that updates over time (state or federal minimum wage, federal poverty level, etc.) rather than adopting a specific dollar amount that could become outdated in a few years. Other criteria to consider including in the policy may be the number of jobs required or the amount of increment that is provided for each FTE. Other cities have some of these additional requirements as noted in their policies.

At their October 28, 2021 meeting the EDA passed a recommendation for the policy included in this report.

ISSUE BEFORE COUNCIL:

Should the city proceed with adopting a business subsidy policy?

PROPOSAL DETAILS/ANALYSIS:

The draft recommended by the EDA has been reviewed by the city legal team and as previously mentioned is modeled after Cottage Grove's policy. The policy has 7 main sections and in introduction that ties in state statute.

The city's objectives for the use of public fund is outlined in section 2. The project must comply with statutes and accomplish two or more of the listed objectives. Cottage Grove's policy only requires they meet one of the objectives. The EDA wanted to set the standard higher in Lake Elmo so they suggest two or more must be met.

Section 3 outlines the public financing principles. Thirteen principles are listed including meeting the "but for" test, including a "look back provision," funds provided on a pay-as-you-go-basis, the district terms will be the max but the developer may not get the benefit for that same period, fiscal disparities will come from inside the district, funds cannot be used to support speculative projects or give a significant competitive advantage, property acquisition cannot be in excess of the fair market value, the developer will be required to pay a fee and the cost of the city's consultants, and a Minimum Assessment Agreement is required for TIF as noted by the city attorney.

Section 4 lays out who may qualify for public financing though it is important to note the policy does state that it should not be presumed that a project meeting the qualifications will receive assistance. The minimum qualification are listed in 4.1 and the desired qualifications in 4.2.

The job and wage requirements are found in section 5. The EDA had quite a bit of discussion on the language in 5.D. that requires only one new full time employee. Some thought it should be higher. While we would always hope to create more than one job, there was concern about increasing it and eliminating the potential for helping a small business. Again, it should be noted that just because a project creates one FTE it does not automatically qualify for assistance. The wage floor is proposed to be set at 200% of the State Minimum Wage (\$10.33 as of 1/1/22).

The last two sections cover the requirement of a subsidy agreement and the evaluation process. The subsidy agreement could be included with the development agreement. As noted, each of the evaluation methods should be reviewed individually and collectively with no one area outweighing another.

The specific benefit approved for NorthPoint would still have to be negotiated, along with the TIF plan adoption. This meeting is just to focus on the business subsidy policy that would apply to any business seeking a subsidy in Lake Elmo.

Lastly, Chris Eng, Economic Development Director, Washington County, will be at the meeting to answer any questions the council has about business subsidies.

FISCAL IMPACT:

TBD on each project, greater than \$150,000.

OPTIONS:

Provide direction to staff on the proposed policy.

ATTACHMENT:

- Chapter 14: Community Development and Redevelopment
- Lake Elmo Business Subsidy Policy

Chapter 14

Community Development and Redevelopment

TABLE OF CONTENTS

Community Development and Redevelopment.....	1
Chapter 14	3
Community Development and Redevelopment.....	3
I. Business subsidies or financial assistance.....	3
A. Business subsidies	3
B. Financial assistance	4
II. City development tools.....	4
A. General city development powers	4
B. Housing and redevelopment authorities	5
1. Elements of an HRA.....	5
2. Area of operation for an HRA	6
3. HRA membership.....	6
4. HRA powers	6
5. HRA special assessment and levy authority.....	7
6. HRA contracting.....	8
7. HRA financing.....	8
8. HRA certifications to state	9
9. HRA federal certification	9
C. Economic development authorities	9
1. EDA levies.....	10
2. EDA loans	10
3. Other EDA powers	11
D. Port authorities	11
E. Local or area redevelopment agencies	12
F. City development districts.....	13
G. Municipal industrial development.....	13
III. Other development strategies	14
A. Housing bonds.....	14
B. Industrial parks.....	14

This material is provided as general information and is not a substitute for legal advice. Consult your attorney for advice concerning specific situations.

C.	Industrial revenue bonds.....	15
D.	Commercial rehabilitation loan program.....	16
E.	Tax increment financing (TIF).....	16
F.	Property tax abatement.....	18
G.	Housing trust funds	19
IV.	State-sponsored development tools	20
A.	Minnesota Housing Finance Agency.....	20
B.	Department of Employment and Economic Development (DEED).....	21
C.	Enterprise Minnesota.....	22
D.	Corporations	23
V.	Federal development tools.....	23
A.	Community Development Block Grants	23
B.	Rural development grants.....	23
VI.	How this chapter applies to home rule charter cities.....	23

Chapter 14

Community Development and Redevelopment

Learn about the requirements for a city to establish criteria for awarding business subsidies and various development agencies cities may create. Find an overview of state and federally sponsored programs for encouraging development and redevelopment. Most economic development tools can be applied to any size city. These tools are interrelated, and a city may use several for one project.

RELEVANT LINKS:

[Minn. Stat. § 116J.993, subd. 3.](#)

[Minn. Stat. § 116J.994, subd. 5.](#)

[Minnesota Department of Employment and Economic Development \(DEED\). Minn. Stat. § 116J.994, subd. 11.](#)

[Minn. Stat. § 116J.994, subd. 3.](#)

I. Business subsidies or financial assistance

A. Business subsidies

State law defines “business subsidy” or “subsidy.” It is a state or local government agency grant, contribution of personal property, real property, infrastructure, or the principal amount of a loan at rates below those commercially available to the recipient. In addition, a business subsidy is any reduction or deferral of any tax or any fee; any guarantee of any payment under any loan, lease, or other obligation; or any preferential use of government facilities given to a business in an amount greater than \$150,000.

Prior to awarding a business subsidy (financial assistance of more than \$150,000 or as required by law) to any business, a city and any housing and redevelopment authority (HRA), economic development authority (EDA), port authority, or nonprofit created by a local government, must hold a public hearing and adopt criteria for awarding business subsidies.

The criteria must not be adopted on a case-by-case basis and must set the minimum requirements that recipients must meet in order to be eligible. It must include a policy regarding the wages to be paid for any jobs created. Copies of the criteria adopted by cities are found on the Minnesota Department of Employment and Economic Development (DEED) website. The public hearing notice must include a statement that either a resident or a city property owner may file a written complaint with the city if the city does not follow the business subsidy law. Written complaints must be filed within specified timelines.

Once the criteria are established, the grantor and the recipient must enter into a subsidy agreement that meets the statutory requirements. The agreement must include an obligation to repay at least part, if not all, of the subsidy if the recipient does not meet its obligations.

RELEVANT LINKS:

[Minn. Stat. § 116J.994, subd. 11.](#)

[Minn. Stat. § 116J.993, subd. 3.](#)
[Minn. Stat. § 116J.994, subd. 3.](#)

[Minn. Stat. § 116J.994, subds. 4, 7, 8.](#)

[Minn. Stat. § 116J.994, subd. 2.](#)
[Minn. Stat. § 116J.994, subd. 8.](#)

[Minn. Stat. § 469.041.](#)

Citizens or owners of taxable property may bring a civil action against the city for failure to comply with business subsidy laws. To do so, citizens must file a written complaint with the grantor within 180 days after the approval of the subsidy. Cities should therefore consult closely with the city attorney before awarding a business subsidy.

Defining a business subsidy is more complicated than it may first appear, as there are several exceptions to the definition, including instances where a subsidy of less than \$150,000 may be a business subsidy. Meanwhile, assistance for redevelopment, pollution control and land cleanup, housing, industrial revenue bonds, utility property tax abatements, and other similar programs may not be defined as a subsidy.

Recipients must provide grantors with information on their progress toward the goals outlined in the agreement. The goals for increasing jobs or retaining jobs must result in local job creation and job retention. Grantors must submit the annual Minnesota Business Assistance Form (MBAF) to the Department of Employment and Economic Development (DEED) by April 1 each year for each business subsidy agreement. Local government agencies in cities with a population of 2,500 or more must submit an MBAF, regardless of whether they have awarded business subsidies. Local government agencies in cities with a population of 2,500 or less are exempt from filing the MBAF if they have not awarded a subsidy in the past five years.

B. Financial assistance

Cities may offer “financial assistance” in the form of a business loan of more than \$25,000 or a guarantee of \$75,000 or more, but less than the \$150,000 required to constitute a business subsidy. If a city offers such financial assistance it must develop criteria and set minimum wage floor levels as prescribed in business subsidy law. Cities granting such financial assistance must submit business assistance reports to DEED within one year of granting the assistance.

II. City development tools

A. General city development powers

Cities have authority to aid and cooperate in the planning, construction, or operation of economic development, and housing and redevelopment projects. The following is a partial list of actions cities may take, with or without compensation:

RELEVANT LINKS:

[Minn. Stat. § 469.192.](#)

[Judd Supply Co. v. Merchants & Mfgs. Ins. Co., 448 N.W.2d 895 \(Minn. Ct. App. 1989\).](#)

[Minn. Stat. § 469.003.](#)

[Minn. Stat. § 469.003, subd. 1.](#)

[Minn. Stat. § 469.003, subds. 2, 4.](#)

- Dedicate, sell, convey, or lease any of its interests in any property or grant easements, licenses, or any other rights or privileges to an HRA.
- Furnish parks, playgrounds, recreational, community education, water, sewer, and drainage facilities or other works adjacent to or in connection with housing and redevelopment projects.

A statutory city, home rule charter city, economic development authority, housing and redevelopment authority, or port authority may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose the entity is otherwise authorized to carry out under any of the laws cited.

Private development projects that receive public financial or other assistance will not necessarily become public projects that trigger competitive bidding or other state laws applicable to public works.

B. Housing and redevelopment authorities

The predominant method of delivering and administering housing and redevelopment programs in Minnesota is through an HRA, which is a legal public agency, accountable to city government. There are more than 230 HRAs in Minnesota.

1. Elements of an HRA

An HRA is a public corporation with power to undertake certain types of housing and redevelopment or renewal activities. While state legislation conveys authority for housing and redevelopment in each city, it is up to the city council to formally establish an HRA before it can do business and use its powers. Once a council legally establishes an HRA, it may undertake certain types of planning and community development activities on its own without council approval.

To create a housing and redevelopment authority, the city council must, by resolution, make one of the following findings required by law:

- There are substandard, slum, or blighted areas that cannot be redeveloped without governmental assistance.
- There is a shortage of affordable, decent, safe, and sanitary dwelling accommodations available to low-income individuals and families.

The council must pass this resolution after a public hearing. A certified copy of this resolution must be filed with the DEED commissioner.

RELEVANT LINKS:

Minn. Stat. § 469.002, subd. 8.
Minn. Stat. § 469.004, subd. 5.

Minn. Stat. § 469.003, subds. 5, 6.

24 C.F.R. 964.400 to 964.430.

Minn. Stat. § 469.003, subd. 7.

Minn. Stat. § 469.011, subd. 2.
Minn. Stat. § 469.011, subd. 4.

Minn. Stat. § 469.012, subd. 1.

2. Area of operation for an HRA

The area of operation of a city HRA is the territorial boundaries of that city. Establishment of an active county or multi-county HRA precludes the formation of city HRAs. City housing and redevelopment authorities must petition the county (or multi-county) HRA for authorization to establish a local housing authority, and this petition must be approved by the DEED commissioner.

3. HRA membership

An HRA consists of up to seven commissioners who are residents of the city. The mayor appoints and the council approves the members who serve five-year, staggered terms. City councilmembers often serve on the HRA. The entire membership of an HRA may consist of councilmembers.

Any public housing agency that holds a public housing annual contribution contract with HUD or that administers Section 8 tenant-based rental assistance must comply with federal regulations, which require that at least one commissioner must be either 1) a resident of the HRA's public housing program or 2) a recipient of Section 8 tenant-based assistance. The rule does not apply to state-financed public housing projects or Section 8 project-based assistance. A small public housing agency exception also exists.

The city clerk must file a certificate of appointment for each commissioner of a city HRA and send a certified copy to the commissioner of DEED.

The HRA shall select a chair and a secretary and shall adopt bylaws and rules of conduct. Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid up to \$75 for attending each regular and special meeting of the authority. Commissioners who are elected officials may receive daily payment for a particular day only if they do not receive any other daily payment for public service on that day. Commissioners who are full-time public employees may receive the expenses described in the statute unless the expenses are reimbursed from another source.

4. HRA powers

An HRA is primarily responsible for the planning and implementation of redevelopment and/or low-rent housing assistance programs within its area of operation. An HRA has all the powers necessary to carry out the state HRA Act, including, but not limited to, the following powers:

RELEVANT LINKS:

[Minn. Stat. § 469.033, subd. 6.](#)
[Minn. Stat. § 275.70 to 275.74.](#)

[Minn. Stat. § 275.066.](#)

- To sue and be sued.
- To employ staff and an executive director.
- To undertake projects within its area of operation and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part of a project.
- To sell, buy, own, and lease property by any means necessary, including the power of eminent domain.
- To cooperate with and use state and federal financial assistance programs.
- To develop rehabilitation and code enforcement techniques.
- To issue bonds for any of its corporate purposes backed by the pledge of revenues, grants, or other contributions.
- To implement renewal or redevelopment programs using tax increment financing.
- To own, hold, improve, lease, sell, or dispose of real or personal property.
- To designate substandard, slum, or deteriorating areas needing redevelopment, and unsafe, unsanitary, and overcrowded housing.
- To make necessary expenditures to carry out the purposes of the HRA law.
- To develop and administer an interest reduction program to assist the financing of the construction, rehabilitation, or purchase of low- or moderate-income housing.

5. HRA special assessment and levy authority

HRA power to levy and collect taxes or special assessments is limited to the power provided in state law. Subject to a resolution of consent from the city council, an HRA may levy a tax upon all taxable property within the city. The council may give a consent that covers a series of years if they so choose or council may pass a resolution authorizing an HRA levy for a set amount of time, for example, the entire term of the bonds secured in part by an HRA levy and in part by a city levy. State law recognizes the distinct nature of HRAs and designates them as “special taxing districts.” The maximum general allowable operational levy of HRAs is 0.0185% of the previous year’s estimated market value of all property in the city.

The city’s estimated market value is available from the county assessor. An HRA raises its own levy because it is a separate political subdivision and not a “local governmental unit.” Therefore, an HRA levy is not subject to levy limits, but is subject to the 0.0185% estimated market value limit. Levies collected by an HRA must be used only for purposes listed in the HRA Act.

RELEVANT LINKS:

[Minn. Stat. § 469.107.](#)
[Minn. Stat. § 275.066.](#)

Minnesota Department of
Employment and Economic
Development: [The Economic
Development Authorities
Handbook.](#)

[Minn. Stat. § 469.012, subd.
4.](#)
[Minn. Stat. § 469.028.](#)

[Minn. Stat. § 469.015, subds.
1a, 4.](#)

[Minn. Stat. § 469.033.](#)
[Minn. Stat. § 469.034.](#)

[Minn. Stat. § 469.034, subd.
1.](#)

There is crossover between HRA and EDA (economic development authority) levies that can be confusing. While a city may, at the request of an EDA, levy a tax not more than 0.01813% of the estimated market value, many city EDA-enabling resolutions adopt all the powers of an HRA, and then the EDA/HRA functions as a special taxing district under state law, .

If the enabling resolution so allows, the EDA will then function as an HRA and, with consent of the city council, levy the HRA levy, which is not subject to levy limits or city debt limits, but is subject to the 0.0185% of the city's estimated market value limit in state law. The city attorney may verify the structure and levy authority of each city's HRA and/or EDA.

While HRAs have the legal authority to “do whatever is necessary and convenient” to implement redevelopment, they are subject to the ordinances and laws of the city. The city council must approve HRA plans before the HRA may begin implementation.

6. HRA contracting

All HRA construction work and purchases of equipment, supplies, or materials that involve expenditure of more than \$175,000 must be competitively bid. An HRA (and a city) may also use the “best value alternative.” There are limited exceptions to these requirements for emergencies and certain circumstances.

7. HRA financing

Operating funds, capital improvements, and debt retirement expenses for HRA projects may be financed by any one or any combination of the following methods:

- Federal grants.
- Revenue bonds the HRA or local governing body sells.
- General obligation bonds the local governing body sells.
- Tax increments from redevelopment projects.
- A limited levy for redevelopment projects and planning activities.

When an HRA issues bonds, the revenue generated must be used for the projects financed, or bond costs must be paid from income generated by designated projects.

RELEVANT LINKS:

[Minn. Stat. § 469.003, subds. 4, 6, 7.](#)
[Minn. Stat. § 469.013 subd. 2.](#)

[Minn. Stat. § 469.013 subd. 2.](#)

[Minn. Stat. § 469.013.](#)

[24 C.F.R 982.51.](#)

Minnesota Department of
Employment and Economic
Development: [The Economic
Development Authorities
Handbook.](#)

[Minn. Stat. § 469.091.](#)
[Minn. Stat. § 469.093.](#)

The law states that the principal and interest on bonds are payable exclusively from the income and revenues of the project financed with the proceeds of the bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of the bonds.

8. HRA certifications to state

The following documents relating to the establishment and activities of local HRAs must be filed with the DEED commissioner:

- Resolution of need.
- Certificates of appointment or reappointment of HRA commissioners.
- Low-rent public housing project and management plans.

The following additional documents relating to local HRA activities may also be requested by the DEED commissioner:

- Project reports.
- Applications for federal assistance.
- Contracts with federal agencies.
- Redevelopment plans.

In addition, annual financial reports must go to the state auditor, DEED commissioner, and the city council.

9. HRA federal certification

In order for a local HRA to use federal Department of Housing and Urban Development (HUD) assistance programs, it must submit a transcript of organizational documents to the HUD area office.

C. Economic development authorities

An economic development authority (EDA) is a legal entity created by a city to facilitate a well-rounded program for business assistance and development projects.

All cities and townships have authority from the Minnesota Legislature to create economic development authorities (EDA). The city may consolidate an EDA with an existing HRA or the city may grant HRA powers to the EDA. The city council may create an EDA by passing an enabling resolution. Before adopting the enabling resolution, the city must first conduct a public hearing.

RELEVANT LINKS:

[Minn. Stat. § 469.095.](#)

[Minn. Stat. § 469.107.](#)

[Minn. Stat. § 469.107.](#)

Minnesota Department of Employment and Economic Development: [The Economic Development Authorities Handbook.](#)

Minnesota Department of Employment and Economic Development, [The Economic Development Authorities Handbook.](#)

[Minn. Stat. § 469.091.](#)

[Minn. Stat. § 469.192.](#)

[Minn. Stat. § 469.192.](#)
[Minn. Stat. § 469.102.](#)

[Minn. Stat. § 469.033 subd. 4](#)
[Metropolitan Council, City Development Powers](#)

The enabling resolution establishes a board of commissioners for the EDA. The city council can choose to serve as the EDA board of commissioners or create a board composed of community members. The mayor, with approval of the council, appoints the commissioners. The board may consist of three, five or seven members who serve six-year terms. The board is subject to the Open Meeting Law.

1. EDA levies

As discussed above, an EDA levy differs from an HRA levy. It is not a levy raised by the EDA — it is a levy set by a city at the request of the EDA.

A city may, at the request of the EDA, levy a tax for the benefit of the EDA in an amount not more than 0.01813% of the taxable market value. The amount levied must be paid by the city treasurer to the treasure of the EDA to be spent by the EDA. Because the EDA levy is part of the city levy, it is not a “special levy” under state law and therefore the EDA levy is part of the city’s overall levy limit.

As a result of being part of the city’s overall levy limit, the most common practice to fund an EDA is a direct general fund appropriation out of the city’s general fund. There is no limit to the amount of funding that can be provided to an EDA through this mechanism.

Alternatively, if the city council’s enabling resolution adopts all of the powers of the HRA for the EDA, the EDA may levy the separate HRA tax levy, which is not calculated in the city’s levy limit. It is still subject to all of the statutory limitation of an HRA, including the levy limit of 0.0185% of the estimated market value.

2. EDA loans

EDAs are authorized to make loans to businesses, for-profit organizations, nonprofit organizations, or individuals to effectuate the purpose of the EDA.

Loans must be for a purpose the EDA is authorized to carry out under the law. An authorized purpose must deal with or contribute to economic or industrial development.

One benefit of establishing an EDA is that the EDA can create a pool where each project’s revenue goes into a common fund, improving the security on the pooled bonds, leading to a more favorable interest rate and ultimately a reduced cost of borrowing.

RELEVANT LINKS:

[Minn. Stat. § 469.098.](#)

[Minn. Stat. § 469.101, subds 1, 2.](#)
[Op. Atty. Gen., 469a-16, July 19, 1966.](#)
[Minn. Stat. § 475.58.](#)
[Minn. Stat. § 469.102.](#)

[Minn. Stat. § 469.101, subds 1..](#)
[Minnesota House Research Department, \[Economic Development TIF Districts\]\(#\)](#)

[Minnesota House Research Department, \[Economic Development TIF Districts\]\(#\)](#)

[Minn. Stat. § 469.049.](#)
[Minn. Stat. § 469.055.](#)

[Minn. Stat. § 469.053.](#)
[Minn. Stat. § 469.060 subd. 1.](#)

[Minn. Stat. § 469.050.](#)
[Minn. Stat. § 469.051.](#)

Before taking an action or making a decision which could substantially affect an EDA commissioner or employee's financial interests or those of an organization with which the commissioner or an employee is associated, a commissioner or employee of an EDA must comply with specific requirements to disclose the conflict and obtain prior approval. Failure to do so may result in criminal charges.

3. Other EDA powers

EDAs can acquire property and facilities, but (in most circumstances) cannot issue obligations (debt) without the approval of the electors. See Minn. Stat. § 475.58 for the list of obligations exempted from this requirement. Otherwise, the city must authorize the issuance of debt in the resolution creating the EDA.

EDAs can create economic development districts within the city, but the districts must be contiguous. Economic development districts do not need to meet the blight test and may use tax increment financing.

When an EDA's enabling resolution includes HRA power, an EDA may undertake a redevelopment project, housing development, or housing project under which a restrictive blight test does not apply. These projects can be used for similar purposes to those of an economic development district under the EDA law.

D. Port authorities

The purpose of a port authority is to promote the general welfare of a port district, increase the commercial efficiency of the district, and actively improve business opportunities.

The Minnesota Legislature authorizes cities to create port authorities. A port authority is a governmental subdivision with the right to sue and be sued in its own name. A port authority may issue general obligation bonds in the amount authorized by its city's council.

Cities establish a port authority by passing an enabling resolution. The port authority may have three commissioners appointed by the city council, or seven commissioners, two of whom must be city council members, with the remaining members appointed by the mayor and approved by the city council. Cities may adopt a different procedure and a different number of commissioners in the enabling law for the port authority. State law governs commissioner pay, vacancies, duties, and port authority bylaws.

RELEVANT LINKS:

[Minn. Stat. § 469.051, subd. 2.](#)

[Minn. Stat. § 469.051, subds. 4 to 6.](#)

[Minn. Stat. § 469.051, subd. 9.](#)

[Minn. Stat. § 469.054 subd. 1.](#)
[Minn. Stat. § 469.056 subd. 1, 2.](#)
[Minn. Stat. § 469.054 subd. 3.](#)

[Minn. Stat. § 469.109.](#)

[Minn. Stat. § 469.111.](#)

[Minn. Stat. § 496.109.](#)

A port authority shall annually elect a president or chair, vice president or vice chair, treasurer, secretary, and assistant treasurer. A commissioner may not serve as president or chair and vice president or vice chair at the same time. The other offices may be held by one commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

The treasurer of a port authority must be bonded to faithfully perform these duties:

- Receive and be responsible for port authority money.
- Be responsible for the acts of the assistant treasurer, if appointed.
- Disburse port authority money by check or electronic procedures.
- Keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements.
- File the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

The port authority's annual detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities.

The authority must examine the statement together with the treasurer's vouchers. If the authority finds the statement and vouchers correct, it shall approve them by resolution and record the resolution.

State law governs many other aspects of port authorities, including but not limited to the use of city property by a port authority, employment, and contracts. The city attorney also acts as the port authority's attorney.

E. Local or area redevelopment agencies

The purpose of area redevelopment agencies is to create new employment opportunities and promote economic redevelopment of rural areas and of depressed or underdeveloped areas of the state.

Any municipality or group of municipalities may establish a redevelopment agency in and for the area the municipality or group of municipalities it covers, if:

- The area is rural or there is substantial and persistent unemployment in the area for an extended period of time.
- The rate of unemployment, excluding unemployment due to seasonal or temporary factors, is 6% or more and the conditions are not likely to be alleviated without public financial or planning assistance.

RELEVANT LINKS:

[Minn. Stat. § 469.110, subd. 11.](#)

[Minn. Stat. § 469.110 subd. 4.](#)

[Minn. Stat. § 469.111.](#)

[Minn. Stat. § 469.111 subd. 5.](#)

[Minn. Stat. § 469.115.](#)

[Minn. Stat. § 469.124.](#)

[Minn. Stat. § 469.126, subd. 2.](#)

[Minn. Stat. § 469.127.](#)

[Minn. Stat. § 469.152.](#)

Rural areas are defined as areas that are not within the boundary of any city having a population of 50,000 or more, and not immediately adjacent to urbanized and urbanizing areas with a population density of more than 100 people per square mile — or areas with an unemployment rate of 6% or more.

This law defines municipalities as home rule charter or statutory cities, counties, towns, or school districts.

To establish an area development agency, the governing body of the municipality must first hold a public hearing, and then find by resolution that the area is rural, depressed, or underdeveloped as defined in statute. The resolution must be filed with the commissioner of employment and economic development.

The board of commissioners shall be appointed by the mayor and all five commissioners must be residents of the area of operation of the local agency.

An area redevelopment agency has similar powers to an EDA/HRA.

F. City development districts

Any home rule charter or statutory city may designate development districts for areas within the boundaries of the city that are already built up. Development districts are established to provide employment opportunities, improve the tax base, and strengthen the general economy of the state. Within these districts, cities may:

- Adopt a development program to improve physical facilities, quality of life, and quality of transportation.
- Promote pedestrian skyway systems.
- Install special lighting systems, street signs and street furniture, landscaping of streets and public property, and snow removal systems.

The law encourages pedestrian skyway systems, underground pedestrian concourses, people mover systems, and publicly owned parking structures. It exempts these structures from taxation even when they are attached to privately owned buildings.

G. Municipal industrial development

For the purpose of attracting industrial and commercial development and encouraging local governments to prevent economic deterioration, any home rule charter or statutory city or its redevelopment agency has the power to promote industrial development by:

RELEVANT LINKS:

[Minn. Stat. § 469.155.](#)

[Minn. Stat. § 469.153.](#)

[Minn. Stat. § 469.155, subd. 14.](#)

[Minn. Stat. § 462C.01.](#)
[Minn. Stat. § 462C.04.](#)
[Minn. Stat. § 462C.07.](#)

- Acquiring, constructing, and holding lands, buildings, easements, improvements to lands and buildings, capital equipment, and inventory for industrial projects.
- Issuing revenue bonds and entering into revenue agreements to finance these activities to promote industrial projects.
- Refinancing health care and other facilities.

Under the legislation, cities assist industries in starting operations and use generated revenues to repay the costs. This law is the basis for issuing most industrial revenue bonds.

Projects eligible for assistance include, but are not limited to:

- Any revenue-producing enterprises engaged in assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacturing.
- Any research and development activity in these fields or in the manufacturing, creation, or production of intangible property, including patents, copyrights, formulas, processes, or designs.
- Properties designated as a qualified green building and sustainable design project under state law.
- Costs related to dewatering activities.

The law prohibits a city from operating any of these projects as a business or in any manner other than the manner outlined by law.

III. Other development strategies

A. Housing bonds

Cities may develop and administer programs to finance the acquisition or rehabilitation of single and multifamily homes for housing low- and moderate-income persons and families anywhere within its boundaries. Upon approval of the program as described in statute, the city may issue and sell revenue bonds, which shall be payable exclusively from the revenues of the programs. Bonding authority is allocated by state formula.

B. Industrial parks

An industrial park is a tract of land suitable for industrial use because of location, topography, proper zoning, available utilities, and accessibility to transportation. A single governing body has administrative control of the tract. In some cities, an industrial park may be little more than a tract of unimproved land, while in other cities it may be totally served by city services and have restrictive building requirements.

RELEVANT LINKS:

[Minn. Stat. § 272.02 subd. 39.](#)

[Minn. Stat. § 469.185.](#)

A.G. Op. 476-B-2 (Mar. 2, 1961).
[City of Pipestone v. Madsen](#), 287 Minn. 357, 178 N.W.2d 594 (1970).

[Minn. Stat. §§ 469.152 to 469.165.](#)

[Minn. Stat. § 469.156.](#)
[Minn. Stat. § 469.162.](#)

An industrial park's purpose is to attract industrial development.

Property a city holds for later sale for economic development purposes remains tax-exempt for a period not to exceed nine years, or until buildings or other improvements that are constructed after acquisition reach one-half occupancy. For cities located outside of the metropolitan area with populations less than 20,000, the period must not exceed 15 years.

Currently, private enterprise creates most new industrial park development by establishing a for-profit community development corporation. A city can cooperate with that corporation through its land use controls and methods of financing public improvements. Many cities have also established industrial parks complete with streets, water, and sewer, despite the possible tax ramifications. The city then sells or leases a portion of the park to a business needing a location for its building.

Any city that owns property that is not restricted by deed may convey the lands for nominal consideration, to encourage and promote industry, and to provide employment for citizens.

This statute has been read narrowly by the Office of the Attorney General. The conveyance must encourage and promote industry and provide employment for citizens. For example, a conveyance of land for an indoor arena was not within the statute; a more direct promotion of industry was necessary, beyond the fact that more potential customers might be in town as a result of athletic contests. However, the courts have upheld the municipal industrial development revenue bond law, discussed below, against the same objection. The city's attorney can best advise the city concerning the legality of a purchase of land for resale.

C. Industrial revenue bonds

Municipal industrial development laws help cities attract new commercial and industrial development and keep existing businesses in the city. The law authorizes the council to issue revenue bonds and use the proceeds to acquire and construct industrial sites and facilities. The city then leases these facilities to private industry and uses the rental fee proceeds to retire the bonds.

A city may issue industrial revenue bonds, also known as municipal revenue bonds, without public referendum. It cannot pledge the full faith and credit of a community as security for these bonds. Thus, the city may not tax property owners to pay principal and interest on the bonds.

RELEVANT LINKS:

For more information, contact [DEED](#) 651.259.7114, 800.657.3858. Main Office: 1st National Bank Building 332 Minnesota Street, Suite E200 Saint Paul, MN 55101-1351.

[Minn. Stat. § 469.184.](#)

[Minn. Stat. § 469.174 subd. 2.](#)
Minnesota House Research Department, [How TIF Works: Basic Mechanics](#)

[Minn. Stat. § 469.175 subd. 1.](#)

Minnesota House Research Department, [How TIF Works: Basic Mechanics](#).

Minnesota House Research Department, [How TIF Works: Basic Mechanics](#).

If a city decides to investigate the use of industrial bond financing, it should contact the Department of Employment and Economic Development. The department provides the city with information, advice, and technical assistance. This assistance is important, due to the adoption of federal and state laws allocating issuance authority among the states and their political subdivisions. The commissioner of Securities must approve the project.

D. Commercial rehabilitation loan program

Cities have authority to carry out programs for the rehabilitation of small and medium-sized commercial buildings. The city must adopt a program ordinance that provides for the adoption of program regulations, including a definition of small and medium-sized commercial buildings. Loans under the program may be for amounts up to \$200,000. The city may finance the program through the sale of revenue bonds.

E. Tax increment financing (TIF)

Tax increment financing is a method of stimulating economic development in a targeted geographic area. TIF uses the additional property taxes that are paid as a result of the new development to pay for the development costs. Tax increment financing authority is available to most cities.

For a city to make use of TIF, the city must find that the development would not happen through solely private investment and that the new development will result in a net increase in market value for the site, compared to the likely development that would occur without TIF.

When a TIF district is created, the county auditor certifies the current tax capacity of the properties in the district as the district's "original tax capacity." As the property in the district increases as a result of the new development, the increases above the original tax capacity are captured, referred to as "captured value." The taxes paid on the captured value are called "increments." Unlike property taxes, increments are not used to pay for general costs. Instead, the money is used to repay costs the city incurred in acquiring the property, removing existing structures, or creating infrastructure.

The property owner in a TIF district continues to pay the full amount of property taxes. TIF involves only the increased property taxes generated within the district. It does not change the amount of property taxes currently derived from the redevelopment area, nor does it directly affect the amount or rate of general ad valorem taxes the city levies.

RELEVANT LINKS:

Minnesota House Research Department, [How TIF Works: Basic Mechanics](#).

Minnesota House Research Department, [Housing TIF Districts](#).

[Minn. Stat. § 469.175, subds. 5, 6.](#)

[Minn. Stat. § 469.1771, subds. 1, 2b.](#)

[Minn. Stat. § 469.177, subd. 8.](#)
[Lake Superior Paper Indus. v. State](#), 624 N.W.2d 254 (Minn. 2001).
[Brookfield Trade Center, Inc. v. County of Ramsey](#), 609 N.W.2d 868 (Minn. 1998).

The result of a TIF project is an increased tax base that will benefit all local taxing jurisdictions. Additionally, TIF districts usually spur economic development and redevelopment through creating jobs, removing blight, and providing more affordable housing.

In Minnesota, TIF is generally used to:

- Redevelop areas occupied with substandard buildings.
- Build housing for low-income and moderate-income families.
- Clean up pollution.
- Provide general economic development incentives.
- Finance public infrastructure, such as streets, sewer, water, sidewalks, and similar improvements. (This is not an explicit purpose of TIF, but Minnesota cities frequently use it for this purpose).

Special rules apply to TIF districts designed to provide low-income housing.

A city using TIF must report annually to the state auditor as to the status of the TIF district or districts and publish the report in a newspaper of general circulation in the municipality. The state auditor has established a uniform system of accounting and financial reporting for TIF districts. The city must annually submit to the state auditor a financial report in compliance with these standards.

The state auditor may audit TIF districts. If the state auditor notifies a TIF authority of an alleged violation, a copy of the notice is also forwarded to the county attorney. If no corrective action is brought within one year, the county attorney must notify the state auditor, who then notifies the attorney general.

If the attorney general finds a substantial violation, the attorney general will petition the state tax court to suspend the authority's power to use TIF for a period of up to five years.

The TIF agreement with the developer is a complex document. Assistance from a financial advisor and the city attorney is necessary in order to anticipate the many potential problems. An agreement can establish a minimum market value for tax increment assessment purposes, as well as provide that the developer pay a certain level of taxes regardless of any classification rate changes or levy decreases. The agreement should be entered into before the assembly and acquisition of the land on which the completed improvements are to be located.

RELEVANT LINKS:

Minn. Stat. § 469.1771 subd. 7.
Minnesota House Research Department, [The But-For Test](#).

See Minn. Stat. §§ 469.174-469.1799.

Minn. Stat. § 469.175.

State v. Wicklund, 589 N.W.2d 793 (Minn. 1999).

Walser Auto Sales, Inc. v. City of Richfield, 635 N.W.2d 391 (Minn. Ct. App. 2001); *aff'd*, 644 N.W.2d 425 (Minn. 2002).

Chenoweth v. City of New Brighton, 655 N.W.2d 821 (Minn. Ct. App. 2003).

Minn. Stat. § 469.1813.

The law imposes a 180-day statute of limitations on actions to challenge the creation or modification of a TIF district. The law is complex, including a “but-for” finding before a city approves a TIF plan and the creation of a TIF district.

Cities must follow statutory requirements, including but not limited to administrative expenses, plan modifications, reporting requirements, use of increment in pre-1979 districts, excess increments, pooling, decertification, and use of funds outside the district.

Before a district can be created, the law requires a detailed estimate of the impact of a proposed district on city-provided services, such as police and fire protection, public infrastructure, and borrowing costs attributable to the district, in addition to other complex estimations that must be prepared.

Public financing using TIF funding for a privately owned facility does not make public space in the facility a public forum for free speech purposes.

Cities should use extreme care in establishing a TIF district and should follow all procedural requirements; otherwise, a court may find the district was not properly established. In one case, a TIF district was not properly established where minimal effort was made to ensure the thorough inspection of the properties; inaccurate methodology was used to establish the condition of the buildings; and the buildings found structurally substandard were not reasonably distributed throughout the district.

However, in another case involving a properly established TIF district, a warehouse was built next door to the plaintiff’s land, which substantially interfered with the use and enjoyment of that land. The court found that the private development of the adjacent property was not so entwined with government action as to constitute a state action. Therefore, the city’s actions — establishment of a TIF district, entering into a contract with a private developer specifying the size and value of structures to be built, and providing for substantial city assistance to facilitate development — do not rise to the level of a taking and, consequently, did not require reimbursement.

Given the complexity of the laws governing the use of TIF, cities or HRAs should not undertake this method of financing community development projects without the advice of an attorney and professional consultants.

F. Property tax abatement

A city may use this development tool to capture some or all of the taxes it imposes on a parcel of property.

RELEVANT LINKS:

Christopher Virta, [Growing Trend: Use of Tax Abatement for Economic Development and Public Facilities](#)

Minnesota House Research Department, [Property Tax Abatements for Economic Development](#)

Minn. Stat. § 469.1813 subd. 2, 5.

Minn. Stat. § 469.1814.
Minn. Stat. § 469.1813 subd. 6, 8.

Minn. Stat. § 462C.16 subd 2.

It can apply those captured proceeds to specific, designated uses, so long as the benefits at least equal the costs to the city, and it is in the public interest as defined by the statute.

The term “abatement” is somewhat misleading, as the phrase is often used to refer to a method of adjusting an individual property owner’s tax burden by adjusting the market value of the property. Instead, in this instance, property tax abatement is an incentive for economic development. When used as a development driver, property tax abatement does not reduce the amount of taxes paid on the property. Instead, the full amount is paid by the taxpayer, and the county auditor refunds the abated portion back to the local government entity that granted the abatement to achieve a specific goal.

Goals include paying infrastructure costs associated with a development project, or paying debt service on bonds if tax abatement bonds were issued. If the money is to be refunded to the taxpayer, there must be a contract in place that outlines the conditions that must be satisfied in order to receive the money – often job creation or wage goals.

A city may grant an abatement only by adopting an abatement resolution, specifying the terms of the abatement. The terms should include a specific statement as to the nature and extent of the public benefits the governing body expects to result from the agreement. The resolution may only be adopted after the council holds a public hearing.

A city may issue bonds or other obligations to provide an amount equal to the sum of the abatements granted for a specific property. The maximum principal amount of these bonds may not exceed the estimated sum of the abatements for the property for the years authorized. The bonds may be general obligations of the city, if the city council chooses to pledge the full faith and credit of the city in the resolution issuing the bonds. The law limits property tax abatements to 15 years. School districts and counties have similar abatement powers. A city, county, and school district can agree to abate their taxes on the same property.

G. Housing trust funds

Cities have authority to establish a local housing trust fund by ordinance or to participate in a joint powers agreement to establish a regional housing trust fund. These trust funds may also be administered through a nonprofit organization. If the fund is administered through a nonprofit organization, that organization shall encourage private charitable donations to the fund.

RELEVANT LINKS:

[Minn. Stat. § 462C.16 subd 4.](#)

A city may finance its local or regional housing trust fund with any money available to local government, unless expressly prohibited by state law. Sources of funding may include, but are not limited to:

- Donations.
- Bond proceeds.
- Grants and loans from a state, federal, or private source.
- Appropriations by a local government to the fund.
- Investment earnings of the fund.
- Housing and redevelopment authority levies.

Once the fund is established, the source of funding may be altered, but only if sufficient funds will still exist to cover the projected debts or expenditures authorized by the fund in its budget.

[Minn. Stat. § 462C.16 subd 3.](#)

Money in a local or regional housing trust fund may only be used to:

- Pay for administrative expenses, but not more than 10% of the balance of the fund may be spent on administration.
- Make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing.
- Match other funds from federal, state, or private resources for housing projects.
- Provide down payment assistance, rental assistance, and homebuyer counseling services.

[Minn. Stat. § 462C.16 subd 5.](#)

The local or regional housing trust fund must report annually to the local government that created the fund, and the local government (or governments) must post this report on its public website.

[Minn. Stat. § 462C.16 subd 6.](#)

A local or regional housing trust fund existing on July 1, 2017, is not required to alter the existing terms of its governing documents or take any additional authorizing actions required by the statute.

IV. State-sponsored development tools

A. Minnesota Housing Finance Agency

The goals of the Minnesota Housing Finance Agency (MHFA) are to provide decent, affordable housing to low- and moderate-income people; preserve the existing housing stock in Minnesota; preserve existing neighborhoods and prevent them from deteriorating; and prevent mortgage foreclosures while promoting energy conservation in residential housing.

The Minnesota Legislature created the MHFA in response to a shortage of affordable housing for low- and moderate-income people.

[Minn. Stat. ch. 462A.](#) For more information about [MHFA](#) programs, contact MHFA at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102 (651) 296-7608 or (800) 657-3769.

RELEVANT LINKS:

[Minn. Stat. § 462A.073](#)
MHFA: [Minnesota City Participation Program](#). Nicola Viana, Program Manager, 651-297-9510, Nicola.Viana@state.mn.us.

[Minn. Stat. ch. 116J](#).
[Minnesota Department of Employment and Economic Development](#).

[Minn. Stat. §§ 116J.411-116J.424](#).
[Minn. Stat. § 116J.575](#).
See [Minnesota Department of Employment and Economic Development for Local Government](#).

[Minn. Stat. § 116J.431](#).
[Greater Minnesota Business Development Infrastructure Grant Program](#).

Private enterprise and private investment were unable, without public assistance, to provide an adequate supply of safe, sanitary, and decent housing at affordable prices and rents.

The sale of state tax-exempt bonds is the primary financing for MHFA programs. Through the Minnesota City Participation Program, Minnesota Housing sells mortgage revenue bonds on behalf of cities to meet locally identified housing needs. The proceeds of these bonds provide below-market interest rate home mortgage loans for low- and moderate-income, first-time homebuyers, or for the construction or rehabilitation of single- and multi-family housing. Appropriations from the Legislature provide additional funding for programs, including the promotion of energy conservation; an increase in home ownership opportunities for first-time homebuyers; home improvement grants to very low-income homeowners; and programs to improve the housing available to Native Americans, large families, and people with disabilities.

B. Department of Employment and Economic Development (DEED)

The Minnesota Department of Employment and Economic Development is the primary economic development agency for Minnesota.

DEED staff is responsible for a wide range of grant and loan programs, as well as for providing technical assistance to businesses and communities.

DEED also provides grants for contamination cleanup and redevelopment. A redevelopment account allows DEED to make grants to local units of government up to 50% of the cost of developing and redeveloping industrial, residential, or commercial property. DEED administers the rural development program; makes challenge grants to regional organizations to encourage private investment in rural areas; and administers a revolving loan fund to provide loans to new and expanding business in rural Minnesota. Local government units, including cities, may receive these loans if the community has established a local revolving loan fund and can provide at least an equal match to the loan received.

Cities outside the seven-county metropolitan area may receive grants from DEED for up to 50% of the capital costs of public infrastructure necessary for certain specified economic development projects, excluding retail and office space. For this program, “public infrastructure” means publicly owned physical infrastructure necessary to support economic development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems,

RELEVANT LINKS:

[Minn. Stat. § 116J.431, subd. 2.](#)

[Minn. Stat. § 116J.435.](#)
Department of Employment
and Economic Development:
[Innovative Business
Development Program.](#)

[Minn. Stat. § 116J.435 subd. 2.](#)

[Minn. Stat. ch. 116O.](#)

stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Under this law, an “economic development project” for which a county or city may be eligible to receive a grant under this section includes manufacturing, technology, warehousing and distribution, research and development, agricultural processing, or industrial park development that would be used by any one of these businesses.

DEED also runs the Innovative Business Development Public Infrastructure (BDPI) program, which provides grants to local governmental units on a competitive basis statewide for up to 50% of the capital cost of the public infrastructure necessary to expand or retain jobs.

“Innovative business” means a business that is engaged in, or is committed to engage in, innovation in Minnesota in one of the following:

- Using proprietary technology to add value to a product, process, or service in a high technology field.
- Researching or developing a proprietary product, process, or service in a high technology field.
- Researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing.

“Proprietary technology” means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

“Eligible project” means an innovative business development capital improvement project in this state, including:

- Manufacturing, technology, warehousing and distribution, and research and development.
- Innovative business incubator.
- Agricultural processing, or industrial, office, or research park development that would be used by an innovative business.

C. Enterprise Minnesota

Enterprise Minnesota is a nonprofit business consulting organization, set up by the Legislature that helps small and medium-sized manufacturing companies, education services, and government entities in Minnesota.

RELEVANT LINKS:

[Enterprise Minnesota](#) 612-373-2900 or 800-325-3073.
[Minn. Stat. § 116O.061](#).

[Minn. Stat. § 465.717](#), [Minn. Stat. § 471.59](#).
LMC information memo, [LMCIT Liability Coverage Guide](#), Section III-I, *Joint powers entities*.

More information is available on the [HUD](#) web site.

For more information, contact [Rural Development State Office](#) 410 Farm Credit Service Building 375 Jackson Street St. Paul, MN 55101-1853, (651) 602-7800; See also, Handbook, [Financing Public Improvements](#).

Enterprise Minnesota operates as a fee-for-services 501(c)(3) nonprofit. Enterprise Minnesota focuses on applied research and technology transfer and early stage funding.

It may provide financial assistance, including loan guarantees, direct loans, interest subsidies, or equity investments, to sole proprietorships, corporations, other entities, nonprofit organizations, or joint ventures. Financial assistance includes but is not limited to assisting a qualified company or organization with business services and products that will enhance the operations of the entity.

D. Corporations

Cities must not create nonprofit corporations unless authorized to do so by special legislation. The law allows incorporation of a joint powers entity, but these must comply with all applicable public-sector laws (open meeting, gift law, conflicts of interest, competitive bidding, etc.) and must be separately insured.

V. Federal development tools

A. Community Development Block Grants

The Community Development Block Grant (CDBG) program, under the U.S. Department of Housing and Urban Development (HUD), provides cities with federal funding to initiate and continue a diverse array of housing and community development projects.

B. Rural development grants

A variety of grants and loans to encourage economic development are available to cities from the U. S. Department of Agriculture's Rural Development program. Sewer, water, rural enterprise, housing, and other types of grants and loans are available.

VI. How this chapter applies to home rule charter cities

All of the tools this chapter lists are available to charter cities. The general discussions also apply to all cities.



City of Lake Elmo and Lake Elmo Economic Development Authority Public Financing Criteria and Business Subsidy Policy

INTRODUCTION:

This Policy is adopted for purposes of the business subsidies act, which is Minnesota Statutes, Sections 116J.993 through 116J.995 (the “Statutes”). Terms used in this Policy are intended to have the same meanings as used in Statutes. Sec. 116J.993, Subdivision 3 specifies forms of financial assistance that are not considered a business subsidy. This list contains exceptions for several activities, including redevelopment, pollution clean-up, and housing, among others. By providing a business subsidy, the City commits to holding a public hearing, as applicable, and reporting annually to the Department of Employment and Economic Development (DEED) on job and wage goal progress.

1. PURPOSE AND AUTHORITY

- A. The purpose of this document is to establish criteria for the City and the City’s Economic Development Authority (“EDA”) for granting of business subsidies and public financing for private development within the City. As used in this Policy, the term “City” shall be understood to include the EDA. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies and/or City public financing.
- B. The City's ability to grant business subsidies is governed by the limitations established in the Statutes. The City may choose to apply its Business Subsidy Criteria to other development activities not covered under the statute. City public financing may or may not be considered a business subsidy as defined by the Statutes.
- C. Unless specifically excluded by the Statutes, business subsidies as used by the City include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, tax increment financing (TIF), abatement of property taxes, loans made from City funds, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- D. The criteria in this Policy are to be used in conjunction with other relevant policies of the City. Compliance with this Public Finance Criteria and Business Subsidy Policy shall not automatically mean compliance with such separate policies.

- E. The City may deviate from the job and wage goals criteria outlined in Section 5 D and E below by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the DEED with the next annual report.
- F. The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes.

2. CITY'S OBJECTIVE FOR THE USE OF PUBLIC FINANCING

- A. As a matter of adopted policy, the City may consider using public financing which may include tax increment financing (TIF), property tax abatement, bonds, and other forms of public financing as appropriate, to assist private development projects. Such assistance must comply with all applicable statutory requirements and accomplish two or more of the following objectives:
 - 1. Remove blight and/or encourage redevelopment in designated redevelopment/development area(s) per the goals and visions established by the City Council and EDA.
 - 2. Expand and diversify the local economy and tax base.
 - 3. Encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development.
 - 4. Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development (determined as part of the But-For analysis).
 - 5. Facilitate the development process and promote development on sites that could not be developed without public financing assistance.
 - 6. Increase the number and diversity of quality jobs and/or retain local jobs at high wages
 - 7. Provide the highest and best desired use for the property
 - 8. Improve or add public infrastructure such as roads, utility extensions, storm water ponding, etc.
 - 9. Result in business interest that add to the diversity of the City's offerings

3. PUBLIC FINANCING PRINCIPLES

- A. The guidelines and principles set forth in this Policy pertain to all applications for City public financing regardless of whether they are considered a Business Subsidy as defined by the Statutes. The following general assumptions of development/redevelopment shall serve as City public financing guidelines:
 - 1. All viable requests for City public financing assistance shall be reviewed by staff, and a third party municipal advisor who will inform the City of its findings and recommendations. This process, known as the "But For" analysis is intended to establish that the project would not be feasible but for the City financing assistance.

2. The City shall establish mechanisms within a development agreement to ensure that adequate checks and balances are incorporated in the distribution of financial assistance where feasible and appropriate, including but not limited to, establishment of a “look back provision” and other performance criteria deemed necessary by the City.
3. TIF and property tax abatement will be provided on a pay-as-you-go-basis. Any request for upfront assistance will be evaluated on its own merits and may require security to cover any risks assumed by the City.
4. The City will set up TIF districts in accordance with the maximum number of statutory years allowable. However, this does not mean that the developer will be granted assistance for the full term of the district.
5. The City will elect the fiscal disparities contribution to come from inside applicable TIF district(s) to eliminate any impact to the existing tax payers of the community.
6. Public financing will not be used to support speculative commercial, office or housing projects. In general the developer should be able to provide market data, tenant letters of commitment or finance statements that support the market potential/demand for the proposed project.
7. Public financing will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of public financing assistance. Developers shall provide information to demonstrate that such assistance will not create such a competitive advantage. Priority consideration will be given to projects that fill an unmet market need as determined by the City.
8. Public financing will not be used in a project that involves a land and/or property acquisition price in excess of fair market value.
9. Public financing will not be used for single-family residential developments or stand-alone corporate-owned fast food restaurants. In addition, public financing will not be used for big-box retail that is not part of a redevelopment project or special purpose project of the City.
10. The developer will pay all applicable application fees and pay for the City’s fiscal and legal advisor time as stated in the City’s Public Assistance Application.
11. The City will consider waiving fees on a case-by-case basis including, but not limited to, park dedication fees, water and/or sewer/storm sewer connection or area charges. The City may consider using SAC credits, to the extent they are available, to off-set a project’s SAC expenses.
12. The developer shall proactively attempt to minimize the amount of public assistance needed through the pursuit of grants, innovative solutions in structuring the deal, and other funding mechanisms.
13. All developments are subject to execution and recording of a Minimum Assessment Agreement, if they receive tax increment financing, and Development Agreement.

Commented [KH1]: Comments from city attorney:

- a. The only authority for Minimum Assessment Agreements is for projects within a TIF District. Since this policy is broader than TIF I would make the clarification highlighted above.
- b. Also, if you’re only using pay-as-you-go tax increment financing, you don’t necessarily need to have the protection of a Minimum Assessment Agreement. I know some cities like to have them anyway but really the risk of a shortfall of tax increments falls on the developer with pay-as-you-go tax increment financing.

4. PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCING ASSISTANCE

- A. All new applications for public assistance considered by the City must meet all the minimum qualifications in Section 4.1, 4.2 A and B, and as many of the desired qualifications in Section 4.2 C as feasible. However, it should **not** be presumed that a project meeting these qualifications will automatically be approved for assistance. Meeting the qualifications does not imply or create contractual rights on the part of any potential developer to have its project approved for assistance.

4.1 MINIMUM QUALIFICATIONS/REQUIREMENTS:

- A. In addition to meeting the applicable requirements of State law, the project shall meet **two or more** of the public financing objectives outlined in Section 2.
- B. The developer must demonstrate to the satisfaction of the City that the project is not financially feasible “but for” the use of tax increment or other public financing.
- C. The project must be consistent with the City’s Comprehensive Plan and Zoning Ordinances, Design Guidelines and any other applicable land use documents or City requirements.
- D. Prior to approval of a financing plan, the developer shall provide all requested market and financial feasibility studies, appraisals, soil boring, private lender commitment, and/or other information the City or its financial consultants may require in order to proceed with an independent evaluation of the application for public financing.
- E. The developer must provide adequate financial guarantees to ensure the repayment of any public financing and completion of the project. These may include, but are not limited to, assessment agreements, letters of credit, personal deficiency guarantees, guaranteed maximum cost contract, etc.
- F. Any developer requesting assistance must be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. Public financing will not be used when the developer’s credentials, in the sole judgment of the City, are inadequate. The City’s evaluation of the developer’s credentials may include, but is not limited to, performance on past projects, general reputation, project references, bankruptcy and other criteria considered relevant to the City.
- G. The developer, or its contractual assigns, shall retain ownership and financial control of any portion of the project long enough to complete the project, stabilize its occupancy, and establish project management and/or needed mechanisms to ensure successful operation.

4.2 DESIRED QUALIFICATIONS:

- A. Projects providing a high ratio of private investment to City public investment will receive priority consideration. Private investment includes developer cash, government and bank loans, conduit bonds, tax credit equity, and land if already owned by the developer.

- B. Proposals that significantly increase the amount of property taxes paid after redevelopment will receive priority consideration.
- C. Proposals that encourage the following will receive priority consideration:
 - 1. Implements the City's vision and values for a City-identified development or redevelopment areas in order of priority;
 - a. Old Village District, Elmo Station District and Civic District
 - b. Business Park District
 - c. Mixed Use Business Park District
 - d. Mixed Use Commercial District
 - e. Limited Commercial District
 - f. Commercial District
 - 2. Provides opportunities for corporate campus or medical office development
 - 3. Provides opportunity for hi-tech, med-tech, R & D facilities/office or major manufacturer
 - 4. Provides for development of limited or full-service hotels
 - 5. Provides opportunities for entertainment venues such as movie theater, family fun center or larger attraction unique to the City
 - 6. Promotes multi-family housing investment that meets the following City goals:
 - a. Provides housing options not currently available
 - b. Provides affordable and/or workforce housing that include amenities similar to those found in market rate housing
 - c. Provides market-rate housing with high-end finishes and amenity package
 - 7. Redevelops a blighted, contaminated and/or challenged site
 - 8. Attracts or retains a significant employer within the City
 - 9. Provides significant rehabilitation or expansion and/or replacement of existing office, manufacturing or commercial facility
 - 10. Provides façade improvements (including building facades, signage, landscaping and parking lots) for commercial/industrial developments
 - 11. Adds needed road, access, multi-modal improvements and or public infrastructure
 - 12. Provides opportunities for small businesses (under 50 employees)
 - 13. Provides significant improvement to surrounding land uses, the neighborhood, and/or the City

Commented [KH2]: Pg 3-33 of Comp plan for reference

5. BUSINESS SUBSIDY CRITERIA: PUBLIC PURPOSE, JOBS AND WAGE REQUIREMENT

- A. All business subsidies must meet a public purpose with measurable benefit to the City as a whole.

- B. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.
- C. The creation of tax base shall not be the sole public purpose of a subsidy.
- D. Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Statutes, the creation of jobs is a public purpose for granting a subsidy. Creation of at least one (1) new full time employee (FTE) is a **minimum requirement** for consideration of assistance and, it should **not** be presumed that a project meeting this minimum requirement will automatically be approved for assistance. The City may require more jobs be created in order for a developer to receive public assistance. For purposes of this Policy, FTE's must be permanent positions with set hours, and be eligible for benefits.
- E. The wage floor for wages to be paid for the jobs created shall be not less than **200%** of the State of MN Minimum Wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- F. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero.

6. **SUBSIDY AGREEMENT**

- A. In granting a business subsidy, the City shall enter into a subsidy agreement with the recipient that provides the following information: wage and job goals (if applicable), commitments to provide necessary reporting data, and recourse for failure to meet goals required by the Statutes.
- B. The subsidy agreement may be incorporated into a broader development agreement for a project.
- C. The subsidy agreement will commit the recipient to providing the reporting information required by the Statutes.

7. **PUBLIC FINANCING PROJECT EVALUATION PROCESS**

- A. The following methods of analysis for all public financing proposals will be used:
 - 1. Consideration of project meeting minimum qualifications
 - 2. Consideration of project meeting desired qualifications
 - 3. Project meets "but-for" analysis and/or statutory qualifications
 - 4. Project is deemed consistent with City's Goals and Objectives

Please note that the evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case should one area outweigh another in terms of importance to determining the level of assistance.



DATE: January 11, 2022

DISCUSSION

AGENDA ITEM: Metrics and Dashboards

TO: Mayor and City Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

The third goal in the city's 2021-2022 work plan is to "continue organizational audits to identify staffing, process and service improvements to develop a 5-year plan for each Department with appropriate metrics and dashboards in order to create a culture of continuous improvement."

While the Council will be asked to approve the operational audit RFP for admin and finance at the next meeting, thereby completing departmental audits, metrics and dashboards have yet to be finalized.

ISSUE BEFORE COUNCIL:

What would the council like to see for metrics, dashboards, etc?

PROPOSAL DETAILS/ANALYSIS:

Staff is seeking feedback from council so we can flush out this goal more and begin tracking metrics and providing proper dashboards. We've put together sample dashboards for each department and included them in your packet. Some we were able to go back and input data for, while you'll notice others are blank. Once we get direction from council we will begin completing these monthly or quarterly in 2022. Do the dashboards cover all of the information Council is seeking? Does it include too much information? How will the data be used to make decisions? Does the effort to track the data outweigh the benefit? Some data are easy to track such as permits, licenses, meter installs, checks, etc where we can pull a report from city software. We can ask Metro INET to run a phone tracker for us each month by extension. However, items like public inquiries-emails, counter inquiries, man hours to tree trim or install signs, etc, will require staff to manually keep track of these items and thereby allow for a greater chance of error in reporting. Would it be more helpful to have more narrative rather than just numbers? For example, rather than reporting just on the number of surveys, we could also include the results of surveys after they close. The business vitality survey that ran in December is included in the packet as an example.

Could we accomplish the intent of this goal by participating in the Performance Measurement Program of the Office of the State Auditor? <https://www.osa.state.mn.us/forms-deadlines/forms/performance-measurement-program/> This is a program that began in 2010 for cities and counties to report on at least 10 performance measures annually as a way to aid residents, taxpayers, and state and local elected officials in determining the efficacy of counties and cities in providing services and measure residents' opinions of those services. While the program is voluntary, if the city wanted to participate it would require passing a resolution by July 1 each year and reporting on at least 10 performance measures. The city council would also have to establish community goals that are typically long range (3-5 years). As a benefit, the city would receive \$0.14 per capita up to \$25,000. Our population at the time of the 2020 census was 11,335 so that would equate to \$1,586.90. While not a large amount, the effort to complete the task would not be significant as many of the metrics we have easy access to. The new workload required on an annual basis would be the annual survey of residents, posting the results on the website, resolution and submittal to the state. Included in your packet is more information about the program, the list of standard measures for

cities and a couple of examples from other cities. Also you may be interested in checking out Woodbury's website to see how they report info to the public.

<https://performance.envisio.com/dashboard/woodburymn545/>

FISCAL IMPACT:

TBD could be a significant increase in staff time to track a lot of metrics. Also the ability to bring new revenue to the city through the OSA Performance Measurement Program.

OPTIONS:

Provide direction to staff on how to proceed.

ATTACHMENT:

- Dashboards from each department
- Business Vitality Report
- Performance Measurement System Info
- List of Standard Measures for Cities
- Stillwater Example
- Woodbury Example
- Victoria Example
- Mounds View Example

Summary of 2021 Administration Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Public Inquiries													
Meetings													
Licenses	4			7	3		2		2		16	5	39
ROW Permits		5	6	3	5	8	3	3	9	5	10	5	62
Unique FRESH Articles													
Facebook Posts	14	12	9	11	8	11	9	6	6	7	11	9	113
Unique Website Visits													
Public Meetings Broadcast	3	4	2	6	3	6	5	5	5	5	4	2	50
New Hires	1	1		1	5	1			2		1		12
Mailings													
Facility Reservations													
Invoices prepared													
HR Inquiries													
Council Agenda Items Processed	57	33	25	41	39	34	58	43	45	48	47	33	503
Data Requests													
Deposits Made													
Documents Uploaded to Laserfiche													
Notes:													

Summary of 2021 Building Department Activity

[illegible][illegible]

Summary of 2021 Finance Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Assessment Searches	10	24	19	15	14	14	9	20	16	17	13	8	179
Assessment payoffs	1	11	9	3	4	10	2	2	2	15	45	0	104
Escrows Receipted - Developer	1	3	7	3	2	2	6	3	7	7	1	3	45
Escrows Receipted - Single Home	23	23	27	41	42	25	34	22	12	23	9	15	296
Escrow Released - Single Home	7	1	0	1	0	0	14	20	30	35	45	92	245
Escrow Letters Sent - Developer												75	75
Payroll Expenditures	\$169,335.71	\$164,896.34	\$163,341.89	\$168,682.56	\$171,559.37	\$192,454.65	\$270,019.85	\$196,833.91	\$170,994.01	\$177,179.03	\$183,601.58	\$285,742.16	\$2,314,641.06
A/P - Checks Issued	130	120	109	111	128	128	126	123	143	135	127	174	1554
A/P - Checks Voids	0	0	0	0	1	1	1	0	1	1	1	0	6
New Vendors	1	9	9	1	12	10	5	4	29	7	0	10	97
A/P - ACH/Wires	14	15	13	14	14	13	18	15	13	14	12	18	173
UB Account Changes/Final Bills *						45	24	54	41	42	48	37	291
UB New Meter Installations/New Accounts	19	18	27	15	19	20	39	37	40	30	43	25	332
UB Payments Processed	2418	3429	416	1518	1097	199	1528	1208	444	1685	1040	218	15200
UB Quarterly Bills Mailed **	7339			2651			2787			2898			15675
A/R Invoices Issued	1	0	0	1	4	0	0	10	7	0	2	7	32
Receipt Batches	22	35	31	27	24	26	27	28	26	38	36	25	345
Manual JE's	30	11	4	6	7	8	10	3	4	5	2	40	130
Investment Earnings	\$ 26,446.21	\$ 19,407.64	\$ 14,973.61	\$ 34,100.14	\$ 19,962.25	\$ 29,024.45	\$ 19,962.25	\$ 11,436.66	\$ 20,417.54	\$ 33,368.14	\$ 20,064.77	\$ 41,904.14	\$ 291,067.80

Notes: * No Data available Jan-May due to changes in UB staff. ** January Includes Stormwater bills for 2020 and Water and Sewer Q4 2020

Summary of Lake Elmo Fire Department Activity - 2021

Type	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
100 Fire	2	3	4	3	1	1	4	0	1	0	0	4	23
Accident MV and Ped	2	3	3	4	6	2	2	5	6	4	5	3	45
300 Rescue and EMS	19	19	27	32	29	35	23	33	31	35	31	41	355
400 Hazardous Condition (No Fire)	4	0	1	1	3	3	2	2	4	3	0	3	26
500 Service Call	0	1	0	2	0	1	2	1	1	0	3	2	13
600 Good Intent Call	5	5	7	2	9	3	10	3	9	6	5	6	70
700 False Alarm & False Call	4	3	1	1	1	3	3	3	3	3	5	5	35
800 Weather / Disaster	0	0	0	0	0	1	0	0	0	0	0	0	1
Total Calls	36	34	43	45	49	49	46	47	55	51	49	64	568
Training Events													
Fire Inspection Activity:	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Inspections/PrePlans	0	0	0	0	10	3	9	13	20	34	50	45	184
Key Box Updates/Installs	0	0	0	0	0	0	0	0	2	4	2	6	14
Request for Data	0	0	0	0	0	0	0	0	0	0	1	2	3
Consultations	0	0	0	0	0	1	6	2	13	0	1	3	26
Plans (Alarm/Sprinkler/Burn)	0	0	0	0	0	0	1	0	4	3	1	2	11
Incident Follow Up / Other	0	0	0	0	31	1	4	8	15	9	5	1	74
Total	0	0	0	0	41	5	20	23	54	50	60	59	312

Summary of 2021 Planning Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Comp Plan Amend	0	0	0	0	0	0	0	0	0	0			0
CUP/IUP	0	0	0	0	0	0	1	0	1	0			2
Encroach. Agree.	0	1	3	4	5	3	3	6	3	6			34
Enforcement Letters													
Fence	0	3	5	10	5	6	6	10	2	5			52
Inspections													
Inquiries													
Meetings													
Plat and PUD	2	1	4	1	0	1	3	0	1	1			14
Sign Permits	1	1	1	1	2	0	0	0	2	2			10
Site Plan Reviews^	22	28	22	47	36	29	33	19	13	22			271
Variance	0	0	0	2	0	1	1	1	0	1			6
Zoning Amend	0	0	0	0	0	0	1	0	0	0			1
Misc/Other*	1	1	1	7	7	5	1	2	4	10			39

^ from bldg repot for res, will track better in 2022

* Accessory Structure Restrictive Soils and Wetland Restoration Proteetion and preservation Permit
 Amateur Radio Antenna Vacations
 Bed and Breakfast Permit Wind Generator
 EAW/EIS/AUAR Wireless Communication Permit
 Excavating/Grading Permit Zoning Certifaction
 Floodplain Dist Delineation Zoning Permit
 Golf Cart Operation Permit
 Lot Line Adjustment
 Minor Subdivision
 Parking Lot
 Private Road

Summary of 2021 Streets Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Debris Swept (cubic yards)	0	0	0	400	0	0	0	0	0	0	225	0	625
Miles of streets swept				93.8							16		109.8
Tons of asphalt mix used						182.5	37.5	30	9	4.5	0	0	109.8
# of man hours spent tree trimming							12	27	90	60	120		263.5
# of employee days lost to accidents							0	0	0	0	0	0	0
Miles of ditches mowed						72	7	0	48	40	3	5	175
# of winter events attended to	6	4	1	0	0	0	0	0	0	0	1		12
# of tons of road salt used	172	135	18	0	0	0	0	0	0	0	6		331
# of gallons of PW fuel	1323	1432	978	1135	988	1443	1116	1177	1207.3	1001	774		12574.3
# of hrs installing/replacing st signs						16	0	8	4	15	15		58
Notes:													

Summary of 2021 Parks Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
# of parks reservations/ events	0	0	1	4	5	5	9	8	6	2	2	0	42
# of tree inspections performed									20				20
# of man hours spent tree trimming										30	32		62
# of employee days lost to accidents					0	0	0	0	0	0	0		0
# of parks inspected	0	0	20	20	20	20	20	20	20	20	20	0	180
# of acres of tall grass mowed	0	0	0	0	10	20	16	20	15	0	0	0	81
# hours psent collecting garbage						50	40	24	24	23			161
# of hours psent dragging ballfields						32	12	13	8	0			161
# of yards of woodchips spread								6	6	0	30		42
# of hours of ice rinks maintenance												24	24
# of hours on weed control													0
Notes:													

Summary of 2021 Water Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
# of million gallons pumped	10.7	11.5	13.6	15.8	34.2	49.1	68.4	69.5	49.4	26.6	13.3		362.1
# of old water meters or radio reads replaced	76	106	69	23	19	22	7	0	1	2	1		326
# of new water meters installed	19	18	25	33	3	23	39	37	40	30	43		310
# of gate valves exercised	0	0	0	0	0	0	0	0	319	0	0		319
# of hydrants flushed						0	0	6	6	116	0		128
# of locates						813	584	583	583	590	512		3665
# of after hours calls													0
# of water main breaks/leaks repaired										0	0		0
# of PRVs attended to										0	1	4	5
Notes:													

Summary of 2021 Sewer Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
# feet of sewer lines jettied	0	0	0	540	0	2700	250	1527	23,000	0	0	0	28017
# of sewer backups-city line	0	0	0	0	0	0	0	0	0	0	0	0	0
# of sewer backups-private line	0	0	0	0	0	0	0	0	0	0	0	0	0
# of after hours calls													0
# of pumps Plugged and pulled	0	0	1	0	0	0	0	1	0	1	1	0	4
# of hrs cleaning lift stations	3	0	2	5	6	3	8	9	2	5	5	0	48
# of air released attended to									4	4	2	6	10
Notes:													

Summary of 2021 Storm Sewer Department Activity

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
# of MS4 devices inspected	0	0	0	0	0	0	7	87	89	4	0	0	187
# of feet of stormwater jetted	0	0	221	0	0	0	0	0	0	60	0	0	281
# of stormwater sumps cleaned	0	0	0	0	0	0	0	0	40	35	0	0	75
# of after hours calls													0
# of flooding concerns					0	0	0	0	0	0	0	0	0
Notes:													



Business Vitality

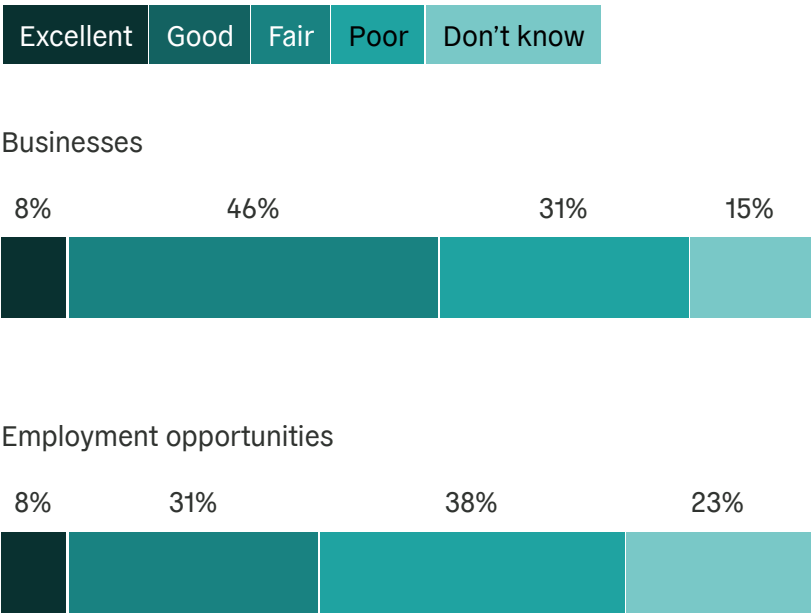
Survey Results
FINAL

01/05/2022

How would you rate the overall mix (variety and quality) of businesses and employment opportunities in Lake Elmo?

Question	Excellent	Good	Fair	Poor	Don't know
Businesses	8%	0%	46%	31%	15%
Employment opportunities	8%	0%	31%	38%	23%

Expand all / Collapse all

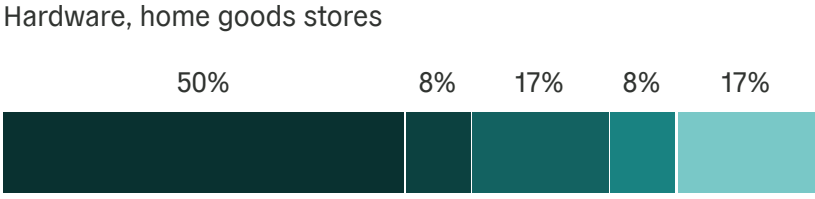
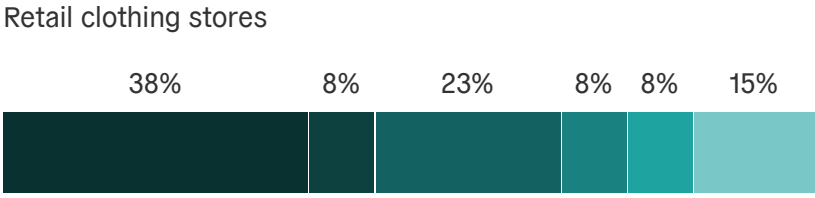
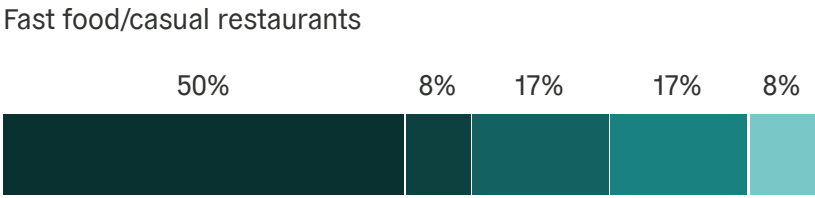
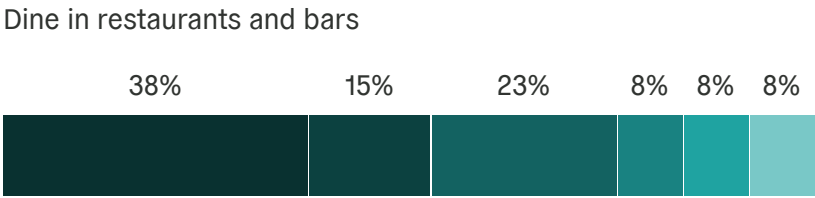
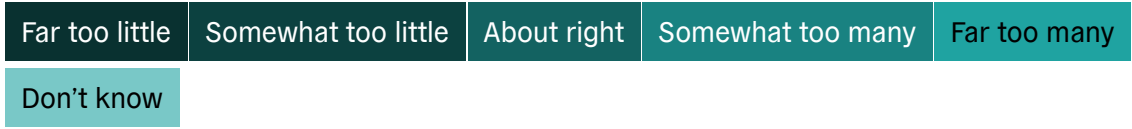


For each of the following types of businesses, please indicate if you feel there are too little, too many or about the right amount to meet your community's needs in the coming years.

Question	Far too little	Somewhat too little	About right	Somewhat too many	Far too many	Don't know
Dine in restaurants and bars	38%	15%	23%	8%	8%	8%
Fast food/casual restaurants	50%	8%	17%	17%	0%	8%
Retail clothing stores	38%	8%	23%	8%	8%	15%
Hardware, home goods stores	50%	8%	17%	8%	0%	17%
Maintenance, repair, construction services	33%	8%	42%	8%	0%	8%
Personal services (salons, massage, etc.)	8%	0%	58%	8%	17%	8%

Question	Far too little	Somewhat too little	About right	Somewhat too many	Far too many	Don't know
Professional services (finance, legal, real estate, other consulting)	20%	10%	50%	10%	0%	10%
Health services (doctors, hospitals, dentists, etc.)	18%	45%	9%	9%	0%	18%
Gyms or fitness centers	40%	0%	30%	10%	0%	20%
Arts and entertainment options	23%	38%	8%	8%	8%	15%
Agricultural-based businesses	25%	8%	42%	0%	0%	25%
Industrial/manufacturing	17%	8%	25%	8%	17%	25%
Information technology businesses	17%	8%	25%	8%	0%	42%

Expand all / Collapse all



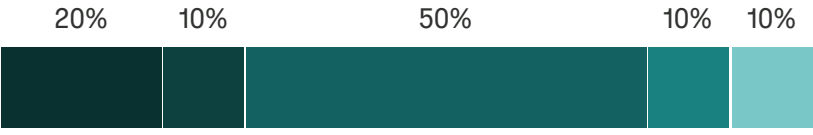
Maintenance, repair, construction services



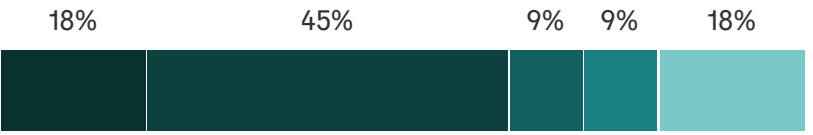
Personal services (salons, massage, etc.)



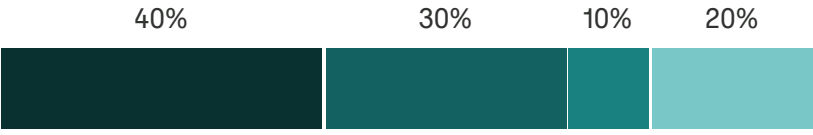
Professional services (finance, legal, real estate, other consulting)



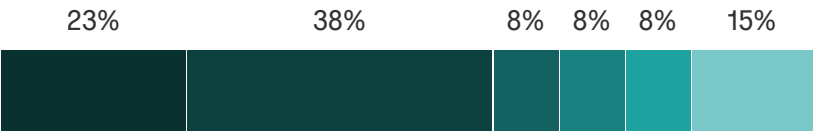
Health services (doctors, hospitals, dentists, etc.)



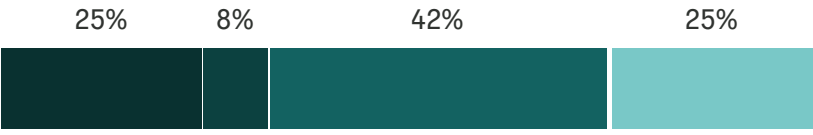
Gyms or fitness centers



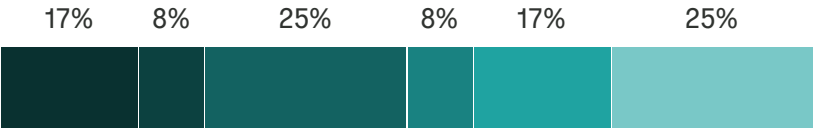
Arts and entertainment options



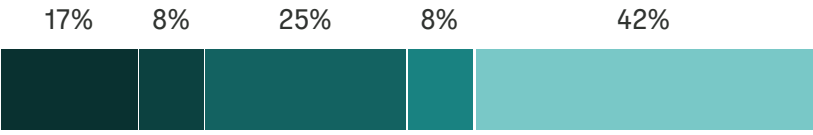
Agricultural-based businesses



Industrial/manufacturing



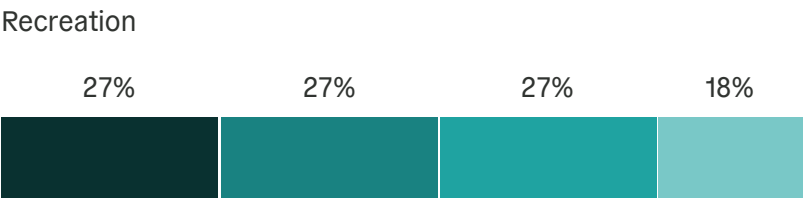
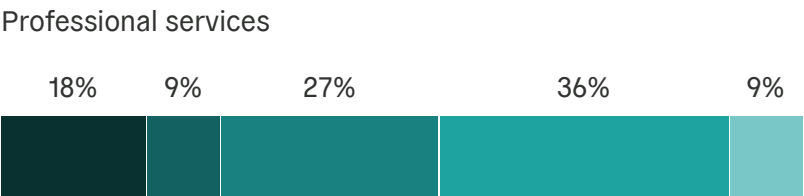
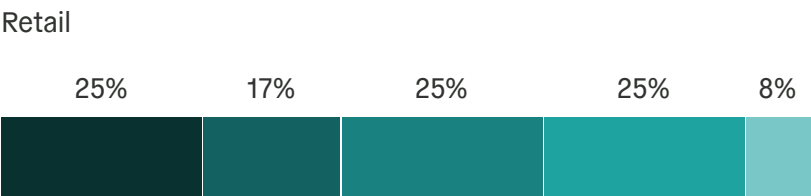
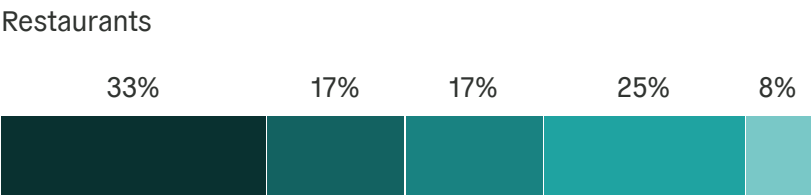
Information technology businesses

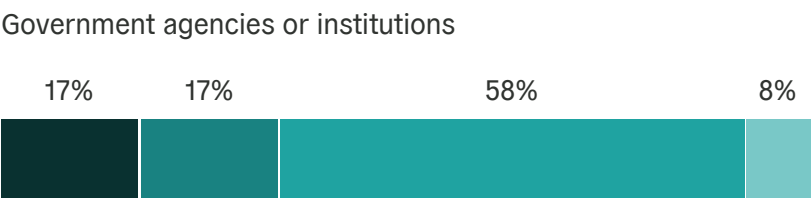
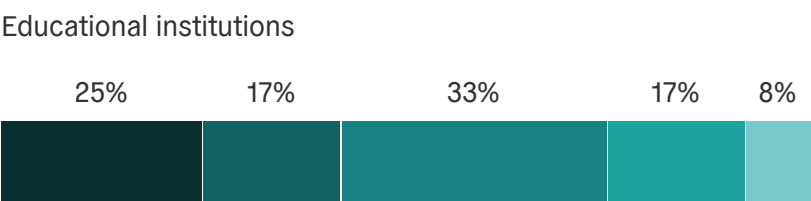
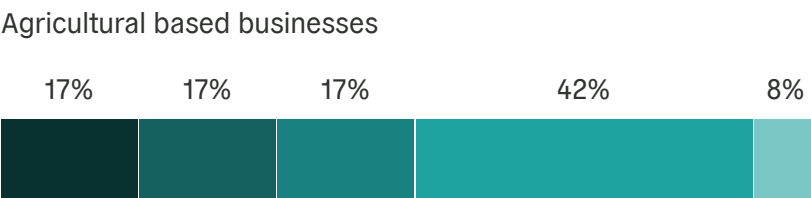
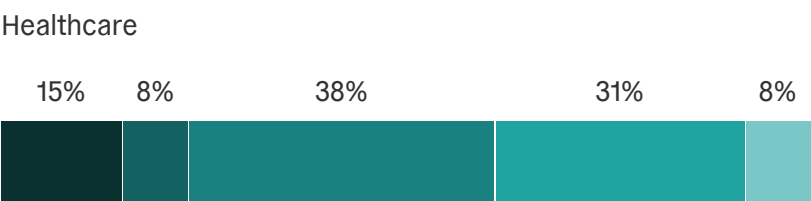
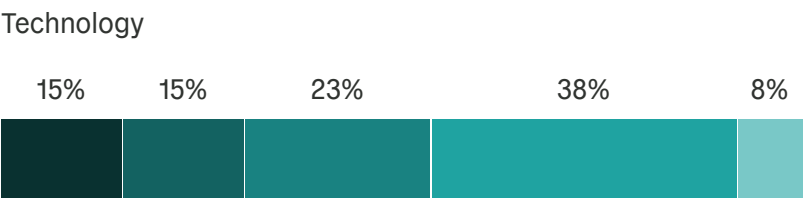
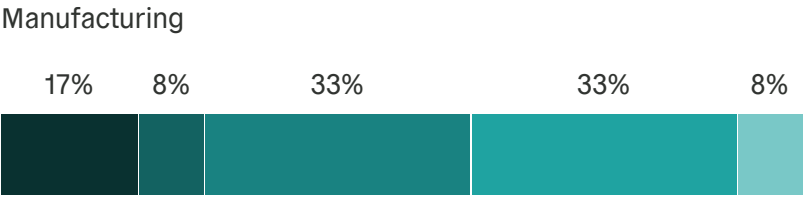


How important, if at all, it is for your local government to work on attracting the following types of businesses/employers to your community.

Question	Essential	Very important	Somewhat important	Not at all important	Don't know
Restaurants	33%	17%	17%	25%	8%
Retail	25%	17%	25%	25%	8%
Professional services	18%	9%	27%	36%	9%
Recreation	27%	0%	27%	27%	18%
Manufacturing	17%	8%	33%	33%	8%
Industrial	17%	0%	25%	50%	8%
Construction	17%	8%	17%	50%	8%
Technology	15%	15%	23%	38%	8%
Healthcare	15%	8%	38%	31%	8%
Agricultural based businesses	17%	17%	17%	42%	8%
Educational institutions	25%	17%	33%	17%	8%
Government agencies or institutions	17%	0%	17%	58%	8%

Expand all / Collapse all





What types of businesses would you most like to see come to Lake Elmo?

Ice cream shop, coffee shop near 94, sit down pizza place, gym, bike shop near park reserve.

I don't want any of the high tax city scrap anywhere near me and don't want to subsidize it with cut rate taxes, and great big fire engines. Get the scrap OUT. I did not move to Lake Elmo to shop. I came here to live. Every single thing in the past 10 years has harmed the quality of life for residents. The city staff and council should be replaced. We don't have a clue what is going on and no one gives a rip what we want. They just want a mix of garbage Oakdale and yuppie Woodbury. There are 3 cubs, 3 Aldi's, 2 Menards, 2 Sam's clubs, two or 3 fitness centers and a polluting Xcel coal plant nearby. And why in God's name would our city want jobs that pay \$30 to \$40k per year. Cimarron can only hold so many illegal aliens that require substantial taxes for police, fire and schools. And the new apartment buildings are a embarrassment, lived in by people who have NO UNDERSTANDING OR CONCERN about the environmental efforts made until 2010. The staff has done a horrible job of forcing unwanted stuff on us and we are helpless to block them, even as they quit faster than replacements can be found.

N/A

None

farming

casual restaurants, recreational opportunities to tie in with biking, skiing, etc.

Retail

Fast food restaurants

Business with few employees

Restaurants that serve good quality food - maybe we a bistro

Restaurants

Fast food, & restaurants

Minnesota Council on Local Results and Innovation

Performance Measurement System

The following are steps that must be taken by a city/county to effectively adopt and implement the basic performance measurement system.

1. City Council/county board should adopt **community goals** related to the services that are provided.
 - a. Community goals are typically long-term (3 to 5 years) and describe the strategic objectives a city/county is seeking to achieve in the future. Examples of community goals include objectives such as a safe community, livable neighborhoods, low taxes, and low unemployment.
2. Adopt by official **resolution** and implement a minimum of 10 **performance measures**.
3. Establish appropriate **outcome and output measures** for the performance measures that were adopted.
 - a. **Outcome measures** describe the results of the services provided, and are used to help assess whether the community goals are being met. Examples include citizens' rating of safety or road condition, overall pavement condition index rating, and percentage of children with no recurrence of maltreatment.
 - b. **Output measures** detail the units produced, goods or service provided, or people served. An example of public safety services output would be police/sheriff or fire response times.
4. **Report** the results of the measures at least annually **to the public** through publication, direct mailing, posting on the city/county website, or a public hearing at which the budget and levy will be discussed and public input will be taken.
5. **Report** by July 1 of each year **to the Office of the State Auditor** to be eligible for the benefits of participation in the program. The reporting includes your official resolution, and the city/county results of the 10 minimum performance measures adopted and implemented. To report, go to www.auditor.state.mn.us and select "Forms", and then the Performance Measurement Program menu item.

Standard Measures for Cities

Category	#	Measure	Notes
General	1.	Rating of the overall quality of services provided by your city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	2.	Percent change in the taxable property market value	County assessor's office data
	3.	Citizens' rating of the overall appearance of the city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	4.*	Nuisance code enforcement cases per 1,000 population	(Number of cases / Population) x 1,000 = cases per 1,000 population
	5.*	Number of library visits per 1,000 population	(Number of visits / Population) x 1,000 = visits per 1,000 population
	6.*	Bond rating	Standard & Poor's Ratings Services or Moody's Investor Services
Police Services	7.	Citizens' rating of the quality of city recreational programs and facilities (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	8.*	Accuracy of post election audit (% of ballots counted accurately)	
	9.	Part I and II Crime Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	10.*	Part I and II Crime Clearance Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	11.	Citizens' rating of safety in their community (survey data, provide year completed and total responses)	Example of responses: very safe, somewhat safe, neither safe nor unsafe, somewhat unsafe, very unsafe
Fire & EMS Services	12.	Average police response time	Average time it takes to respond to top priority calls from dispatch to officer on scene.
	13.	Insurance industry rating of fire services	Insurance Service Office (ISO) Rating. The ISO issues ratings to fire departments throughout the country for the effectiveness of their fire protection services and equipment. ISO analyzes data and then assigns a classification from 1 to 10. Class 1 represents superior property fire protection and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.
	14.	Citizens' rating of the quality of fire protection services (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
Streets	15.	Average fire response time	Average time it takes from dispatch to apparatus on scene for calls that are dispatched as a possible fire
	16.*	Fire calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	17.*	Number of fires with loss resulting in investigation	
	18.*	EMS calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	19.	Emergency Medical Services average response time	Average time it takes from dispatch to arrival of EMS
	20.	Average city street pavement condition rating	Provide average rating and the rating system program/type. Example, 70 rating on the Pavement Condition Index (PCI).
	21.	Citizens' rating of the road conditions in their city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor. Alternatively: good condition, mostly good condition, many bad spots
	22.*	Expenditures for road rehabilitation per paved lane mile rehabilitated (jurisdiction only roads)	Total cost for rehabilitations / lane miles rehabilitated
	23.*	Percentage of all jurisdiction lane miles rehabilitated in the year	Lane miles rehabilitated in year / total number of lane miles
	24.*	Average hours to complete road system during snow event	
Water	25.	Citizens' rating of the quality of snowplowing on city streets (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	26.	Citizens' rating of the dependability and quality of the city water supply (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	27.	Operating cost per 1,000,000 gallons of water pumped/produced	Centrally provided system: (actual operating expense for water utility / (total gallons pumped / 1,000,000)) = cost per million
Sanitary Sewer	28.	Citizens' rating of the dependability and quality of city sanitary sewer service (provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	29.	Number of sewer blockages on city system per 100 connections	Centrally provided system: (Number of blockages / number of connections) x 100 = blockages per 100 connections

*New or amended measure

City of Stillwater
Washington County, Minnesota

RESOLUTION 2021-079

**APPROVING PARTICIPATION IN MINNESOTA
PERFORMANCE MEASUREMENT SYSTEM PROGRAM**

WHEREAS, the benefits to the City of Stillwater for participation in the Minnesota Council on Local Results and Innovation's comprehensive performance measurement program are outlined in Minn. Stat. §6.91, and include eligibility for a reimbursement as set by State statute; and

WHEREAS, any city or county participating in the comprehensive performance measurement program may also be exempt from levy limits for taxes, if levy limits are in effect; and

WHEREAS, the City of Stillwater has adopted and implemented at least ten of the performance measures, as developed by the Council on Local Results and Innovation, and the City of Stillwater has used and will continue to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.

NOW THEREFORE BE IT RESOLVED THAT, the Stillwater City Council does hereby approve to continue to report the results of the performance measures to its citizenry by December 31, 2021 through publication, direct mailing, posting on the city's/county's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, that the Stillwater City Council does hereby approve submittal to the Office of the State Auditor the actual results of the performance measures adopted by the city/county.

Adopted by the Stillwater City Council this 15th day of June, 2021.

CITY OF STILLWATER



Ted Kozlowski, Mayor

ATTEST:



Beth Wolf, City Clerk



2020 PERFORMANCE MEASUREMENT REPORT FOR THE CITY OF STILLWATER June 15, 2021

The City of Stillwater Strategic Plan goal of Developing Organization Excellence includes an action item to participate in the State of Minnesota Performance Measurement Program as established by the State Council on Local Results and Innovation. Participation in the program requires reporting the results of a minimum of ten performance measures (as developed by the State) to the Office of the State Auditor annually.

The City of Stillwater has chosen the measures in the areas of general, police, fire, and streets performances. The City of Stillwater has chosen 10 of the performance measures.

General Measure

- **Percentage change in taxable property market value**
 - 2018 - 6.92%
 - 2019 - 6.12%
 - 2020 - 8.97%

Moody's Bond Rating

- 2018 - Aa2
- 2019 - Aa2
- 2020 - Aa2

Fire and EMS Measure

- **98% of residents feel the Stillwater Fire Department's service is very good to excellent (2020 survey results).**
- **Insurance Service Office (ISO) rating of 4**
- **Fire call per 1,000 population**
 - 2020 - 16
- **EMS calls per 1,000 population**
 - 2020 - 52

Police Services Measure

- **61% of residents in Stillwater rate the service from Police Department as positive (2019 survey results).**
- **Part I Crime Rates**
 - **2018 - 873**
 - **2019 - 1,431**
 - **2020 - 1,464**
- **Part II Crime Rates**
 - **2018 - 2,979**
 - **2019 - 2,924**
 - **2020 - 2,518**
- **Part I Crime Clearance Rates**
 - **2018 - 25%**
 - **2019 - 20.7%**
 - **2020 - 17.6**
- **Part II Crime Clearance Rates**
 - **2018 - 57%**
 - **2019 - 54%**
 - **2020 - 40.6%**

Streets

- **69% of Stillwater residents rate the overall quality of Street Maintenance as good and 49% feel the sidewalks are in good condition (2020 survey results).**
- **Average city street pavement condition rating**
 - **2019 - 6.72**
 - **2020 - 6.72**

Resolution 21-103

**Resolution of the City of Woodbury,
Washington County, Minnesota**

**Authorization to Participate in the Performance Measurement Program Established by
the State of Minnesota and the Council on Local Results and Innovation**

WHEREAS, benefits to the City of Woodbury for participation in the Minnesota Council on Local Results and Innovation's comprehensive performance measurement program are outlined in MS 6.91 and include eligibility for a reimbursement as set by State statute; and

WHEREAS, any City participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect; and

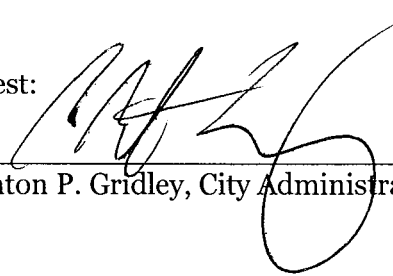
WHEREAS, the City Council of Woodbury has adopted and implemented at least 10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Woodbury, Washington County, Minnesota, will continue to report the results of the performance measures to its citizenry by the end of the year through publication, direct mailing, posting on the City's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, the City Council of the City of Woodbury, Washington County, Minnesota, will submit to the Office of the State Auditor the actual results of the performance measures adopted by the City.

This Resolution was declared duly passed and adopted and was signed by the Mayor and attested to by the City Administrator on the 26th day of May 2021.

Attest:


Clinton P. Gridley, City Administrator


Anne W. Burt, Mayor

(SEAL)



Office of the City Administrator

Date: June 4, 2021
To: State of Minnesota – Council on Local Results and Innovation
From: Angela Gorall, Assistant City Administrator
Subject: 2020 Performance Measurement Report for the City of Woodbury

On May 26, 2021, the Woodbury City Council adopted a resolution authorizing City staff to report on the following measures for the State of Minnesota Performance Measurement Program through the Council on Local Results and Innovation. A **minimum of 10** performance measures, as suggested by the “standard measures for cities” document, will be submitted to the Office of the State Auditor.

The City of Woodbury performs a biennial survey, and the survey results included in the reporting are from the 2019 community survey. The next community survey is scheduled for 2022 (delayed a year due to COVID).

Attached to this memorandum is the City Council resolution that authorized the City of Woodbury to participate in this program.

General

1. Rating of the overall quality of services provided by the city (survey data, provide year completed and total responses).
Excellent: 32%
Good: 50%
Fair: 13%
Poor: 1%
Don't Know/Refused: 5%
(2019 community survey, 438 total responses)
2. Percent change in the taxable property market value:
 - a. Collected for commercial/industrial only: **10.5%** increase in taxable market value, increase of **\$154.07 (in millions)**.
3. Citizens' rating of the overall appearance of the city (survey data, provide year completed and total responses)
Excellent: 50%
Good: 41%
Fair: 6%
Poor: 1%
Don't Know/Refused: 3%
(2019 community survey, question was “quality of appearance of park and recreation facilities”, 438 total responses)
4. Nuisance code enforcement cases per 1,000 population: $540 / 74,542 \times 1,000 = 7.2$
5. Number of library visits per 1,000 population: **Not collected/Not applicable**

6. Bond rating: AAA
7. Citizens' rating of the quality of city recreational programs and facilities (survey data, provide year completed and total responses)
- | <u>Recreational Programs</u> | <u>City Parks</u> |
|--|---|
| Excellent: 32% | Excellent: 47% |
| Good: 38% | Good: 41% |
| Fair: 8% | Fair: 8% |
| Poor: 3% | Poor: 0% |
| Don't Know/Refused: 20%
(2019 community survey)
(435 total responses) | Don't Know/Refused: 4%
(2019 community survey)
(435 total responses) |
8. Accuracy of post-election audit (% of ballots counted correctly): **NA**

Police Services

9. Part I and II crime rates:
- Part I – **1,599**
 - Part II – **1,278**
10. Part I and II crime clearance rates: **31% of crimes cleared**
11. Citizens' rating of safety in their community (survey data, provide year completed and total responses):
- Excellent: 56%**
Good: 40%
Fair: 3%
Poor: 0%
Don't Know: 0%
(2019 community survey, 439 total responses)
12. Average police response times: **Not collected**

Fire & EMS Services

13. Insurance industry rating of fire services: **Not collected**
14. Citizens' rating of the quality of fire protection services (survey data, provide year completed and total responses):
- Excellent: 40%**
Good: 26%
Fair: 4%
Poor: 0%
Don't Know/Refused: 30%
(2019 community survey, 437 total responses)
15. Average fire response time:
- 5 firefighters on scene in less than 9 minutes: **52%**
 - Sustained major fire response, 6 additional firefighters on scene in less than 13 minutes: **64%**

16. Fire (and hazardous response) calls per 1,000 population: $495 / 74,542 \times 1,000 = 6.6$
17. Number of fires with loss resulting in investigation: **39**
18. EMS calls per 1,000 population: $4,515 / 74,542 \times 1,000 = 60.6$
19. EMS average response time. Measured as percentage of time on-scene in less than 9 minutes: **92%**

Streets

20. Average city street pavement condition rating:
 - a. Average PCI of non-residential streets: **61.4**
 - b. Average PCI of residential streets: **70.9**
21. Citizens' rating of the road conditions in their city (survey data, provide year completed and total responses):
Excellent: 13%
Good: 40%
Fair: 33%
Poor: 9%
Don't Know/Refused: 5%
(2019 community survey, question was "quality of pavement repair and patching on city streets" – 436 total responses)
22. Expenditures for road rehabilitation (measured as "street maintenance") per paved lane mile rehabilitated (jurisdiction only roads): **\$1,020**
23. Percentage of all jurisdiction lane miles rehabilitated in the year: **Collected as total lane miles only; 11.5 miles**
24. Average hours to complete road system during snow event: **6.33**
25. Citizens' rating of the quality of snowplowing on city streets (survey data, provide year completed and total responses):
Excellent: 32%
Good: 51%
Fair: 10%
Poor: 6%
Don't Know/Refused: 2%
(2019 community survey, 432 total responses)

Water

26. Citizens' rating of the dependability and quality of the city water supply (survey data, provide year completed and total responses):
Excellent: 18%
Good: 38%
Fair: 23%
Poor: 14%
Don't Know/Refused: 7%
(2019 community survey, 436 total responses)
27. Operating costs per 1,000,000 gallons of water pumped/produced: **Not collected**

Sanitary Sewer

28. Citizens' rating of the dependability and quality of the city sanitary sewer service
(provide year completed and total response)

Excellent: 35%

Good: 37%

Fair: 4%

Poor: 0%

Don't Know/Refused: 23%

(2019 community survey, 429 total responses)

29. Number of sewer blockages on city system per 100 connections: **0 total blockages for whole system**



Resolution No. 2021-38

Moved by Gunderson

Seconded by Black

A RESOLUTION AUTHORIZING THE CITY OF VICTORIA'S CONTINUED PARTICIPATION IN THE MINNESOTA COUNCIL ON LOCAL RESULTS AND INNOVATION'S COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM

WHEREAS, Benefits to the City of Victoria for participation in the Minnesota Council on Local Results and Innovation's Comprehensive Performance Measurement Program are outlined in MS 6.91 and include eligibility for a reimbursement as set by State statute; and

WHEREAS, Any city/county participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect; and

WHEREAS, the City Council of the City of Victoria adopted and implemented at least ten of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Victoria, that the City of Victoria will continue to report the results of the performance measures to its citizenry by the end of the year through publication, direct mailing, posting on the city's/county's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, the City Council of the City of Victoria will submit to the Office of the State Auditor the actual results of the performance measures adopted by the City.

RESULT: Motion carried unanimously 5-0

Ayes: Mayor McMillan, Council Member Black, Council Member Gunderson, Council Member Hebert and Council Member Roberts

This Resolution is adopted by the City of Victoria and approved by the Mayor this 14 day of June 2021

Debra McMillan, Mayor

ATTEST:

Cindy Patnode, City Clerk

City of Victoria

Performance Measures Results – 2020

The City of Victoria has chosen to participate in a standard measures program through the State of Minnesota. The following reports on the most current information obtained regarding the ten performance measures selected by the city as approved by the State.

General

- Citizens' rating of the quality of the city recreation programs and facilities (survey data¹)
73% of Victoria's residents believe the quality of city recreation programs and facilities is either "Excellent or Good."
64% of Victoria's residents rated the quality of the recreation programs or classes as either "Excellent or Good."
76% of Victoria's residents rated the city's recreation centers or facilities as either "Excellent or Good."
- Nuisance code enforcement cases per 1,000 population²
There were 21 code enforcement cases opened in Victoria in 2020 (Less than 1 per 1,000 residents).
- Bond rating (Standard & Poor's Rating Services or Moody's investor Services)
General Obligation Bonds carry a 'AAA' rating by Standard & Poor's Rating Services.
- Accuracy of post-election audit (% ballots counted accurately)
The City of Victoria had 97% voter turnout in the 2020 General Election with 100% of ballots counted accurately.

Police Services

- Citizens' rating of safety in their community (survey data)
97% of Victoria's residents rated an overall feeling of safety in their community as either "Excellent or Good."

Fire and EMS Services

- Insurance industry rating of fire services (ISO Rating)
ISO Class 4
- Average fire response time (dispatch to apparatus on scene for possible fire)
8.4 minutes
- Fire calls per 1,000 population
38.7

¹ The City of Victoria's National Citizen Survey was conducted in 2018 by the National Research Center Inc. in collaboration with ICMA.

² The City of Victoria's estimated population in 2020 was 10,808

Streets

- Percentage of all jurisdiction lane miles rehabilitated in the year (total cost for rehabilitations/lane miles rehabilitated)

In 2020, the City of Victoria rehabilitated 1.66 miles of its 48.20 lane miles in the city.

- Citizens' rating of the quality of snowplowing on city streets (survey data)

77% of Victoria's residents rated snow removal services provided by the city as either "Excellent or Good."

(SEAL)

RESOLUTION NO. 9428

**CITY OF MOUNDS VIEW
COUNTY OF RAMSEY
STATE OF MINNESOTA**

RESOLUTION ADOPTING AND REPORTING PERFORMANCE MEASURES

WHEREAS, Benefits to the City of Mounds View for participation in the Minnesota Council on Local Results and Innovation's comprehensive performance measurement program are outlined in MS 6.91 and include eligibility for a reimbursement as set by State statute; and

WHEREAS, Any city/county participating in the comprehensive performance measurement program is also exempt from state levy limits for taxes, if levy limits are in effect; and

WHEREAS, The Mounds View City Council has adopted and implemented at least 10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes.

NOW THEREFORE LET IT BE RESOLVED THAT, The Mounds View City Council will continue to report the results of the performance measures to its citizenry by the end of the year through publication in the quarterly Mounds View Matters news letter, posting on the city's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, The Mounds View City Council directs staff to submit to the Office of the State Auditor the actual results of the performance measures adopted by the city.

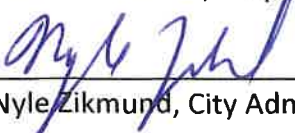
Adopted this 24th Day of May, 2021.

(ATTEST)

(SEAL)



Carol A. Mueller, Mayor



Nyle Zikmund, City Administrator

City of Mounds View
Standard Performance Measures
For the Year Ended December 31, 2020

	2013	2014	2015	2016	2017	2018	2019	2020
General								
Percent change in the taxable property market value.	-4.244%	-1.672%	4.734%	4.316%	6.700%	7.900%	9.202%	8.309%
Nuisance code enforcement cases per 1,000 population.	31.43	60.58	63.24	48.28	11.09	45.25	35.19	13.02
Bond rating.	AA-3	AA-3	AA-3	AA-3	AA	AA	AA	AA
Accuracy of post election audit. (% of ballots counted accurately) (2012, 2014, 2016, 2018, 2020 General Election)	Not selected for audit	Not selected for audit	Not selected for audit	Not selected for audit	Not selected for audit	Not selected for audit	Not selected for audit	Not selected for audit
Police Services								
Part I crime rates (total incidents 2013-2019, 383, 448, 357, 433, 402, 478, 334)	3,052	3,588	2,794	3,315	3,058	3,612	2,510	1,647
Part II crime rates (total incidents 2013-2019, 602, 545, 419, 493, 423, 430, 445)	4,772	4,364	3,279	3,774	3,218	3,249	3,344	2,295
Part I crime clearance rates	15%	17%	13%	19%	15%	9%	10%	8%
Part II crime clearance rates	58%	55%	45%	56%	58%	52%	58%	55%
Average police response time all incidents.	4:40 minutes	4:40 minutes	5:00 minutes	3:44 minutes	4:10 minutes	4:29 minutes	4:10 minutes	4:26 minutes
Emergency/Crime in progress	-	-	-	4:56 minutes	4:44 minutes	5:09 minutes	4:48 minutes	5:13 minutes
Crime in last 20 minutes	-	-	-	4:56 minutes	4:44 minutes	5:09 minutes	4:48 minutes	5:13 minutes
Fire and EMS Services								
Insurance rating.	ISO 3	ISO 3	ISO 3	ISO 3	ISO 3	ISO 3	ISO 3	ISO 3
Average fire response time.								
Emergency calls - weekdays (staffed)	6 minutes	6 minutes	6 minutes	5 minutes	4 minutes	5:58 minutes	5:46 minutes	5:07 minutes
Emergency calls - nights and weekends (volunteers)	7 minutes	7 minutes	7 minutes	8 minutes	6 minutes	7:07 minutes	7:10 minutes	7:18 minutes
Non-emergency calls - weekdays (staffed)	8.3 minutes	8.3 minutes	8.3 minutes	8 minutes	8 minutes	7:35 minutes	8:18 minutes	7:24 minutes
Non-emergency calls - nights and weekends (volunteers)	10.5 minutes	11 minutes	10.5 minutes	11 minutes	9 minutes	8:01 minutes	9:02 minutes	7:24 minutes
Fire calls per 1,000 population.	16.45	16.16	16.63	21.07	20.52	15.23	16.58	15.17
The Fire Department is not the primary EMS provider they assist Police and Ambulance when called.								
Streets								
Average city street pavement condition rating.	73	78	75	85	87	87	89.5	88.8
Expenditures for road rehabilitation per paved lane mile rehabilitated.	\$ 1,094,505	\$ 1,279,414	\$ 1,263,268	\$ 1,101,435	\$ 1,174,134	\$ 676,368	\$ 589,601	\$ 2,084,515
Percentage of all jurisdiction lane miles rehabilitated in the year. 0.60/43.33	6.92%	4.24%	5.54%	6.00%	1.62%	2.70%	1.62%	1.38%
Average hours to complete road system during snow event.	6 hours	5.5 hours	5.5 hours	5.5 hours	5.5 hours	5.5 hours	5 hours	5 hours
Water								
Operating cost per 1,000,000 gallons of water pumped/produced.	\$ 2,540.37	\$ 2,676.67	\$ 2,739.44	\$ 2,684.51	\$ 2,606.44	\$ 2,523.04	\$ 2,943.27	\$ 2,774.04
Sanitary Sewer								
Number of sewer blockages on city system per 100 connections	zero	zero	zero	zero	zero	zero	0.03	0.06
Population (per U.S. Census, per Metropolitan Council)	12,155	12,314	12,444	13,007	13,161	13,327	13,328	13,513

As additional information is collected the City will establish outcome measures that will assist in assessing whether community goals are being met.



DATE: January 11, 2022

DISCUSSION

AGENDA ITEM: Building and Planning Dept. Audit Follow up

TO: Mayor and City Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

The council received the audit report of the planning and building department at the November 9th work session. A copy of that report is included again as a reference.

ISSUE BEFORE COUNCIL:

Which actions in the implementation plan should be prioritized for 2022?

PROPOSAL DETAILS/ANALYSIS:

In order to help ensure the plan doesn't just sit on the shelf, the city should identify plan priorities to complete in 2022. Included in this packet is the implementation plan the consultant provided in November. I've left the spreadsheet in the original format provided to us. At tonight's meeting we should discuss if council agrees with the recommendations, priority level assigned and timeline. The plan includes 16 recommendations to be completed in 18 months. Some items staff has already begun working on such as developing a data directory to assist in future development of the Minnesota Municipal Fee and Expense Report (6), expanding the use of credit cards (8), improving escrow account policies (7) and a number of them that touch on performance measures as discussed in the previous agenda item.

As mentioned at the work session, staff doesn't agree with some of the recommendations. For example recommendation 2 to create and fill an assistant building official position. While we wouldn't disagree with the need for more staff based upon increased building permit activity, a more appropriate role to add would be a permit reviewer. Rather than expecting positions to be responsible for a wide variety of tasks, as we grow we can be a bit more specialized. The plan reviewer position would further lessen the reliance on outside contracting services. Not only are we seeing an increase in commercial and new house starts but will continue to see permits for basement finishes, decks, accessory structures, etc. Also, adding this position would still accomplish the goal of freeing up the Building Officials' time to do more management level work rather than having to be a working director as is the case for most of our director level positions. This position could work into the long run thought of hiring from within for future vacancies in the building official position. They could help with in house training, inspections, and code interpretations.

Another staffing issue we are in disagreement on is the timing of the code enforcement official. The consultant had that position being filled within 12-18 months and prioritized a senior planner in 6-9 months. As Council knows, the 2022 budget was prepared with the idea of adding a code enforcement official in 2022. The data from the permit activity in the planning department

supports adding this position first as there are many more entry level tasks (site plan reviews, encroachment agreements, fence permits, etc.) that the city is completing compared to more advanced level work on plats and PUDs. Additional staff for the planning department, such as a senior planner, could be considered in 2023 when we are in the new facility as we won't have space for a fourth position in the current facility. Whether the department adds a community development director (instead of planning director) role may largely depend upon council goals related to economic development.

Other recommendations staff would support as time and resources allow.

FISCAL IMPACT:

TBD

OPTIONS:

Provide direction to staff.

ATTACHMENT:

- Implementation Plan
- Audit Report

City of Lake Elmo

Organizational Assessment Building Department Planning & Zoning Department Draft Implementation Plan

November 2021



A PART OF



Draft Implementation Plan

The Novak Consulting Group, part of Raftelis, has developed this draft Implementation Plan to assist the City of Lake Elmo with implementation of the recommendations outlined in the Organizational Assessment. The work involved in implementing these recommendations must be integrated into City of Lake Elmo's other work, with appropriate assignments of responsibility and with the identification of specific planned completion dates.

The draft Implementation Plan begins that process with guidance around the length of time that might be required to complete an individual recommendation (e.g., "Time to Accomplish") and with a recommended priority assignment (e.g., "Priority 1-3") based on criteria described below.

- Priority 1: Important to accomplish without delay or has significant operational or financial implications.
- Priority 2: Second tier of importance to accomplish and/or may involve some complexity or time to complete.
- Priority 3: Least urgent to complete and/or may take longer to set up or execute.

To convert this draft to a final Implementation Plan, the City of Lake Elmo's management and staff will need to identify specific target dates. In doing so, staff should also: (1) modify the described activities for implementing an individual recommendation based on your knowledge of what will be required for completion; and (2) adjust the assignment of responsibility based on workload or other considerations. Information included in this Implementation Plan represents The Novak Consulting Group's recommendations; final decisions about implementation rest with the City of Lake Elmo, its governing body, and its senior management staff. It is important to note that this document is intended to be a living and evolving management tool. It is entirely reasonable and expected for the Implementation Plan to change as conditions evolve. Its fundamental purpose is to serve as a management tool that will help ensure that the initiatives outlined in the plan are implemented in a thoughtful and systematic way.

Project planning is essential to the successful execution of the work ahead. We hope that you find the draft Implementation Plan useful in that regard. The project team remains available to consult with you in this process in whatever way we may be helpful.

Function	Rec #	Recommendation	Implementation Steps	Priority	Time to Accomplish	Person(s) Responsible
Organizational Structure	1	Return to past practice with a full-time City Building Official and decrease reliance on contracted services.	<ul style="list-style-type: none"> • Employment action completed • Continue on-boarding activities • Develop individual performance plan • Develop department performance plan • Develop department resource plan and associated contracts 	1	In Process	City Administrator
Financial Management & Resource Administration	6	Develop a data directory to assist in future development of the Minnesota Municipal Fee and Expense Report	<ul style="list-style-type: none"> • Develop background and supporting information on the report form and data required • Build on current year effort to verify data sources and input • Develop and document a data directory identifying required data and appropriate City data sources with any accompanying data calculations • Regularly review data requirements and data sources for change and report on performance to ensure comprehensive, appropriate, and accurate data development and submission 	1	3-6 months	Finance Director
Financial Management & Resource Administration	8	Expand acceptance of payments via credit card for community development fees and charges	<ul style="list-style-type: none"> • Revise processes to include development of a unique identifying number associated with the permit • Develop and implement process to reconcile the permit payment to the customer via the identifying number • Develop capacity to distribute the permit in person, via mail, or through an electronic document attachment in a locked PDF format • Determine and apply an appropriate transaction convenience fee 	1	3-6 months	Finance Director
Operations - Building Department	10	Use standardized data input templates for PermitWorks system	<ul style="list-style-type: none"> • Survey PermitWorks data entries for significant variation by data field • Develop standard data input template for data entry across the various data fields • Develop and distribute supporting documentation providing explanation of entries and examples • Implement a quality assurance review of randomly selected files to identify, address, and correct data entry issues 	1	3-6 months	Planning Director / Building Official

Operations - Building Department	11	Implement technology to better support field operations for community development activities	<ul style="list-style-type: none"> Identify, source, procure and implement tablets and associated software to support field work with remote data access, entry, and communications Provide staff training on software, processes, capabilities, and expected results Determine preferred data upload approach (real-time or batch) Implement a quality assurance review of randomly selected files to identify, address, and correct data entry issues and staff acceptance of approach 	1	3-6 months	Building Official
Organizational Structure	2	Create and fill an Assistant Building Official position in the Building Department.	<ul style="list-style-type: none"> Work with the Assistant City Administrator to develop a job description and salary classification for the new position Identify funding for the salary and benefits of the new position Identify office space where the position will be housed Recruit for and hire the position 	2	6-9 months	Building Official
Organizational Structure	3	Create and fill a Senior Planner position in the Planning & Zoning Department.	<ul style="list-style-type: none"> Work with the Assistant City Administrator to develop a job description and salary classification for the new position Identify funding for the salary and benefits of the new position Identify office space where the position will be housed Recruit for and hire the position 	2	6-9 months	Planning Director
Organizational Structure	5	Use operating data to make informed decisions on how the City provides community development services.	<ul style="list-style-type: none"> Identify sources and determine measures of service demand by period and volume Identify sources and determine costs for service provision via in-house and contract services Determine core service levels and preferred service provision mix to minimize costs and/or maximize service performance Make adjustments to resources to support service approach Implement continuing service performance metrics to identify near-term issues and support future service provision decisions 	2	6-9 months	City Administrator

Financial Management & Resource Administration	7	Review and implement streamlined development escrow account policies	<ul style="list-style-type: none"> • Continue review of development escrow account policies • Organize existing escrow account funds • Identify owners of older, unclaimed escrow funds and resolve reimbursement • Implement rigorous procedures for tracking new escrow account deposits • Develop associated SOPs documenting revised procedures to support effective operations to support staff training generally and in the event of staff turnover 	2	6-9 months	Planning Director / Finance Director
Operations - Building Department	9	Review City criteria for acceptance / denial of the Certificate of Occupancy	<ul style="list-style-type: none"> • Work with community stakeholder group to determine range of issues that may cause a deviation from original site plan • City staff determine in which circumstances some flexibility may be warranted to address unplanned / unforeseen site issues • Work with City legal counsel to document appropriate decision process for adjustment • Implement approach to ensure safe and healthy living environments while supporting reasonable resolution of site issues • Assess performance of approach on regular basis 	2	6-9 months	Building Official
Operations - Planning & Zoning Department	12	Formalize submission intake process with Planning Department.	<ul style="list-style-type: none"> • Define the elements that comprise a complete application for the City • Develop a requirements into a project intake checklists based on application type • Train staff on review criteria and process • Create SOP for handling counter / mail / meeting intake and response 	2	3-6 months	Planning Director

Operations - Planning & Zoning Department	13	Clarify responsibility for review and approval or development plans and associated surveys	<ul style="list-style-type: none"> • Identify which staff members are responsible for the review and approval of the proposed survey and the “as-built” grading survey • Identify the criteria impacting survey review and approval • Test the knowledge, skills, and abilities of the reviewing staff and proactively address any gaps or issues, especially during periods of staff turnover • Implement a formal peer review and quality assurance check throughout the permitting process to identify issues and respond to stakeholder comments or complaints • Identify available subject matter experts for consultation on topical issues as they arise for the designated reviewers, or to step in when designated staff are not available 	2	3-6 months	Planning Director
Organizational Structure	4	Support proactive code enforcement with a full-time Code Enforcement Officer position.	<ul style="list-style-type: none"> • Work with the Assistant City Administrator to develop a job description and salary classification for the new position • Identify funding for the salary and benefits of the new position • Identify office space where the position will be housed • Recruit for and hire the position 	3	12-18 months	Planning Director
Operations - Planning & Zoning Department	14	Improve communication of the role and requirements imposed by the Valley Branch Watershed District on Lake Elmo development	<ul style="list-style-type: none"> • Work with a stakeholder group to identify the specific areas where the Valley Branch Watershed District requirements appear to differ from other agencies • Identify these areas of concern with the respective watershed district to explore possible adjustments in either the requirements themselves or the communication of the requirements to facilitate greater understanding • Develop and provide additional process information to inform development applicants on these differences in requirements to support their more effective application development, timely submission and review, and successful application result 	3	8-12 months	Planning Director

Performance Measurement and Reporting	15	Develop and implement a performance measurement program for the community development functions	<ul style="list-style-type: none"> • Work with community development function management and staff to identify workload, efficiency, and outcome measures for each program area that are quantifiable and that can be collected to understand and support improved operations • Identify how each measure will be tracked and how often the data will be collected • Track the data and regularly report the results to staff and to Department and City leadership • Use the results of the measures, as well as trends over time, to inform decision-making 	3	8-12 months	Planning Director Building Official
Performance Measurement and Reporting	16	Review and incorporate regular performance reporting in contracts for outsourced services	<ul style="list-style-type: none"> • Identify service contracts and services provided • Identify relevant measures of workload, efficiency, and outcome for services provided under the contract • Identify associated service provision costs, volume of services by period for additional performance measure development • Work with City legal counsel to incorporate requirements for performance measure reporting in contracts as provision for review and approval • Incorporate contract service performance reporting in comprehensive City performance reporting 	3	8-12 months	City Administrator

CITY OF

Lake Elmo

**Organizational Assessment – Building
Department / Planning & Zoning Department**

October 2021

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October 28, 2021

Kristina Handt
City Administrator
City of Lake Elmo
3880 Laverne Ave., N. Suite 100
Lake Elmo, MN 55042

Subject: Organizational Assessment of the Building Department and the Planning & Zoning Department

Dear Ms. Handt:

We are pleased to provide this report regarding the City's land development functions provided through the Building Department and the Planning & Zoning Department. This report assesses the current organizational structure, staffing arrangements, outside support, policies, and procedures of the respective departments. The recommendations included in this report are informed by interviews with staff, feedback collected from stakeholders, data review and analysis, and comparative research.

This assessment is intended to create an environment where continued improvements and adaptations can take effect. Implementation of these changes will take time; the current land development approach and associated processes developed over decades, so making improvements will not happen overnight. Leadership and staff should begin a long-term commitment to improving the land development process.

Thank you for the opportunity to serve the City of Lake Elmo and your community.

Sincerely,



Michelle Ferguson
Vice President - Organizational Assessment

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Table of Contents

EXECUTIVE SUMMARY	1
INTRODUCTION.....	3
BACKGROUND AND METHODOLOGY.....	3
ABOUT LAKE ELMO	3
Structure	4
Staffing.....	5
Budget.....	5
Fees.....	6
ISSUES, ANALYSIS, AND RECOMMENDATIONS	9
Organizational Structure	9
Financial Management & Resource Administration	20
Operations – Building Department.....	24
Operations – Planning & Zoning Department.....	26
Performance Measurement and Reporting.....	32
CONCLUSION	38

List of Tables

Table 1: List of Report Recommendations	2
Table 2: Community Development Related Staffing Levels (FTE) by Department 2017 – 2021	5
Table 3: Major Development-Related Revenues, 2017 – 2021	6
Table 4: Community Development Related Expenditures by Category, 2017 – 2021	6
Table 5: Building Permit Fees in the Metropolitan Region	7
Table 6: Preliminary Plat Fees in the Metropolitan Region	8
Table 7: Recommended Community Development Performance Measures by Function	33

List of Figures

Figure 1: New Residential Units by Year	4
Figure 2: Lake Elmo Community Development Function Organizational Structure, FY2021	5
Figure 3: Average Annual Building Permits per Building FTE	11
Figure 4: Proposed Building Department Organizational Structure with Assistant Building Official	12
Figure 5: Planning FTEs and Annual Residential Building Permits	14
Figure 6: Proposed Planning Department Structure	16
Figure 7: Monthly SFD Building Permits, January 2017 – August 2021	17
Figure 8: Minimize Total Costs – Internal vs Contract Service Provision	18
Figure 9: In-House vs Contract Services	19
Figure 10: Watershed Management Organizations, Metropolitan Counties	29
Figure 11: Watershed Management Organizations, Lake Elmo Corporate Boundaries	30
Figure 12: As-Built Inspection Status	35

List of Appendices

APPENDIX A:	39
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Executive Summary

In May 2021, the City of Lake Elmo (City) engaged Raftelis to conduct an operational assessment of the Building Department and the Planning & Zoning Department. The respective departments comprise the core community development function for the City. There are several factors that have impacted the operations of the Departments and results from community development efforts. First, the community has only recently agreed to support significant development within its boundaries. This, and the rapid transition to high growth rates, has led to a lack of organizational support, direction, and resources associated with traditional community development activities. Second, the Departments have experienced significant and continuing staff turnover, requiring additional levels of effort and resources to support and regulate community development. Finally, the lack of operational stability and resources have required the City to make use of contract services to fill service gaps and meet community commitments.

Given this developing organizational and operational environment related to these Departments and their responsibilities, the City Council was interested in assessing operations as they are and as they should be. The Council's focus on "Capability Maturity Modelling" can be a helpful approach to identify an organization's capacity for self-improvement. The focus of this approach does not necessarily target best in class performance; rather the approach identifies where an organization is and how best to make progress towards more mature levels of organization and operation.

The project team adopted this approach to assess operations, results, and recommendations for improvement. The general project scope included assessment of the operations, staffing, and resources of the Departments. The project goal was to identify strategies and techniques for the Departments to efficiently and effectively manage the high level of growth that is occurring within the community.

To complete this assessment, the project team interviewed staff members from the City departments that participate in the land development process to better understand the existing business processes and identify strengths and potential improvement areas. As part of that effort, the project team also developed and utilized City and regional data, as well as engaged with various development stakeholders to understand the development environment from multiple perspectives. Through this comprehensive project approach, the project team identified organizational and operational issues and challenges impacting the City and its development efforts.

The actionable recommendations in this report will help the City, the Building Department, and Planning & Zoning Department better serve both customers of the development process and the community. These recommendations should serve as the starting point for an ongoing commitment supporting continuous improvement. This approach will help the City to create a culture and operational environment that embraces change and improved customer service, allowing the development process to better meet the needs of the community.

The following table summarizes the recommendations included in this report. It also indicates whether the recommendation is primarily directed at the Building Department or the Planning & Zoning Department.

Table 1: List of Report Recommendations

Number	Recommendation
Organizational Structure	
1	Return to past practice with a full-time City Building Official position and decrease reliance on contracted services
2	Create and fill an Assistant Building Official position
3	Create and fill a full-time Senior Planner position
4	Support proactive code enforcement with a full-time Code Enforcement Officer position
5	Use operating data to make informed decisions on how the City provides community development services
Financial Management & Resource Administration	
6	Develop a data directory to assist in future development of the Minnesota Municipal Fee and Expense Report
7	Review and implement streamlined development escrow account policies
8	Expand acceptance of payments via credit card for community development fees and charges
Operations – Building Department	
9	Review City criteria for acceptance / denial of the Certificate of Occupancy
10	Use standardized data input templates for PermitWorks system
11	Implement technology to better support field operations for community development activities
Operations – Planning & Zoning Department	
12	Formalize submission intake process with the Planning Department
13	Clarify responsibility for review and approval of development plans and associated surveys
14	Improve communication of the role and requirements imposed by the Valley Branch Watershed District on Lake Elmo development
Performance Measurement and Reporting	
15	Develop and implement a performance measurement program for the community development functions
16	Review and incorporate regular performance reporting in contracts for outsourced services

Introduction

Background and Methodology

The purpose of this assessment is to assist the continuing improvement of the City's community development function supported by the Building Department and the Planning & Zoning Department. Faced with continuing and possibly increasing levels of residential and commercial development, the assessment identifies strategies and techniques for the respective departments to efficiently and effectively manage the high levels of growth that are occurring within the community. Specific areas examined in this assessment include the processes for plan review and approval, building permit review and approval, and the inspection process. The review of relevant processes and procedures revealed which processes require adjustment and improvement. The assessment also considers the existing organizational structure and technology tools supporting the development process to identify opportunities to improve the efficiency, effectiveness, and resiliency of the City's development functions.

Operational information was also developed through 11 in-person interviews with Department staff members and City management, a group discussion with development stakeholders, and follow-up virtual meetings with City staff, elected leaders, and additional stakeholders. The project team also reviewed and analyzed City data against data collected from peer communities in the metropolitan area.

About Lake Elmo

Lake Elmo is a city of 24 square miles that has historically been noted for its rural character and slow rates of growth. It is located on the outskirts of the Minneapolis – St. Paul metropolitan region, though Interstate 94 passes through the southern part of the City and provides easy access to the metropolitan center. The City's growth had been slow and steady for decades, growing from 5,296 in 1980 to 8,069 in 2010. The City has been protective of its rural character and was notably involved in a dispute with the Metropolitan Council over mandated growth rates between 2000 and 2005. As related in the City's Comprehensive Plan, the City's commitment to preserving its rural character ended in 2005 in a Minnesota State Supreme Court decision that mandated that the City allow for and plan for the extension of urban services in its Comprehensive Plan, dictating that the City must grow and change beyond its historical rural land use patterns.¹ Since the resolution of the dispute and with agreement on the State-required Metropolitan Council System Statement outlining the planning obligations for Lake Elmo, growth within the City has greatly accelerated. In the 2020 U.S. Census, Lake Elmo's population had grown to 11,335 residents. Between 2017 and 2019, Lake Elmo had the fifth highest average annual number of detached single family (SFD) homes constructed, as reported to the Metropolitan Council. Only the City of Blaine, the City of Lakeville, the City of Woodbury, and the City of Plymouth saw greater numbers of SFD construction.

Figure 1 shows the number of new residential units by year in Lake Elmo, as listed in the 2020 Comprehensive Annual Financial Report. The figure exemplifies the transition the City has experienced from a slow growth community to the rapid growth of recent years. Between 2017 and 2020, new residential units were built at a rate of over eight times what was recorded from 2011 to 2014.

¹ "Background Report," City of Lake Elmo Comprehensive Plan 2040.

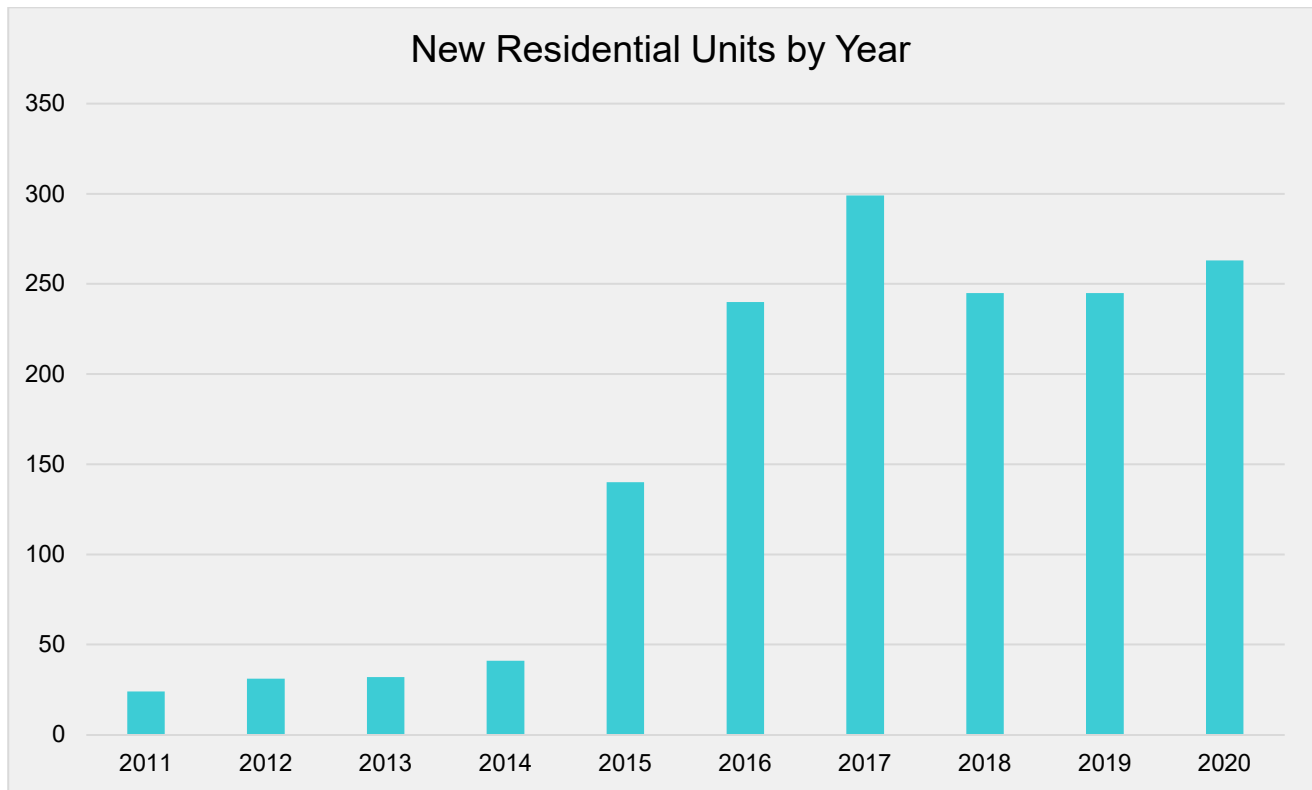


Figure 1: New Residential Units by Year²

STRUCTURE

The community development functions in the City are managed by two departments, the Planning & Zoning Department and the Building Department. The Planning & Zoning Department leads and coordinates the development process for the City. This Department serves as the primary City staff support to the City's Planning Commission and coordinates planning-related interests within the City, including the Fire Department, the City Engineer, and the Valley Branch Watershed District. The Building Department ensures that construction within the City is in compliance with building regulations as codified in the City's Code of Ordinances to ensure safe and quality construction, as well as in compliance with property regulations from the City's Zoning Code.

The Planning & Zoning Department consists of only two positions: the Planning Director and the City Planner. The Building Department is led by the Building Official, who supervises the two Building Inspectors and the Permit Technician. The leaders of both the Building Department and the Planning & Zoning Department report to the City Administrator, and their organizational structures are shown in Figure 2.

Also shown in Figure 2 are two shaded boxes that represent supporting components within the community development function: the contracted engineering services and the contracted inspection services. The City uses a contract engineer through FOCUS Engineering, Inc. to serve as its City Engineer. The City Engineer plays a significant role in plan review and ensures private developers build appropriate and required public infrastructure in their respective developments. The MNSPECT, LLC contract services are included in the Building Inspection

² Published in 2020 Comprehensive Annual Financial Report

Department. They provide building inspection capacity to the City and have also been filling the role of Building Official for the City while that position has been vacant.

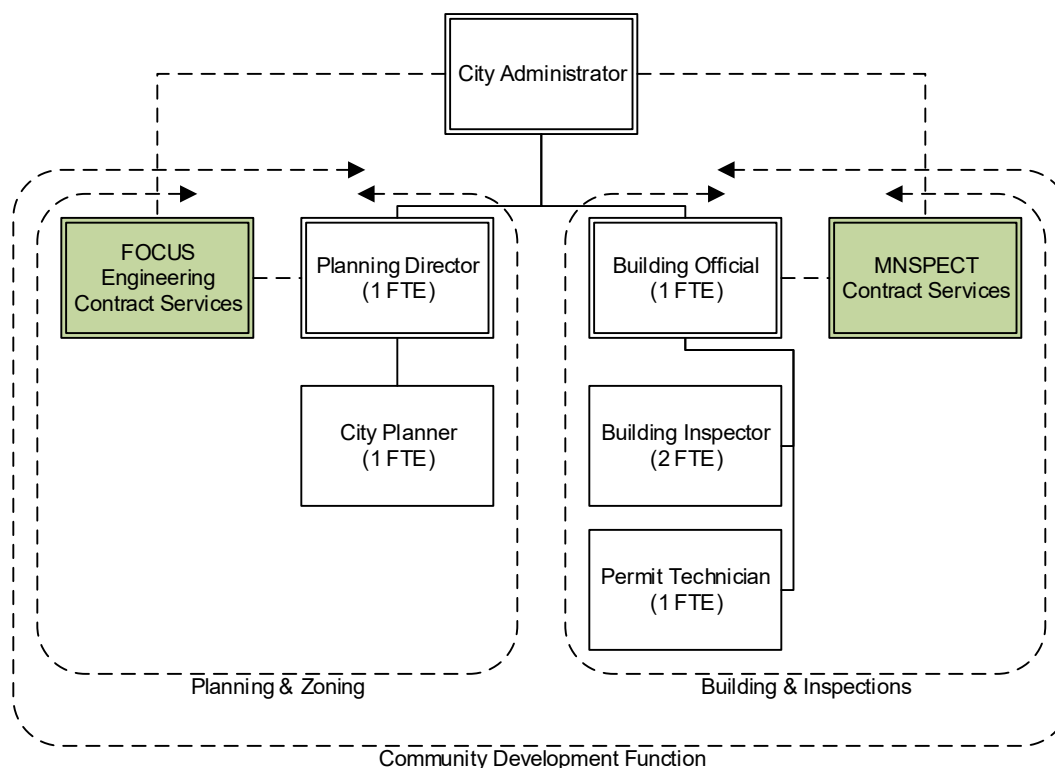


Figure 2: Lake Elmo Community Development Function Organizational Structure, FY2021

STAFFING

The number of approved, full-time equivalent (FTE) positions in the Planning & Zoning and Building Departments have remained steady in recent years. The number of approved positions does not represent the functional staffing history of the departments, however, due to significant turnover.

Table 2: Community Development Related Staffing Levels (FTE) by Department 2017 – 2021

Department	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget	Percent Change 2017 to 2021
Planning & Zoning	2.0	2.0	2.0	2.0	2.0	0.0%
Building	4.0	4.0	4.0	4.0	4.0	0.0%
Total	6.0	6.0	6.0	6.0	6.0	0.0%

BUDGET

Municipalities collect a variety of development-related fees to offset the costs incurred to review, oversee, inspect, and certify development projects. The Minnesota Department of Labor requires municipalities to submit an annual report (Municipal Fee and Expense Report) that summarizes the city's development-related revenues and expenses with the expectation that, over time, development-related revenues should be justified by their related expenses.

The City of Lake Elmo collects two major sources of development-related revenues: building permits and plan check fees. The City collects other development-related revenues (e.g., zoning & subdivision fees), but these sources comprise a significantly smaller share of revenues than building permit and plan check fee revenues. Building permit and plan check fee revenues from the community development functions represented approximately 38% of total City General Fund revenues in 2017, falling to approximately 25.5% of total General Fund revenues projected in 2021. Table 3 shows some of the major development fee revenues from 2017 to 2021. This subset of revenues declined 4.2% from 2017 to 2021 (projected). Except for 2019 when these revenues fell to \$1.35 million, these revenues have remained relatively constant (between approximately \$1.8 and \$1.9 million).

Table 3: Major Development-Related Revenues, 2017 – 2021³

Fee Type	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projected	Percent Change 2017 to 2021
Building Permit	\$1,146,350	\$1,044,126	\$780,104	\$1,137,150	\$1,029,854	(10.2%)
Plan Check	\$580,817	\$566,532	\$460,523	\$701,220	\$669,405	15.3%
Planning & Zoning Review	\$69,524	\$29,300	\$26,600	\$34,200	\$30,000	(56.8%)
Zoning & Subdivision Fees	\$54,956	\$93,710	\$81,695	\$48,517	\$45,000	(18.1%)
Total	\$1,851,647	\$1,733,668	\$1,348,922	\$1,921,087	\$1,774,259	(4.2%)

The annual expenditures of the Planning & Zoning Department and the Building Department are projected to grow 168.6% from 2017 to 2021. This large rate of growth overstates the growth in baseline spending as most of the growth in expenditures is attributable to the need for temporary contract inspection services within the Building Department. Inspector Contract Service expenditures began in 2019 and are projected to grow to \$866,530 in 2021. A portion of the Inspector Contract Services was used to fill the role of the Building Official in the absence of a City-employed Building Official. At the time of this report's writing, the City had just hired a new Building Official, and it is expected that these Inspector Contract Services will decline in 2022. The spending in the Planning & Zoning Department is projected to decline 7.5% from 2017 to 2021.

Table 4: Community Development Related Expenditures by Category, 2017 – 2021

Department	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projected	Percent Change 2017 to 2021
Planning & Zoning	\$286,042	\$254,327	\$249,467	\$236,344	\$264,698	(7.5%)
Building (Less Inspector Contract Services)	\$319,004	\$296,893	\$326,324	\$342,360	\$493,895	54.8%
Inspector Contract Services	\$0	\$0	\$142,283	\$755,966	\$866,530	N/A
Total	\$605,046	\$551,220	\$718,074	\$1,344,670	\$1,625,123	168.6%

FEES

The City collects fees to offset the costs it incurs to oversee and regulate growth. This study was tasked with determining whether the City's fees are reasonable in comparison to other cities in the region. Municipalities, even within the Minneapolis – St. Paul metropolitan region, can have different approaches to fee naming conventions,

³ Data obtained from recent City budgets.

definitions, and processes. It is difficult to make a one-to-one comparison of all the City's development-related fees. However, two fee areas lend themselves to comparison based on similar formats across peers: building permits and preliminary plats.

Table 5 lists the building permit fees as defined by peer communities in the metropolitan region. Building permit fees are based upon the valuation of the construction. The minimum permit amount (a valuation of \$500) shows significant variability across communities, ranging from a low of \$23.50 in Dayton to a high of \$75.00 in Blaine. Lake Elmo's building permit fee for a project with a \$500 valuation is \$28.00. For larger construction valuation amounts, there is less variation in permit costs across communities. For instance, for a \$1 million valuation, building permit fees range from a low of \$5,608.75 in Dayton and Maple Grove to a high of \$6,715.30 in Oakdale and Woodbury. The equivalent fee for Lake Elmo is \$6,636.65.

Table 5: Building Permit Fees in the Metropolitan Region⁴

Cities	Construction Valuation						
	\$500	\$2,000	\$25,000	\$50,000	\$100,000	\$500,000	\$1,000,000
Blaine	\$75.00	\$75.00	\$391.75	\$643.75	\$993.75	\$3,233.75	\$5,608.75
Cottage Grove	\$26.50	\$77.50	\$437.00	\$717.00	\$1,107.50	\$3,601.00	\$6,246.00
Dayton	\$23.50	\$69.25	\$391.25	\$643.75	\$993.75	\$3,233.75	\$5,608.75
Lake Elmo	\$28.00	\$83.50	\$464.15	\$764.15	\$1,186.65	\$3,886.65	\$6,636.65
Lakeville	\$30.00	\$73.75	\$413.00	\$681.75	\$1,056.75	\$3,456.75	\$5,956.75
Mahtomedi	\$30.00	\$82.50	\$452.80	\$744.05	\$1,151.55	\$3,751.55	\$5,991.55
Maple Grove	\$50.00	\$69.25	\$391.75	\$643.75	\$993.75	\$3,233.75	\$5,608.75
Oakdale	\$30.00	\$84.75	\$466.55	\$770.30	\$1,195.30	\$3,915.30	\$6,715.30
Plymouth	\$40.00	\$73.75	\$413.00	\$681.75	\$1,056.75	\$3,456.75	\$5,956.75
Ramsey	\$26.00	\$75.00	\$420.00	\$690.00	\$1,080.00	\$3,500.00	\$6,000.00
Savage	\$28.00	\$83.50	\$464.15	\$764.15	\$1,186.65	\$3,886.65	\$6,636.65
Victoria	\$26.24	\$77.39	\$436.88	\$719.99	\$1,109.38	\$3,613.38	\$6,228.38
Woodbury	\$30.00	\$84.75	\$466.55	\$770.30	\$1,195.30	\$3,915.30	\$6,715.30

Table 6 lists the Preliminary Plat fees of some of the peer communities contained above in Table 5. The fee structures vary from city to city, as do the escrow structures, though those are omitted for purposes of simplicity. Many of the fee structures are dependent upon the number of lots, so a direct comparison in total fee costs is impossible, but Lake Elmo's Preliminary Plat fees are not out of line compared to other communities.

⁴ Data obtained from most-recent published fee schedules of peer communities.

Table 6: Preliminary Plat Fees in the Metropolitan Region⁵

City	Preliminary Plat Fees
Blaine	\$600 + \$30 / lot + legal fees
Dayton	\$300
Lake Elmo	\$1,850
Lakeville	\$500
Maple Grove	\$500 + \$10 / lot
Oakdale	\$550
Rosemount	\$2,000 + \$10 / unit
Victoria	\$500 + \$10 / lot
Woodbury	\$500 + \$50 / lot

As part of this study, Raftelis spoke to several stakeholders from the development community. None expressed concerns over the amount of fees that the City charges. The stakeholders were more concerned with the timeliness of the development process, as discussed later in this report. Given the similarity in fee levels with other communities in the metropolitan area as well as the minimal concern over fee levels expressed by stakeholders contacted as part of the assessment, we are not recommending adjustment to fee levels by the City. A comprehensive review of fees incorporating market comparisons and internal service costs should occur every three to five years as part of the City's budget development process.

⁵ Data obtained from the most-recent published fee schedule from the respective city website.

Issues, Analysis, and Recommendations

This report identifies opportunities and provides recommendations that will improve the efficiency, effectiveness, and resiliency of the City's community development functions. The community development functions have suffered from high turnover and vacancy rates in recent years, and the effects of such turnover are compounded by a lack of established processes and procedures. At the time of this report's writing, a new Planning Director and Building Official has been hired. Transitions to new departmental leadership take time, but if they focus on establishing and documenting policies and procedures, the City's community development functions will be strengthened.

ORGANIZATIONAL STRUCTURE

Recommendation 1: Return to past practice with a full-time City Building Official position and decrease reliance on contracted services.

The City's Building Official position has a history of frequent turnover. Most recently, this position had been vacant since March 2020 and has proven difficult to fill even with the use of a recruitment service. The City filled the position and the new Building Official started employment with the City in early October 2021. In the absence of a City employee in this role, the City contracted with MNSPECT to provide the services of a Building Official. MNSPECT has also provided a building inspector to the City to supplement the work of the City's two building inspectors.

The use of a contracted Building Official has several drawbacks. First, from an organizational perspective, the contracted Building Official directs the work of the two City building inspectors but is not their actual supervisor, resulting in an unusual, disjointed supervisory structure in which the City building inspectors' direct supervisor is the City Administrator. Second, as a non-City employee, the contracted Building Official lacks the authority necessary to approve the required spending to support the function, leading to inefficiencies. Third, the cost to the City of the contracted Building Official and associated services is higher than if the function were provided by a City employee. The agreement calls for the vendor to supply, at the vendor's expense, all personnel, materials, supplies, equipment, and tools required to provide the services under the contract. The contractor currently provides additional building inspection services through vendor-assigned staff members to augment the existing two City building inspectors. The resulting total cost of all vendor services is sufficiently high that the current contracted Building Official has elected to work no more than 20 hours per week for the City to contain total costs. This approach has effectively limited the services received to approximately one-half of the Building Official position. In the three budget years that the City has used MNSPECT (2019 – 2021), the average cost was over \$580,000 per year. Excluding contract inspection service costs, the Building Department had never spent more than \$400,000 in one year until 2021.

The City has three options to address the Building Official position. The first option is to fully commit to the use of contract services for the Building Department. The advantage to this approach would be that the responsibility for staffing the needs of the Building Department would rest with the contractor. The primary disadvantage is that this would likely be a highest-cost option. An additional disadvantage to this approach includes the lack of control; the contractor's employees would represent City interests but may not have the same level of accountability as City employees.

The second option is to employ a Building Official to bring the duties of the position in-house. The City has recently moved forward with this approach. The employment of a Building Official as a City employee will address the existing issues including function supervision, efficient operation, and reduced costs.

A third option for the City is to continue use of contracted inspection services on a more limited basis. This hybrid approach could allow the City to meet peak period service demands more effectively at periods during the year as well as provide unique or technically challenging inspection services to better support development in the community. The contracted inspection services would be limited to support and provided at the direction and discretion of the City's full-time Building Official.

To support an approach that represents City values, is responsive to the community, and is flexible to meet varying service demands, the recommendation is to build on the City's action to directly employ a Building Official with the third option to retain an agreement with the third-party vendor to augment internal services as necessary. These services may be necessary to provide specialty expertise related to specific development initiatives or to meet peak period demands. The City should also incorporate Recommendation 5 below to better understand service demands, their relative costs, and proactively determine the most advantageous mix of in-house and contracted service levels.

Recommendation 2: Create and fill an Assistant Building Official position

Many of the challenges that the Planning & Zoning Department and the Building Department have experienced in recent years are connected to the frequent turnover in staff and the difficulty recruiting and retaining suitable candidates. This dynamic negatively impacts the City's organizational resiliency and the City should take action to identify the root causes to address staff turnover and more effectively identify replacements.

The Building Department's current organizational structure is shown in Figure 2. The Building Department currently consists of the Building Official, two Building Inspectors, and the Permit Technician. However, to meet its inspection demand, the City has been functionally using a third Building Inspector provided through its contract with MNSPECT.

Figure 3 below presents the number of annual building permits per building department FTE. Lake Elmo's staff handle more building permits per building department FTE (61) than the sample average (45) of its metropolitan peers.

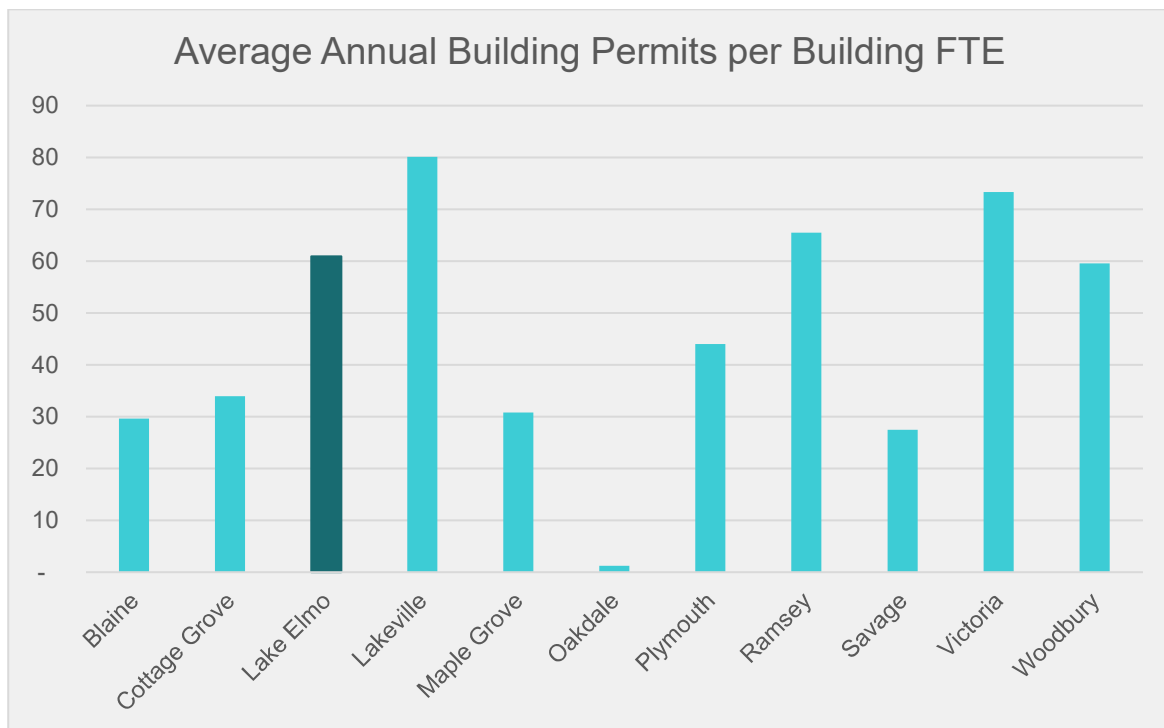


Figure 3: Average Annual Building Permits per Building FTE⁶

A number of the communities in the metropolitan area employ Assistant Building Officials. The development and use of a secondary management position can provide several benefits that support improved performance, operational effectiveness, and organizational resiliency. First, the additional position would constitute a “working manager,” taking on both supervisory assignments delegated from the Building Official as well as providing professional inspection services. This would build internal operating capacity and minimize the need for additional contracted inspection services, in turn supporting some or all of the budgetary costs associated with the new position. The Assistant Building Official would be required to possess certification as a Minnesota Certified Building Official, but this position could be ideal for someone who has just earned his or her certification. The Assistant Building Official would also assist the Building Official in inspection and review of major construction projects.

Second, the Assistant Building Official could be tasked with efforts to further develop the building inspection function, including improved use of existing systems and associated operating practices. Success with efforts focusing on continuous improvement require a level of organizational commitment not reflected in the current operating resource levels.

Most importantly, the development of a secondary management position like the Assistant Building Official can better support succession planning and organizational resiliency. The Assistant Building Official can be exposed to and may assume some of the position requirements of the Building Official. This can position the Assistant Building Official to step in on a temporary basis to fulfill the role in the event of vacancy in the Building Official position. In time with continued development of the incumbent’s knowledge, skills, and experience, the Assistant Building

⁶ Building permit data obtained from the Metropolitan Council. Building FTE data obtained from peer communities’ budgets and Annual Financial Reports.

Official position may provide an appropriate candidate to assume the Building Official role. The Assistant Building Official position would also support organizational resiliency by creating a “career path” in the department. Creating the potential for staff development and advancement through promotion can help reduce position turnover. A proposed organizational chart of the Building Department with an Assistant Building Official is shown in Figure 4.

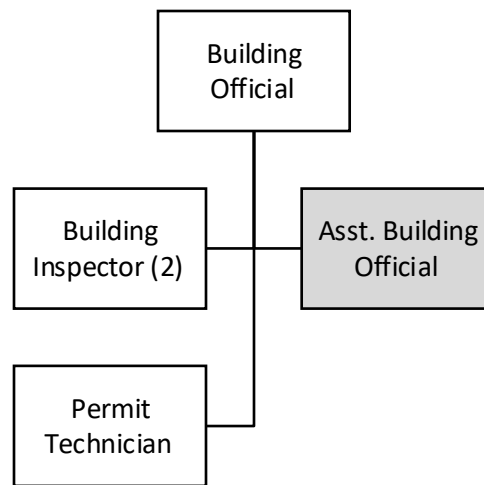


Figure 4: Proposed Building Department Organizational Structure with Assistant Building Official

In 2020 and 2021 (projected), the City will have spent more on the contract Inspection Services than it will have on the rest of the community development effort. Reducing reliance on the contract Inspection Services can greatly reduce expenses and free up budgetary space for an Assistant Building Official. The Assistant Building Official would still be expected to conduct building inspections, and as such would largely replace the City’s contract building inspector that the City currently utilizes.

An example Position Description for an Assistant Building Official is included in the Appendix to this report. The Position Description is for the Town of Payson, a small but growing community in Arizona. Depending on current rates for contract inspection services and wages and benefits for City employees, the Assistant Building Official position may approach revenue neutrality compared to current conditions.

Recommendation 3: Create and fill a full-time Senior Planner position.

The Planning Department currently consists of two positions: Planning Director and the City Planner. In discussions with City staff, there were two general concerns raised. The first issue concerned potential for gaps that may exist between the respective roles and responsibilities of the planning positions and the knowledge, skills, and abilities of staff members. The second issue concerned the total staff capacity of the function, given limited staff resources.

The City Planner’s duties were mostly centered on parks, reactive code enforcement, and some minor plan review work. Most planning development involving large scale or greater complexity was the responsibility of the Planning Director.

Given the breadth and depth of responsibilities supporting the planning function, the limitations due to such a small team can create operational challenges. The existing position descriptions for the planning positions identify a Planning Director focused on development, management and coordination of community planning, intergovernmental coordination, development review, and code enforcement. The City Planner supports the efforts

of the Planning Director with assigned planning projects, Comprehensive Plan reviews, stakeholder management, and project management. Both positions are expected to operate with minimal direction and provide direct support to the Council, other City staff, and clients in the community regarding complex and technical development and planning issues.

Given the breadth and depth of technical knowledge required by each position, the respective knowledge, skills, and abilities of the staff may not meet the broad requirements of the individual positions. This can create a deficit or “skills gap” that the other position must fill. For example, a skills gap between the two positions can create a situation in which large or complex development projects could only be handled by a single individual. The resulting delegation of work can also create downstream issues of resiliency for the organization and workload for the individual. The relatively large skills gap between positions can also impact professional development and limits opportunities for career progression. An individual in a subordinate position lacking possible career advancement opportunities is likely to have to look outside of the organization if they are to advance their career.

The second issue concerns the overall workload facing the two planning positions in a growing community and their ability to effectively meet this service demand. It is common for some functional areas of municipal services to benchmark their staffing levels according to the size of a municipality (e.g., population or area) or for communities to compare themselves to other communities of the same size as a guidepost for appropriate staffing levels. However, staffing decisions for municipal services such as planning are best guided when they are based on levels of demand.

Lake Elmo is rapidly growing, and the Planning Department should be staffed for the workload the City is experiencing. For comparison purposes, peer communities from within the Metropolitan Council service area were selected based upon the average annual number of SFD building permits issued over the 2017 to 2019 period (at the time of this assessment, 2020 data was not yet available). SFD building permit volume was used as a general proxy for overall development effort in a community and resulting workload for planning staff. Peers were selected if they reported at least half as many SFD building permits as Lake Elmo issued (250). Based on the request of City staff, the City of Mahtomedi and the City of Oakdale were also included in the peer communities despite not meeting the growth-based inclusion criterion because of their proximity to Lake Elmo. The City of Minneapolis was excluded as a matter of scale.

Figure 5 shows the average annual number of residential building permits per planning FTE in the peer communities using building data from the Metropolitan Council and staffing data from the peer communities. With two FTEs assigned to support the planning function, Lake Elmo has the highest number of residential building permits per planning FTE at 152 permits. The average number of residential building permits per planning FTE among the peer communities (excluding Lake Elmo) is 73 permits. (Mahtomedi is excluded in this analysis as it has no planning staff.) Adding one additional staff resource to the planning function would bring this ratio down from 152 permits per FTE to approximately 101 permits per FTE. Adding a second additional staff resource would bring the ratio down further to approximately 76 permits per FTE, roughly in line with the average among the peer communities at 73 permits per FTE.

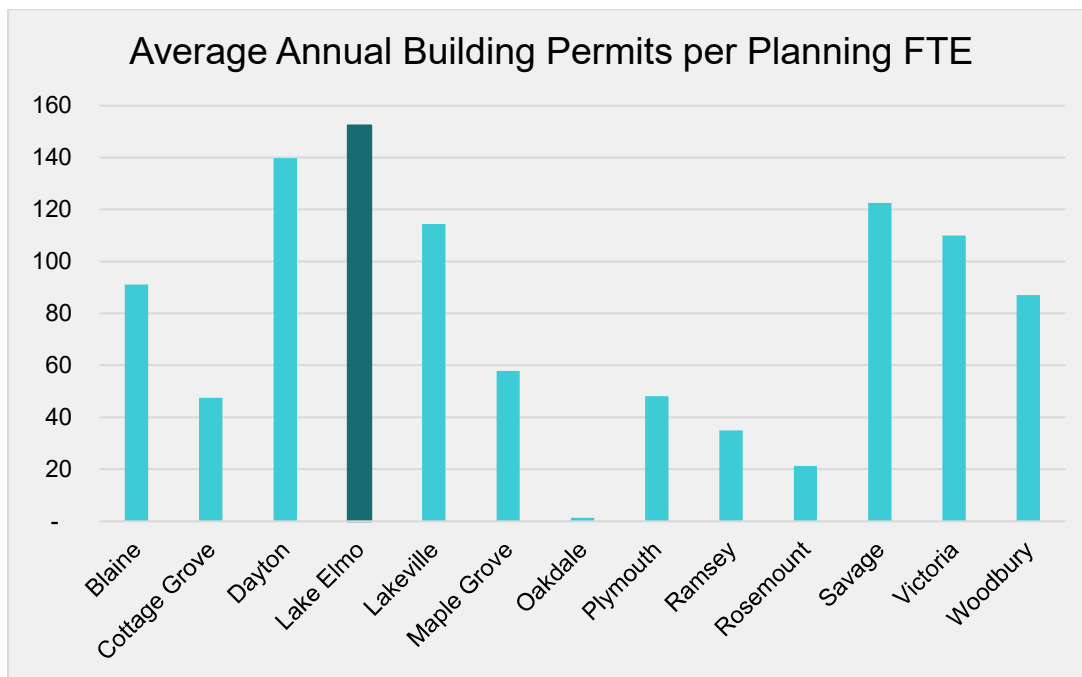


Figure 5: Planning FTEs and Annual Residential Building Permits⁷

To create additional service capacity and to support more flexible assignment of staff to various tasks, it is recommended that the City add a position of Senior Planner that reports to the Planning Director. The role of the Senior Planner would be non-supervisory but would be sufficiently skilled and experienced to be able to handle most, if not all, planning reviews brought to the City and would be able to represent City staff before the Planning Commission and the City Council on a regular basis. In addition to addressing workload issues, a Senior Planner provides several other benefits to the City. First, the Senior Planner provides additional professional capacity to meet workload demand issues while maintaining quality and timely services to the community. Second, the Senior Planner position acts to bridge the existing gap between the Planning Director and the City Planner positions, providing support to both as needed and may aid with retention of incumbents in the City Planner position. Third, a Senior Planner would be qualified to step into the role of Planning Director, at least on a temporary basis, should the need arise, thereby improving the resiliency of the organization. Finally, using an intermediate position can create a more feasible career path for professional development in the Planning Department.

As the City incorporates the Senior Planner into the staffing mix and the three planning positions develop and exercise their areas of responsibility, the maturity of the function will develop and create subsequent opportunities. In the future, the City may elect to consolidate the building and planning areas under a Community Development Director. This subsequent action can support a comprehensive and holistic approach to planning and management of development in the community. An example Position Description for a Senior Planner is included in the Appendix to this report. Like the Assistant Building Official position, the Position Description is for the Town of Payson, Arizona.

⁷ Building permit data sourced from Metropolitan Council and Planning FTEs sourced from most recent city budgets and financial reports.

Recommendation 4: Support proactive code enforcement with a full-time Code Enforcement Officer position.

Code enforcement is a necessary function for every municipality. Code enforcement efforts ensure that businesses and residents are in compliance with public health, safety, public works, consumer protection, business activities, building standards, and more. Code enforcement in Lake Elmo has historically only been performed on a reactive, complaint basis, with issues of code enforcement handled by the City Planner position as time allows. As the City grows, code enforcement complaints and service demands are likely to grow as well, not just due to population growth, but also as new residents bring new expectations for code enforcement. The current approach does not provide adequate staff coverage to support both reactive and proactive enforcement for code compliance and for the City Planner to conduct non-code enforcement duties. Adding a staff position with primary responsibility for both reactive and proactive code compliance will meet community needs at a critical point in the community development cycle. As the City's development continues, code compliance issues involving existing homes and businesses will grow. It is important that the City clearly communicate the community's expectations in an environment of continuing new development as well as property owner changes and enhancements to existing homes. The presence of a full-time code enforcement position will provide the capacity to address not just complaint-driven code enforcement issues, but also conduct proactive code enforcement efforts. As the City grows with new types of development, namely multifamily and commercial developments, a proactive code enforcement program will allow the City to communicate community expectations from the outset.

Code enforcement officers are commonly located in either the Building Department or the Planning & Zoning Department of municipalities, as code enforcement functions are naturally related to activities in both departments. It is recommended that the code enforcement position reside in the Planning & Zoning Department, as that is where those activities have traditionally been housed in the City and there is no operational advantage to moving them to the Building Department. A full-time code enforcement position can also provide the capacity to develop and execute a strategic communication plan designed to inform the community of what expectations are contained within the code. See Recommendation 15 for descriptions of potential performance metrics that may be used to assess code enforcement activities.

Figure 6 shows the proposed structure of the Planning & Zoning Department following the recommendation for a Senior Planner contained in the previous recommendation and the recommendation for a Code Enforcement Officer contained in this recommendation. Both new positions are shaded gray in the figure. In this structure, the Planning Director would supervise three positions, and none of those three positions would have supervisory duties.

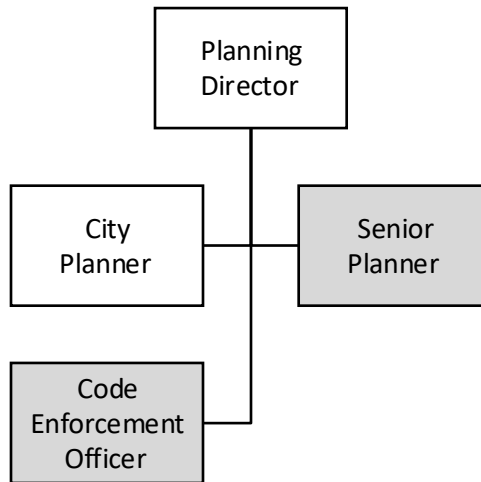


Figure 6: Proposed Planning Department Structure

In order to provide more productive capacity among the planning function staff members as well as prepare for an increasing volume of code enforcement issues and cases in the community, it is recommended that the City move forward with creation of a Code Enforcement position. While implementing a proactive approach to inspections can create changes for staff and residents, it is likely that these changes will enable the Department to foster closer ties with the community, increase awareness of code enforcement activities and resident obligations, reduce reactive complaints, and prevent future violations from occurring. This will also allow professional planning staff to better align their efforts and position the City to proactively communicate and educate the community on standards and expectations, minimizing the relatively more expensive reactive code enforcement efforts.

Recommendation 5: Use operating data to make informed decisions on how the City provides community development services.

Municipalities routinely contract with private companies to provide a wide array of services. The decision whether to contract, or outsource, municipal services is influenced by a variety of factors, including the level of specialization or expertise required, the available market for the services, the service levels required by the municipality, and whether a private contractor can provide a service more affordably than the public entity.

The City has become reliant on contracted services for critical community development activities, such as the Building Official, Building Inspectors, City Engineer, and landscape architect needs. Some contracted services, such as the contracted Building Official, have been obtained on a temporary, as-needed basis, while others, such as the City Engineer, are identified as a longer-term service delivery mechanism.

The City should periodically reassess the contracted service levels as the needs of the City may change. Developing core in-house service capability where practical and supplementing where needed with contract services can reduce total operating costs while meeting increased service demands. Using contracted services to augment core service provision through in-house resources can serve to limit relatively higher cost contracted services while improving internal service capacity, service communication, and service sustainability.

A specific example of this approach involves building inspections. The City has an unofficial goal of providing inspections within two business days of a service request. The number of inspection requests made per day fluctuates both daily and seasonally. The City can use its building inspection contract to meet surge demands. Tracking the

usage of this contract building inspection service can also inform the City when it may be appropriate to add additional Building Inspectors to the City's staff. Identifying the consistent, core service levels as well as estimating total service demands across time periods will allow the City to identify opportunities for beneficial changes in resourcing those services, whether those services are contracted out or performed in-house.

Figure 7 shows trends in the number of permits issued for new SFD construction in the City using data between January 2017 and August 2021. The figure displays the average number of new SFD permits each month, as well as the maximum and minimum number of permits each month. Looking at the average number of permits issued each month, there does not appear to be significant seasonality in permitting activity. However, examining the maximum number of permits issued each month shows the extreme variability that can exist from month to month in the number of permits. In the case of building inspections, the City may be well served to maintain contract inspection services to handle surge demands. However, effective use of this strategy would require the City to establish metrics that trigger the use of contract inspectors.

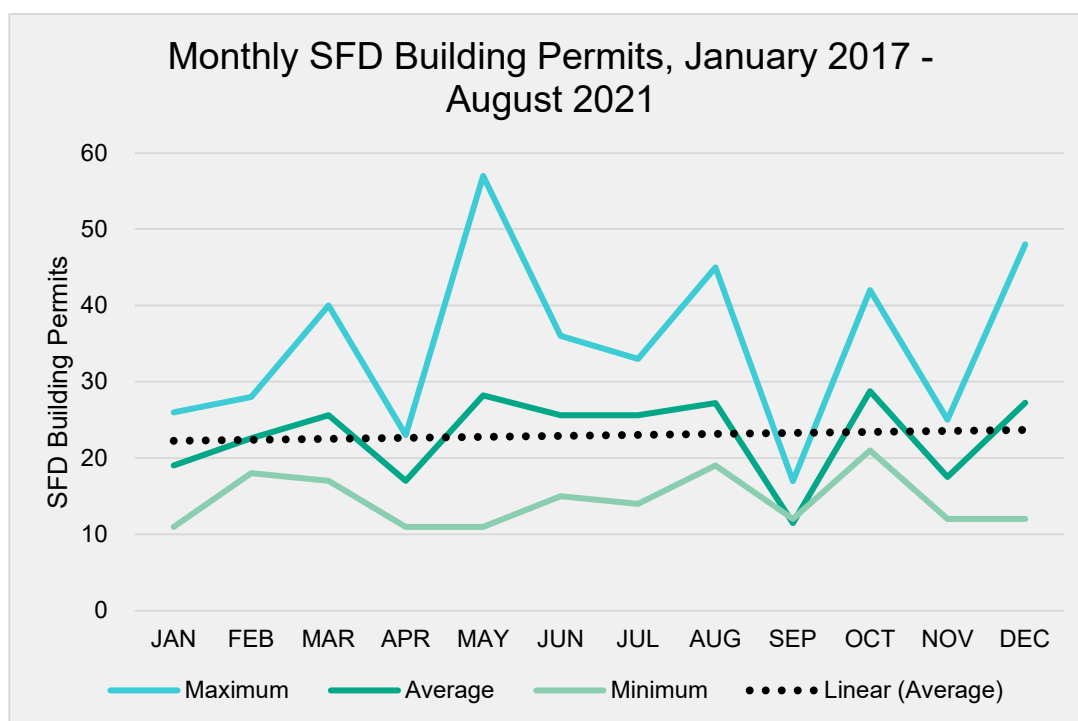


Figure 7: Monthly SFD Building Permits, January 2017 – August 2021⁸

The City can use data like this to assess when to use contract services to replace or augment City staff capacity. This example uses information relating to SFD permits as a general measure of service demand. The City can and should develop more discriminating information on the relative processing times and associated costs for a range of internal services and contracted services. This information can be used to identify the existing service demand profile (here presented as monthly maximum and average SFD permit demand). This information can be used to better understand how services are provided, as well as to develop spreadsheet models that seek to meet identified operating constraints while minimizing total costs for the service.

⁸ Data provided by City.

In this example, the project team developed a spreadsheet model to identify the levels of effort provided either internally or through contracted services that would serve to minimize total costs. The model considers how the decision points might adjust as the difference between contractor and in-house costs (the percentage additional paid to the contractor per transaction compared to in-house costs). As presented in Figure 7 above, the average monthly volume of SFD permits trended around 23 permits per month and the decision points in Figure 8, below, range around that volume of permits as well. Impacts based on the change in relative costs for service provision (identified as the percentage increase in cost per service for contractor provided services) were tested at values ranging from 5% cost increase to 50% cost increase.

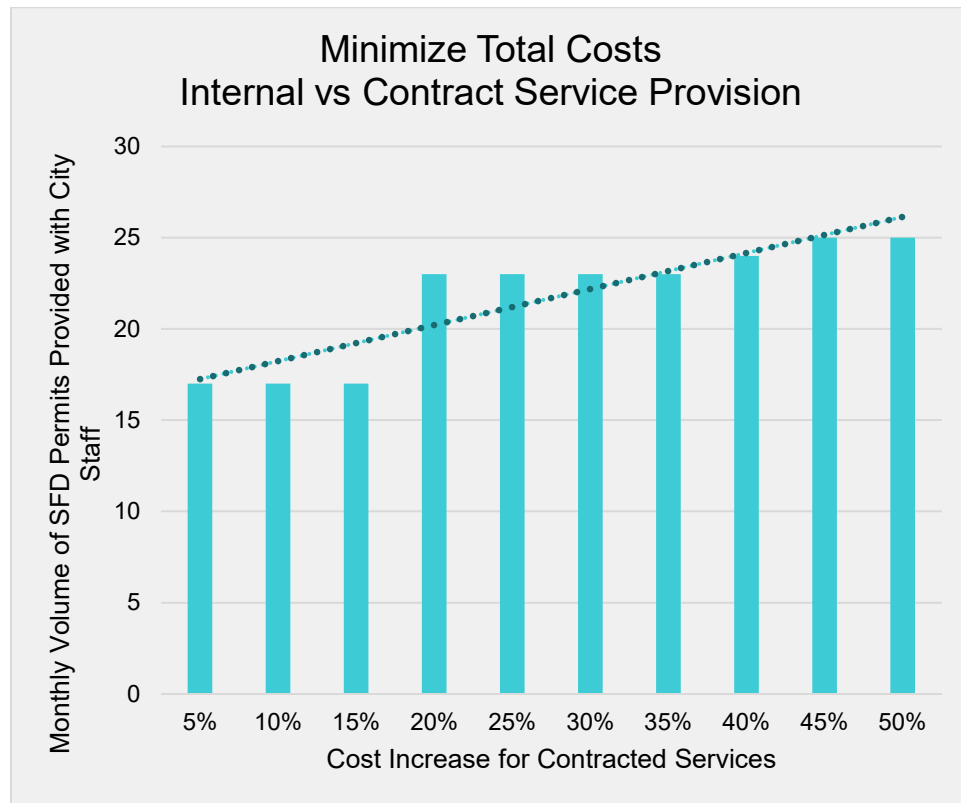


Figure 8: Minimize Total Costs – Internal vs Contract Service Provision

The figure above shows that as the price for contract services exceeds the cost for services provided in-house, the volume of processing handled by in-house staff should increase to minimize total costs. This example model supporting management decisions would advise that the City could, on average, minimize total costs by taking the following actions based on relative processing costs:

- **From 5% premium to 15% premium** – Staff internal service provision to provide approximately 17 permits per month throughout the year. Contract services would be used to provide permits more than this based on the low-cost differential.

- **From 20% premium to 35% premium** – Staff internal service provision to provide approximately 23 permits per month throughout the year. Contract services would be used to provide any permits in excess based on the higher cost differentials.
- **From 40% premium to 50% premium** – Staff internal service provision to provide approximately 24-25 permits per month throughout the year. Given the increasing cost differentials, contract services provide the few excess permits required or the City accepts temporarily delayed permits in the short-term for in-house resources to recover and process.

This model approach can support City management decision making regarding sourcing individual services. In this example, using the model to minimize total costs to meet the existing monthly and annual service demands yields relative recommended effort between in-house and contract services, as displayed in Figure 9.

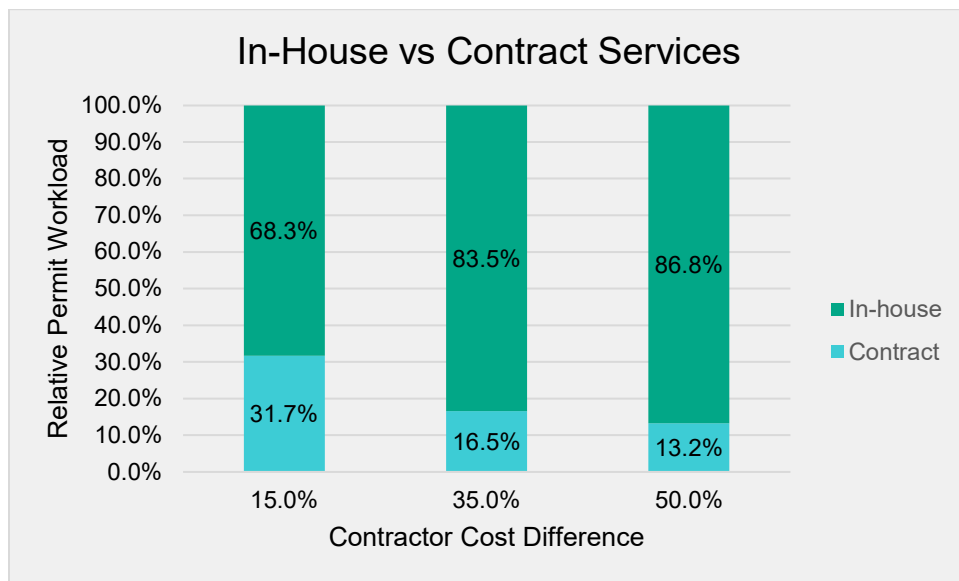


Figure 9: In-House vs Contract Services

As the relative cost for contract services to process permits increases, the relative share of the total work handled by the contractor should decrease with greater reliance on in-house staff. However, even with a significant cost difference, it can still be advantageous to use contract services when workload varies throughout the year rather than increasing in-house staff to meet these peak periods of demand.

This example identifies the value of the data available to the City for review, analysis, and management decision purposes. These models can be developed to focus on maximizing services, minimizing costs, or other criteria. However, the value of the modeling approaches to the organization will be predicated on the validity and accuracy of the data identified and used in their development. Important factors impacting data elements include the following:

- Service demand
 - How modelled service demand varies throughout the year
 - Identifying the appropriate element for measurement (unit of demand / service)
- Service supply

- Sources of labor / service provision supply
- Total operating costs per transaction for modelled services (internal City cost and contracted service provider cost)
- Ensure consistent interpretation of data elements (data dictionary)
- Ensure consistent development and collection of data over time

The City should develop appropriate decision support models to identify how best to provide services. While past practice can provide a guide, the City will need to move beyond its experience to address new demands. Using a data-driven and analytical approach can provide a foundation for greater understanding of the services provided, their relative benefits and costs, and alternative approaches to consider providing quality services on a timely basis to meet the community's demands while minimizing operating costs. This approach is especially important when addressing changing conditions and community expectations.

FINANCIAL MANAGEMENT & RESOURCE ADMINISTRATION

Recommendation 6: Develop a data directory to assist in future development of the Minnesota Municipal Fee and Expense Report.

The City is required to submit an annual Municipal Fee and Expense Report to the Minnesota Department of Labor and Industry, in which the City details development-related costs and revenues. The report solicits information in the following areas:

- Municipality – Name / Address / Contact Information
- Building Construction Permits – Type of Permit / Number / Valuation
- Fee Revenue and Expenses Associated with Building Code Enforcement – Fee Revenue (by Type) / Permit, Plan Review & Inspection Expenses
- Fee Revenue and Expenses Associated with Development – Fee Revenue (by Type) / Expenses (by Type)
- Fee Revenue and Capital Expenditures Associated with Development-Related Infrastructure – Fee Revenue (by Type) / Capital Expenditures (by Type)

The report also provides detailed descriptions of each data element requested and measurement focus. The purpose is to provide a comprehensive dataset to support a municipality's internal operations and management as well as a consistent dataset to compare one agency against another and/or across time through multiple annual reports.

The latest report provided for the reporting period ending December 31, 2020, was prepared by the Finance Department. The effort to develop this report was confounded by significant variability between the prepared 2020 information against report information developed in past years, when the reports were developed by staff in the Building Department. The project team was not able to develop ties between data in past reports and financial reference documents (Budgets / Comprehensive Annual Financial Reports). The project team's assessment of this issue was confirmed by the City's Finance Director.

This required annual report should serve as a valuable source of comparative performance information for the City. To ensure that this resource can warrant the time applied to develop it, the City should build on the current efforts of the Finance Department to develop and document a data "map" identifying each data element requested for the report form to the City data source (including any necessary adjustments / calculations) that supports the individual data request. Once the procedures necessary for the report data development have been identified and catalogued,

the City can return to the collaborative team effort use to develop the data, which includes staff from the Building Department.

This initiative can be accomplished using in-house staff working collaboratively and with marginal impacts to organizational cost. The greatest benefit to the organization is not necessarily the fulfillment of this annual requirement, but rather the better understanding of organizational operations, data development, and reporting that will derive from this effort. Implementing this recommendation will serve to improve the efficiency of future filings as well as provide resiliency in the event of future staff turnover.

Recommendation 7: Review and implement streamlined development escrow account policies.

In addition to development-related fees, municipalities require developers and builders to deposit escrow funds based on the type of permit activity (e.g., plan review, building permit) and often a proxy for the level of complexity of the project (e.g., number of residential units, number of acres). If municipalities incur development-related costs that are not covered by permit fees, they can charge a developer's escrow account to recover their costs. Upon satisfactory completion of the project, the developer can request that the municipality refund the remaining balance in their escrow account. Escrow accounts reduce the financial exposure of the municipality, speed the development process, and incentivize the satisfactory completion of development projects according to the municipality's requirements.

Both City staff and development stakeholders highlighted issues with the City's escrow administration. Due to the tandem issues of frequent staff turnover and deficient policies and procedures to guide staff, the City has been challenged with possibly inconsistent and inaccurate treatment of escrow accounts leading to inadequate accounting of funds and delayed reimbursement. The City's escrow program had been administered by the Permit Technician position but is currently overseen by the Finance Department. Issues associated with the escrow program appear to have originated with prior staff who lacked appropriate policies and procedures. The lack of effective procedures was compounded by staff turnover in the Building Department and the Finance Department. Complaints from development stakeholders have been focused on the difficulty of receiving refunds of their escrow balances upon completion of their projects.

It is recommended that the City continue to review and implement streamlined development escrow account policies. At the time of this review, both Finance Department and Building Department staff were in the process of organizing existing escrow funds, implementing more rigorous procedures for tracking new escrow deposits, and attempting to identify the owners of older, unclaimed escrow funds. Further, to improve communication with developers, the Building Department should institute a policy to respond to requests for escrow refunds within a reasonable time period (e.g., two business days), and the response should include a checklist of what steps the developer has completed or satisfied, as well as specific descriptions of what steps the developer must take to satisfy escrow refund requirements. Written Standard Operating Procedures (SOPs) documenting the more rigorous procedures implemented in both the Building Department and the Finance Department should be created to support continuing operational effectiveness in the event of future staff turnover.

An additional issue impacting return of escrow accounts involves instances where the City has determined that either required conditions have not been met or that there is an unacceptable variation from the original approved project plans. The escrow fund approach constitutes a form of insurance for the City to ensure that projects will be completed as approved, with escrow funds providing a source to incentivize remediation by the developer or as a funding source for the City to remedy a deficiency. One area where a deficiency has led to retained escrow accounts involves "as-built" grade certifications. As presented in the City of Lake Elmo Municipal Code:

As built grades certification. Amounts collected by the city and held in escrow as security to ensure completion of construction projects for any activity which requires a permit shall be held until the builder or the property owner has provided the city with a certificate of a registered surveyor or civil engineer attesting to the “as built” grades of all building corners and site corners; and, the certificate shows all the grades to be consistent with the plot or site plan attached to the building permit application.⁹

The balance of the escrow accounts has hovered between \$1.7 million and \$1.8 million over the last four years. These funds do not belong to the City, so they are treated as a liability reported in the Deposits Payable category of the General Ledger. Following completion of a project, if these funds remain unclaimed, they will eventually transfer to the State as “unclaimed property.” However, should the City identify an outstanding issue, such as the variance in the grading reports, these funds can remain in the City account as leverage to compel the developer to fix the deficiency, in this case regrade the property to match the original grading plan. As discussed later in Recommendation 9, the City may want to address the minimal progress made moving developers to remediate issues on their property through a negotiated settlement approach that seeks to find common ground.

Recommendation 8: Expand acceptance of payments via credit card for community development fees and charges.

Much of American commerce is now facilitated through electronic payments, most commonly using credit cards and debit cards due to their convenience and safety. The City of Lake Elmo currently accepts electronic payments for utility payments through a secure payment portal operated by their payment processor, Payment Service Network. For a fee, the payment card processing service provider works with a government to accept and process payment card payments. By establishing an account in the processor’s system, customers can access the following services:

- Pay by checking/ savings/ credit card
- Set up Auto-Pay
- View their bills
- Choose to opt out of paper bills
- View payment history
- Print receipts
- Change their payment profile

Utility services and other areas with frequent, reoccurring payments were initial adopters of electronic payments by government agencies. Local governments have expanded the areas with available electronic payment services to meet community expectations. The Government Finance Officers Association (GFOA) identifies acceptance of electronic payments as an area of best practice for local government, with some of the benefits to government including the following:¹⁰

- Enhanced customer service and convenience
- Increased certainty of collection

⁹ Lake Elmo, Minnesota. Municipal Code. 151.027 Construction Site Erosion Control.

¹⁰ Best Practices – Accepting Payment Cards and Selection of Payment Card Service Providers, Government Finance Officers Association.

- Accelerated payments and the availability of funds
- Improved audit trail
- Reduced cashiering costs
- Improved overall cash flow and forecasting
- Lessened delinquencies
- Reduced return check processing costs
- Reduced collection costs

The City does not currently accept credit cards for payment of permit fees. Payment for development fees and charges are accepted via cash and check through the mail or an in-person visit. Developers, home builders, and residents are familiar with and have come to expect that payment via credit card will be accepted for requested services either in-person, via the phone, or through a web transaction. The City should accept the use of credit cards for community development fees and charges as a matter of convenience for residents.

The City does not actively participate in the electronic transaction with the payment processor handling confidential financial information on behalf of the City and customer through a secure system. The customer's payment information never resides in any of the City's systems or communications. An important element to support acceptance of the payment information from the processor to the City is the use of a unique identifying number for the customer and/or the transaction. In the case of the City's utility payments, this is provided through the customer's utility account number.

The City will need to adjust processes in the community development areas. Currently, permit fee payment is made after the review has been completed and the customer is contacted to pick up their permit. To support electronic payment, the City will need to communicate an identifying number to the applicant with the payment information and link to the payment processor's system. Once the payment is made by the customer, the City will receive payment reconciliation information from the payment processor indicating the identifying number, payment date, and payment amount. The City will then distribute the permit to the customer, who can choose to receive the information in person, via mail, or through an electronic document attachment in a locked PDF format.

Credit card companies do charge fees for the use of the cards, usually based on a percentage of the amount charged. To recover these fees, the City could elect to follow the practices of other municipal governments and charge a "credit card convenience fee." The convenience fee could be set-up in a variety of formats including:

- Mirror the percentage charge from the credit card processor to fully recover the cost of each transaction
- Apply flat charges based on value ranges for payments to more closely tie to the true cost of the transaction
- Apply a single flat convenience fee against any transaction

Accepting credit cards for payments can provide convenience to the customer as well as support effective processing of the payment by the City. The City has recently expanded credit card payment services to its utility customers. Expanding such payment services to the development community and residents will improve cash handling, financial processing, improve receipt and accounting of funds, and improve the customer service experience.

OPERATIONS – BUILDING DEPARTMENT

Recommendation 9: Review City criteria for acceptance / denial of the Certificate of Occupancy.

Development efforts in the City of Lake Elmo culminate with the issuance of a Certificate of Occupancy (CO) by the Building Official that verifies with other City staff that all site and development requirements have been met prior to issuance. As provided in the City Code:

C. Certificate of Occupancy. No vacant land shall be occupied or used and no buildings hereafter erected, altered or moved shall be occupied until a certificate of occupancy has been issued by the Building Official. Such certificates shall show that the building or premises or part thereof and the use thereof are in conformity with the Minnesota State Building Code and the provisions of this chapter. Such certificate shall be issued only when the building or premises and the use thereof conform to all the requirements of the City Code.¹¹

Within the standard development agreement, the City includes its remedies for developers' unapproved deviations from their development plans, including the denial of COs. The City has employed this approach by denying COs for non-building issues, such as incomplete site work. However, in at least one case, COs were denied for homes on lots that were not affected by the incorrect site work and were no longer owned by the developer.

The City should review the criteria by which they issue or deny the CO. There are clear issues of public health and safety which may warrant the denial of a CO, but the City may wish to consider what conditions the City is trying to correct, who is affected by the denial of a CO and how they are affected, and whether there are other remedies the City might pursue that would more effectively address the City's concerns.

As an example of an alternative approach, the State of Minnesota provides itself with flexibility in rule making and implementation by considering "need and reasonableness."¹² This means that the State agency must set forth the reasons for its proposed change, and the reasons must not be arbitrary or capricious. In this context, "need" and "reasonableness" are separate; "need" has come to mean that a problem exists that requires administrative attention, and "reasonableness" means that the solution proposed by the department is appropriate.

The City should employ a similar approach to work with the community to identify true needs that warrant developing collaborative and reasonable solutions. This approach can support resolution of outstanding issues with a particular development and successful completion of the project.

Recommendation 10: Use standardized data input templates for PermitWorks system.

The City uses an Electronic Records Management system (ERM) known as PermitWorks to issue, track, and record development permits. PermitWorks, like any other ERM, contains a variety of data fields into which the user can record relevant information. However, staff report a lack of consistency as to the quality and level of detail that is input by the users. This variability in data input can negatively impact operational effectiveness, particularly when multiple inspectors are working on the same project during its development schedule. Without proper, adequate, and consistent documentation, inspectors may not be aware of issues identified by other inspectors, nor can they successfully communicate with builders regarding potential issues found on previous inspections.

¹¹ Lake Elmo, Minnesota. Municipal Code. 154.103 Permits, Certificates and Licenses.

¹² 2020 Minnesota Statutes, 14.131 Statement of Need and Reasonableness.

The Building Department should develop and implement a standard template for data entry across the various data fields in the PermitWorks system to support more effective understanding, development, and use of the available data. Data standardization may take several forms, ranging from pre-filled dropdown menus to clear, written expectations for the level of detail expected in inspection documentation. If a building inspection is failed, the inspector should clearly note the reason for the failure, the precise location of the non-compliant construction, and the remedy required to bring the work into compliance.

Developing standardized data entry will provide more consistency in the Building Department's work product and will enhance both intra-departmental and customer communication. This initiative will also allow for data comparisons across projects in a consistent manner to identify issues for management understanding and action. Undertaking this recommendation is unlikely to require extra budgetary measures unless outside consulting work is needed to facilitate development of new drop-down data entry boxes in PermitWorks. The City should also incorporate a quality assurance review of randomly selected files to identify, address, and correct any issues with staff understanding, acceptance, and implementation of this initiative.

Recommendation 11: Implement technology to better support field operations for community development activities.

The City uses the PermitWorks system to issue, track, and record development permits. Most modern Electronic Records Management systems (ERMs) provide modules that allow their clients to limit the purchase of software capabilities that the clients deem sufficiently useful. Many municipalities that conduct field operations have implemented the use of remote, tablet based ERMs so that vital recordkeeping, scheduling, and communication can take place in the field.

The City's field staff lack access to technology for use in the field and must rely on manual and hardcopy information as reference material and for notes. The current work process requires manual notetaking followed by a return to the office at the end of the day to transcribe notes into the required fields in PermitWorks. Such efforts are duplicative and create the potential for inaccurate and incomplete recordkeeping. The purpose of the field work is to develop information supporting business processes. Manually accessing and collecting this information requiring later, duplicate entry takes additional time that could be better used on higher priority tasks.

The project team recommends that the City issue tablets with integrated software to the inspection staff to facilitate digital data entry, access, use, and communication in the field. This will support improved business processes and reduce total and individual transaction operating costs. PermitWorks has a remote inspector module that, assuming the City is not intending to switch to a new ERM, could be added to their existing system, allowing inspectors to enter inspections results, send correction notices, look up properties to see all associated information, as well as see their schedules as they are updated. Improving City staff capability and capacity through mobile computing and communications presents an opportunity for improved operational efficiency and data integrity.

The City would incur technology equipment and software acquisition expenses as well as continuing operational expenses for mobile communications in the devices to support remote work. City staff would also require training to effectively use the devices and software, as well as how to effectively communicate and share data to maximize effectiveness. In tandem with the adoption of the technology, the City should develop assessment criteria to determine whether staff have adopted and are effectively using the technology to support improved business performance.

OPERATIONS – PLANNING & ZONING DEPARTMENT

Recommendation 12: Formalize submission intake process with the Planning Department.

The state of Minnesota requires that plan reviews be conducted within 60 days of receiving an application, with some limited exceptions for proscribed situations. City staff related the difficulty in receiving applications from developers of sufficient quality and completeness in order for the City to begin its review. However, there does not appear to be a standardized intake process nor are there established review criteria to determine whether a submission is complete. In many cases, the lack of effective review of the initial submission can require re-submittals by the applicant.

A common and recommended practice that can serve as a first step in formalizing the intake process is to define what constitutes a complete application for the City and verify that these materials have been included with each application at the time of submittal. A useful format for conveying these requirements can take the form of an intake checklist. The City does use a checklist as part of its combined Commercial Permit Application and Plan Review Submittal. This can serve as a model for a similar effort supporting residential development.

The intake checklist identifies the information that must be presented at the time of submittal for a given application type, such as a residential building permit, a proposed subdivision, or a commercial site plan or design review. A responsive intake checklist identifies the information that staff will need to conduct and conclude a development review. The specific items on the list can vary based on the type of permit and the specific requirements of the City and other reviewing agencies. The City provides general guidance in a handout available on the website identifying when City permits are required by type of activity. However, the document is not all-inclusive and does not include application requirements. Applicants are directed to contact City staff via phone for questions and clarifications. A short document describing the permit process for clients identifies the following general steps:

- Consult the document “When Are City Permits Needed?” or contact the Building Department to determine whether a permit is required
- Pick up an application at City Hall or download application available on-line
- Determine if a Site Plan and Survey are required (enlarge the footprint of the house through addition, porch, or deck, or install a pool or accessory building)
- Submit completed application and plans to the Building Department at City Hall
- Materials are reviewed at the counter to ensure that all necessary information is included in the application packet

City staff relate that an effective review of materials at time of submittal may not take place. Simple to moderately complex projects should be screened at the counter for completeness before being accepted by the Building Department. A Building Department staff member familiar with the application type should verify that all required items are present. When all the required items have been located, the application can be accepted as complete and routed for staff review. If there are items that are missing, these should be highlighted on the checklist and explained, then the application returned to the applicant for resubmission with the missing items. An intake meeting can be used for application types that would require lengthy counter checking or a range of different skills to verify that they are complete. An intake meeting can provide an opportunity to assemble multiple project reviewers together with the applicant and their design team to conduct a live assessment of the application elements for completeness. The intake meeting should take less than one hour. The City should only accept complete applications with any deficiencies discussed at the intake meeting.

Formalizing the submission intake process using a comprehensive checklist and review sign-off can identify deficiencies earlier in the process before scheduling a meeting regarding the submission. The Planning Department already requires developers to attend a pre-submittal meeting. This meeting can be structured to include a greater focus on submission requirements and examples of what quality of work is required.

Recommendation 13: Clarify responsibility for review and approval of development plans and associated surveys.

A major step in the development process requires developers to submit a Certificate of Grading (“as-built” survey) that shows their developments have been graded in accordance with their approved grading plan from the Certificate of Proposed Survey. As-built surveys must show the graded lots within 0.2 feet of the approved plan. The as-built surveys have been a source of contention between the development community and City staff. The City is clear with the development community as to what is required of the as-built surveys; the requirements for the Certificate of Proposed Survey and the Certificate of Grading (“as-built”) are virtually identical. However, variances can exist between these documents that can result from either changes made by the developer or incomplete review of submitted materials by City staff.

In some cases, a variation may exist because of a change made by the developer. The intent may have been to correct a mistake on the original survey that was missed during the original review. The City should work with the developer to confirm both the original mistake and that the proposed solution is appropriate to the original intent of the project plans. This can become a very subjective assessment, and the City should implement quality assurance steps in the original reviews to minimize incidence of this result. However, the approval process for as-built surveys has been muddled in recent years with perhaps varying levels of review conducted by different staff members. A variation between the surveys could also exist because the developer did not comply with the original plan for some other reason. In this instance, the City should identify the variation, discuss the issue with the developer, and fail the inspection unless there is a compelling reason not to do so.

In other cases, a variation may exist because the initial review of the submitted survey by City staff was incomplete or inaccurate. There has been significant turnover among City staff members providing review and oversight to this process. City staff also relate that members of the City review team may not have been prepared through formal education, professional training, or personal experience to provide the technical reviews necessary to meet process objectives. As development continues, the City should take the following actions to support more effective reviews and results:

- Identify which staff members are responsible for the review and approval of the proposed survey and the “as-built” grading survey
- Identify the criteria impacting survey review and approval
- Test the knowledge, skills, and abilities of the reviewing staff and proactively address any gaps or issues, especially during periods of staff turnover
- Implement a formal peer review and quality assurance check throughout the permitting process to identify issues and respond to stakeholder comments or complaints
- Identify available subject matter experts for consultation on topical issues as they arise for the designated reviewers, or to step in when designated staff are not available

The City has experienced grading issues in several of its developments in recent years. Ensuring that critical reviews are conducted in compliance with approved plans will support better communication, understanding, and acceptance of City actions related to development criteria and requirements.

Recommendation 14: Improve communication of the role and requirements imposed by the Valley Branch Watershed District on Lake Elmo development.

Land development in Minnesota may be regulated by multiple entities. In addition to the City of Lake Elmo, property development within the City boundaries must also comply with regulations and requirements of three independent watershed districts.

As described by the Minnesota Association of Watershed Districts,¹³ watershed districts are local, special-purpose units of government that work to solve and prevent water-related problems. The boundaries of each district follow those of a natural watershed and consist of land in which all water flows to one outlet. The districts are usually named after that watershed. The state elected to manage these natural resources on a watershed basis because water flows move beyond political boundaries, providing for a more holistic approach to resource management and conservation.

Minnesota has 42 watershed districts across the state, each governed by a Board of Managers appointed by the Boards of Commissioners of the counties that have land in the district. Watershed Districts were authorized by the Legislature in 1955 when it passed the Watershed Act (MSA103D) establishing the role and responsibilities for watershed districts in Minnesota.

The City follows the Lake Elmo Local Surface Water Management Plan (LSWMP) as a guide for conserving, protecting, and maintaining the quality of its surface waters, ground water, and natural resources. The City follows the water management strategies and regulations set forth by the governing watershed districts. According to the Metropolitan Surface Water Management Act of 1982, local units of government in the seven-county metro area prepare and implement comprehensive surface water management plans through membership in a watershed management organization (WMO) or a watershed district (WD).¹⁴

Figure 10 below identifies the water management organizations responsible for regulation and oversight of land development and water resource use in the seven-county metropolitan area.¹⁵ There are only very small areas of Hennepin County, Carver County, and Scott County that are not subject to a water management organization.

¹³ Minnesota Association of Watershed Districts, About Watersheds, <https://www.mnwatershed.org/what-is-a-watershed-district/>

¹⁴ City of Lake Elmo, 2040 Comprehensive Plan, Local Water Management Plan, 2019.

¹⁵ Minnesota Association of Watershed Districts, Metro Watershed Organizations Map, <https://www.mnwatershed.org/metro-watershed-management-organizations-metro-wmos>

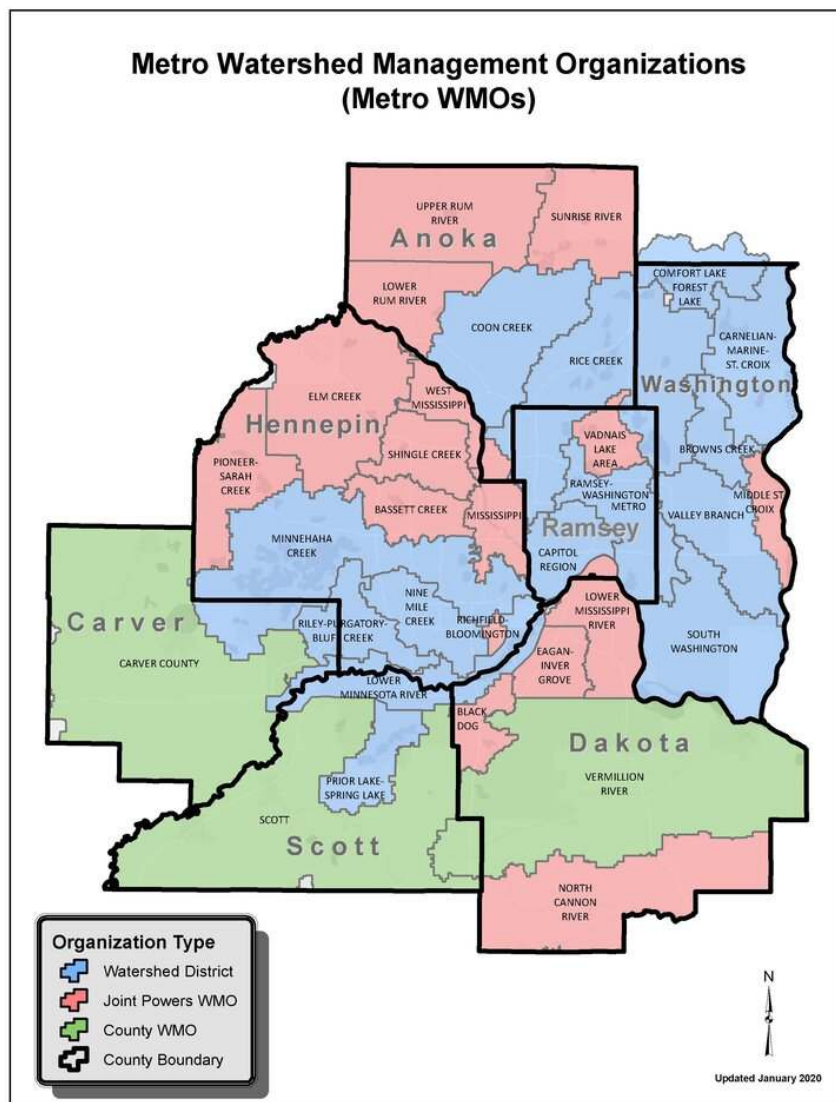


Figure 10: Watershed Management Organizations, Metropolitan Counties

There are three watershed management organizations responsible for water resource management and conservation within the boundaries of the City of Lake Elmo:

- Brown's Creek Watershed District (BCWD) (far northeast area)
- South Washington Watershed District (SWWD) (far southwest area)
- Valley Branch Watershed District (VBWD) (remaining corporate area)

Lake Elmo's LSWMP avoids duplicating efforts of others by adopting or referencing the standards and policies of the three respective watershed districts, the Metropolitan Council, State of Minnesota agencies such as the Minnesota Pollution Control Agency (MPCA), the Minnesota Department of Natural Resources (MnDNR), the Minnesota

Department of Health (MDH), and the Board of Soil and Water Resources (BWSR), plus Federal agencies, most notably the Environmental Protection Agency (EPA) where applicable.¹⁶

As depicted in Figure 11 below, the Valley Branch Watershed District comprises approximately 90%-95% of the land in the incorporated area of the City.

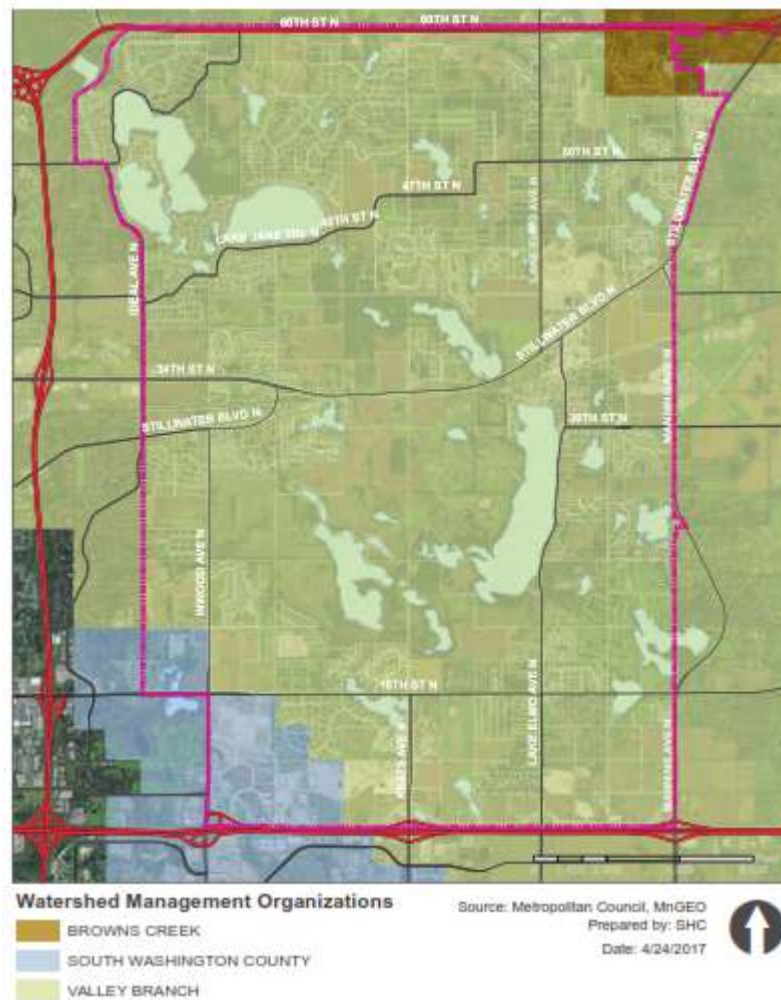


Figure 11: Watershed Management Organizations, Lake Elmo Corporate Boundaries

The Valley Branch Watershed District requires submission of proposed development materials to support review and approval of a permit.¹⁷ This detailed information includes the following:

- Completed and signed application form
- Evidence of ownership of the site
- Required permit application fee

¹⁶ City of Lake Elmo, 2040 Comprehensive Plan, Local Water Management Plan, 2019

¹⁷ Rule 1: Administrative Procedures, Required Submittals and Exhibits, Valley Branch Watershed District.

- Grading Plan / Mapping information
- Hydrologic / Hydraulic Design information
- Erosion Control and Sedimentation Prevention information
- Construction plans for all proposed stormwater management facilities
- Maintenance Agreement
- Wetland Delineation Report (four copies)
- Part 1 of the Combined Wetland Permit Application (CWPA) (five copies)
- Wetland Replacement Plan (five copies)
- Draft Declaration of Covenants that lists the VBWD-required minimum floor elevations
- Other exhibits required to show conformance with rules and regulations

City staff and some development stakeholders relate that the range and depth of materials required by the Valley Branch Watershed District goes beyond similar requirements from other water management organizations in the metropolitan area. These additional requirements may cause delays with submission, incomplete submissions, or delays in review, impacting the timing of approvals and progress on a development project. While these issues and possible impacts are the result of requirements imposed by an outside agency, process participants may perceive the variance in requirements as well as the incumbent delays to the development process to be the result of actions by the City and its required review processes.

While the Valley Branch Watershed District may impose additional requirements beyond the typical experience of developers, these issues and their impacts are beyond the ability of the City to provide relief:

- Virtually all land areas in the metropolitan area are subject to the requirements of a water management organization
- Any organization developing property in the metropolitan area will expect and must meet the requirements of these regulatory agencies
- It is appropriate for the City to defer to the requirements of the respective water management organizations regulating land in its corporate boundaries
- No development can proceed without review, approval, and the required permits from the respective watershed district

To the extent that the Valley Branch Watershed District requirements vary significantly from other water management organizations in the area, the City should work to identify these variances impacting developers and the progress on their projects. The City should then develop and provide additional process information to inform development applicants on these differences in requirements to support their more effective application development, timely submission and review, and successful application result.

The City should work with a stakeholder group to identify the specific areas where the Valley Branch Watershed District requirements appear to differ from other agencies. In tandem with this effort, the City should identify these areas of concern with the respective watershed district to explore possible adjustments in either the requirements themselves or the communication of the requirements to facilitate greater understanding while continuing to support a necessary and valuable regulatory process. The documentation and clear communication of water management requirements will better support the permitting process and future development in the City.

This initiative will require both City staff time and communication / coordination with a developer stakeholder group to research and develop strategic and tactical communications. The effort provides value to the community by supporting effective development processes, minimizing unnecessary delays and additional costs, as well as improving the reputation of the City as a partner in appropriate and effective community development.

PERFORMANCE MEASUREMENT AND REPORTING

Recommendation 15: Develop and implement a performance measurement program for the community development functions.

The City's 2021 Goal Setting initiative produced a roadmap identifying shared goals, objectives, and priorities for the City to pursue in the short-, medium-, and long-term.¹⁸ The effort refined the City's Mission Statement, Values Statements, and identified four areas as shared 2021-2022 Recommended Goals. One of these goals states:

"Continue organizational audits to identify staffing, process and service improvements to develop 5-year plan for each Department with appropriate metrics and dashboards in order to create a culture of continuous improvement."

As the City moves forward with these plans for organizational and operational review, it will be important for the City to identify appropriate and meaningful metrics against which to track operational performance, change over time, and progress towards organizational goals. The current level of effort tracking and reporting in both the Building Department and the Planning & Zoning Department is limited to transactional measures; these represent ad hoc tracking of effort to move projects and tasks through various development processes. Implementing use of performance measures will help the City gauge how well the organization is making progress toward their identified priorities, as well as evaluate the overall effectiveness of community development programs and services.

Performance measurement provides an organization with numerical data used to evaluate the effectiveness and efficiency of its operations. For the City, this data will allow the City Administrator and the City Council to make more informed choices about how to improve and when to change the organization's programs and services.

Both the Building Department and the Planning & Zoning Department currently track limited performance and workload information. This information may be shared with the Council through ad hoc reports at the Council's request. Some highly summarized information is provided in the City's Comprehensive Annual Financial Report as "Operating Indicators by Function / Program" in the Statistical Section. However, this presentation is limited and does not provide context linking goals, resources, and results. The City will need to expand its range of available information regarding operational performance through a comprehensive performance measurement approach that will help the City to better understand the workload that goes into each program, the efficiency of each program, and the impact of each program. A comprehensive performance measurement program includes three types of measures:

- **Workload** measures, which quantify the amount of work completed in service of a particular goal or task. Examples of workload measures could include the number of zoning code enforcements performed or the number of special events planned and managed.
- **Efficiency** measures, which describe how effectively the organization uses its resources. They are often expressed as ratios or averages. Examples of efficiency measures could include the average number of work hours spent responding to each help desk call each year or the average cost to repair a pothole.

¹⁸ City of Lake Elmo 2021 Goal Setting Report, April 2021.

- **Outcome** measures, which indicate how well a program or service accomplishes its intended purpose. Examples of outcome measures could include the average number of days required to process a zoning compliance permit or results of a satisfaction survey for program participants.

The City should identify workload, performance, and outcome measures for the major programs in each department to help ensure they gather comprehensive data required to judge the relative value and performance of each program. Metrics should be tied to specific City programs and should be easily quantifiable and trackable. For each metric, the City should identify who will collect the data, how the data will be collected, and how often the data will be collected.

Data should be regularly reported to staff, Department leadership, and City leadership. Over time, performance measurement trends will become a critical aspect of evaluating the City's strategic goals and inform strategic planning updates. The data will also enhance the City's transparency and help staff more effectively illustrate City programs to the City Council and the public.

This approach will also allow the City to build a business case for potential decisions, especially as part of the budget development process. A business case is defined as a comprehensive justification for a proposed project or program. Business cases should include the following:

- An overall statement of the strategic benefit of a particular decision, including challenges that the decision will address
- A statement on how the decision would advance the City's strategic goals
- The estimated one-time and ongoing costs associated with the decision, including the cost of staff time
- Any estimated efficiencies, revenue, or cost savings that the City will realize following implementation
- A discussion of other nonmonetary benefits that are expected to be achieved by implementing the program, such as enhanced customer service

Establishing business cases for potential City programs or initiatives will help ensure that the City is considering all relevant factors when choosing and dedicating resources to the programs with the greatest impact on quality of life. Performance and workload metrics can play a valuable role in illustrating the benefit of a particular initiative.

An effective performance measurement approach will require staff time and resources to implement and manage but will allow for enhanced transparency and better decision making for the community. The following table suggests some key performance measures for the community development functions in the City.

Table 7: Recommended Community Development Performance Measures by Function

Function	Sample Workload Measures	Sample Efficiency Measures	Sample Outcome Measures
Engineering	<ul style="list-style-type: none"> • Total plans reviewed by type • Total number of capital projects managed 	<ul style="list-style-type: none"> • Staff hours per plan review, by type • Staff hours per \$1,000 in capital projects 	<ul style="list-style-type: none"> • Average number of calendar days to complete one round of plan review • Percentage of capital projects milestones completed on schedule

Function	Sample Workload Measures	Sample Efficiency Measures	Sample Outcome Measures
Community Development (General)	<ul style="list-style-type: none"> Number of inspections performed, by type Number of permits issued, by type 	<ul style="list-style-type: none"> Labor hours (total cost) per inspection Labor hours (total cost) per permit issued 	<ul style="list-style-type: none"> Percentage of permits and inspections completed within X business days of initial request Total valuation of permits, by type
Planning	<ul style="list-style-type: none"> Number of residential plan reviews received by month Number of commercial plan reviews received by month Number of zoning cases supported by month Number of final plats reviewed by month 	<ul style="list-style-type: none"> Percentage and cost of residential plan reviews completed within 5 days by month (measure against goal) Percentage and cost of commercial plan reviews completed within 10 days by month (measure against goal) 	<ul style="list-style-type: none"> Percentage of approved projects in compliance with comprehensive plan priorities / guidance.
Zoning	<ul style="list-style-type: none"> Number of zoning applications by month Number of zoning ordinance violations by month Number of special use applications by month Number of variance applications by month 	<ul style="list-style-type: none"> Average cost and workdays to process zoning applications to approval by type 	<ul style="list-style-type: none"> Percentage of special use / variance applications to the total development applications
Building	<ul style="list-style-type: none"> New residential permits issued by month New commercial permits issued by month Inspector average daily workload by month 	<ul style="list-style-type: none"> Residential plans average cost and days in review by month (measure against goal) Commercial plans average cost and days in review by month (measure against goal) 	<ul style="list-style-type: none"> Percentage of residential plans reviewed within 14 days by month (measure against goal) Percentage of commercial plans reviewed within 30 days by month (measure against goal) Residential permit valuations Commercial permit valuations
Code Enforcement	<ul style="list-style-type: none"> Number of violations of City codes for property maintenance by month Number of resident contacts inspectors report by month 	<ul style="list-style-type: none"> Average cost and number of days by month for property inspection following notice from the public (measure against a stated goal) 	<ul style="list-style-type: none"> Change in number of violations (3-month moving average) from period 12 months prior Number of required re-inspections / re-enforcement actions on same property

Figure 12 presents an example of an outcome metric, in this case the rate of as-built inspection failures. Changes in inspection failure rates can be indicative of changing community development performance or could be indicative of external changes to which the City may be able to adapt.

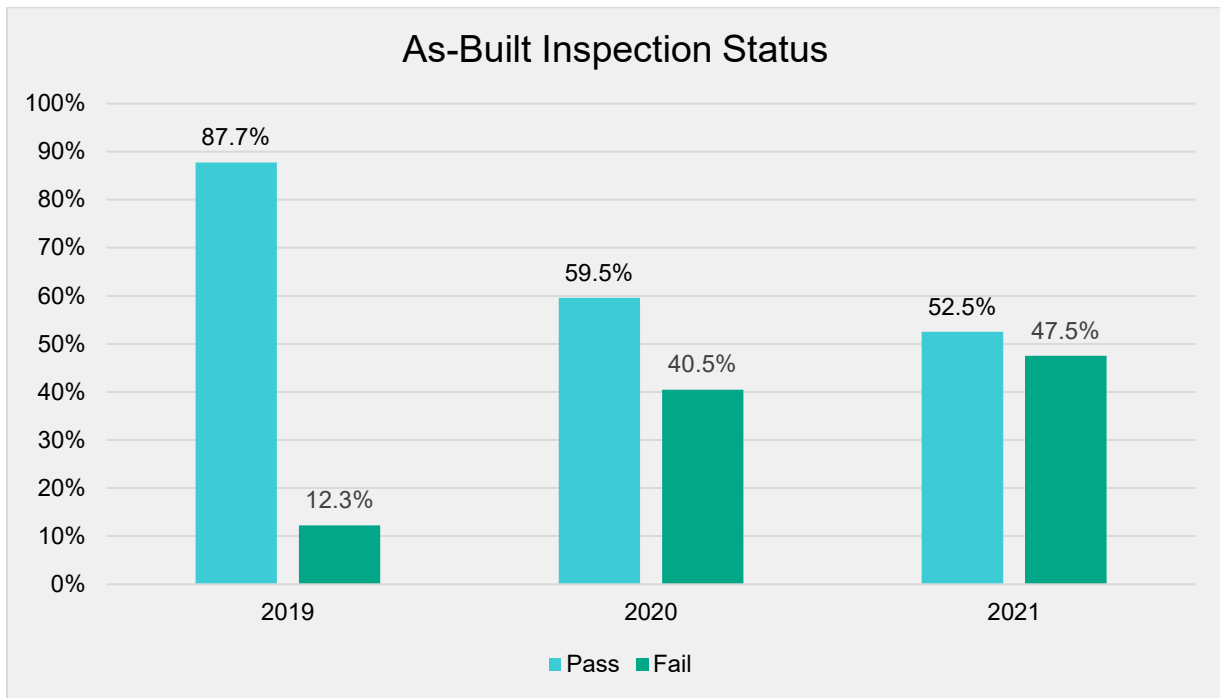


Figure 12: As-Built Inspection Status

As depicted in Figure 12, performance metrics can provide information on work volumes accomplished, the resources (time or money) necessary to accomplish this performance and impacts to operational performance. The value of the measures lies not just in communicating where the organization is, but also where the organization needs to move, or what areas need additional research to understand changes in performance.

Recommendation 16: Review and incorporate regular performance reporting in contracts for outsourced services.

Local government can apply a variety of resources to meet operating demands, as discussed in Recommendation 5. A government may elect to use in-house staff as the service provider with costs measured by allocated salaries and benefits. An alternative could involve shared services with another unit of government with an agreement to reimburse the providing government through an intergovernmental agreement (contractual service) for the services provided. A third approach involves contracting for the service from an outside provider under a variety of contracting scenarios.

The City of Lake Elmo has made significant and consistent use of the third approach using contracted services provided by an outside provider for a variety of service needs. Some of these contractual arrangements supporting community development in the City include the following:

- **Agreement for Building Inspection and Building Official Services – MNSPECT, LLC**
 - Provide an individual who meets statutory qualifications to serve as a Designated Building Official
 - Perform plans examination services for all eligible permit applications
 - Perform all requested field inspections
 - Prepare and provide inspection records and other necessary information

- Inspector shall complete all permit and plan reviews for applications related to residential properties within ten (10) days of receipt of complete submittals
- Inspector shall complete all permit and plan reviews for applications related to commercial properties within fifteen (15) days of receipt of a complete submittal
- **Landscape Architecture Services Agreement – Wenck Associates, Inc.**
 - On a work order basis, services will include studies and reports, plan review, preparation of design standards and policies of the City, design, preparation of working drawings and specifications, construction administration and construction observations, mapping, preparation of cost estimates, and other related tasks.
- **Professional Engineering Services and General Consulting Services – FOCUS Engineering, Inc.**
 - Serve as the designated “City Engineer” to perform professional engineering services as directed by the City Council and under the direction of the City Administrator
 - Provide assistance on day-to-day matters acting as the City Engineer
 - Attend meetings of the City Council or other committees to address engineering matters
 - Participate in internal and external meetings involving engineering questions and issues
 - Act as City liaison and representative with other communities and county, state, and federal agencies
 - Respond to and address constituent requests and issues
 - Provide engineering services, including:
 - Preparation of studies and reports, designing, and preparation of working drawings and specifications
 - Construction administration and construction observations, utility mapping, and maintaining engineering records and correspondence
 - Preparing cost estimates, capital improvement planning, and department budgeting
 - Maintaining the Municipal State Aid System
 - Maintaining the MS4 NPDES Permit
 - Providing engineering support to other City departments and guiding and overseeing the design and construction of public infrastructure systems through private development projects
 - Preparing requests for proposals, assisting with selecting outside professional services consultants for certain projects, and managing the professional services contracts
 - Other related tasks of a type normally associated with infrastructure and facility planning, design, construction, operations, and/or maintenance
 - Provide project engineering services on an hourly basis to support other departments including:
 - Permit and plan reviews (grading, site plans, CUP and PUD applications)
 - Reviewing development applications and plans for conformance with City standards
 - Meeting with developers and members of the public on proposed development projects
 - Guiding and overseeing the design and construction of public infrastructure through private development projects
 - Providing engineering support to the public works department as requested for maintaining the MS4 NPDES Permit, right-of-way applications, and overseeing the annual street maintenance projects
 - Preparing requests for proposals, and assisting with selected outside professional services consultants for certain projects, and managing the professional services contracts; and
 - Other related tasks

The City has relied on professional contracted services for a variety of reasons. Outside firms have been used to provide subject matter expertise beyond the current in-house staff capabilities to cost-effectively provide services only on an as-needed basis, and outside providers have acted to augment internal staff resources during periods of peak service demand or to cover during a staff position vacancy due to staff turnover.

Services are provided to the City to support the Building Department and the Planning & Zoning Department through formal contracts for service. While these contracts sufficiently cover required elements such as scope of services, project contacts, rates and compensation, and liability, the contracts do not include provisions for regular, required performance reporting.

As discussed in Recommendation 15, the City has identified a strategic priority around developing relevant performance metrics in order to apply them to management decisions and improved organizational performance. This focus is also reflected in the current initiative to complete regular City department reviews (including this project) that will result in recommendations for improvement as well as recommendations for performance metrics for each City area of operation.

Performance metrics and performance reporting are important tools supporting management and operations. Developing and incorporating these performance measures for services provided with in-house resources is an important starting point. However, the City does not have a current mechanism to support development of performance measures for services provided through contracts with outside vendors. Given the City's current and possible continued use of significant outside contract services, the City should include performance reporting as a service contract element with each outside provider.

Each service contract should include provisions for regular reporting of services provided within the reporting period and year-to-date. The services reported should be linked to associated costs requested for reimbursement in order to provide sufficient range and depth of information to identify both appropriate workload measures and efficiency measures. If the service is identified as providing support to reach an overarching outcome, the reporting should include information on progress towards that outcome.

Where the contracted services augment internal staff efforts, the required performance reporting should mirror the reporting developed internally providing measures of workload, efficiency, and outcome. This will allow the City to compare the relative services volumes provided and associated total and unit costs. This information can then be used to refine choices on sourcing these services to focus on the more effective approach generally (in-house or contract) as well as to identify specific service areas best provided by internal or contract services. Where contracted services are unique and do not augment internal staff efforts, the required performance reporting can be used to identify areas for improvement and provide additional information to consider alternative service providers if desired.

As with any performance reporting initiative, this effort will require some additional staff and management effort to develop the performance information accurately and consistently, as well as additional management resources to interpret and apply the information to management decision making. The City will also need to expand the initiative to contract services. This will require developing and including relevant performance measures and reporting requirements in contract documents with each vendor. The information developed will provide critical business intelligence regarding City services and the resources required to provide them. Judicious application of performance systems and reporting can provide value far more than the development and management costs.

Conclusion

This organizational assessment was undertaken to identify key focus areas for the community development function in Lake Elmo necessary to improve service delivery. The report provides guidance on organizational and staffing needs, financial management and resource administration, operational business processes in both the Building Department and the Planning & Zoning Department, and performance measurement and reporting. The recommendations in this report were developed to support the City's desire to move away from past practices and support continued planned development in the community.

The recommendations were developed to address issues from the perspective of current City policies, practices, and operations. Implementation of these recommendations will move the City forward to make meaningful and impactful change. The challenge for the City is acknowledging that achieving systemic change as communicated by the Council will require changes to the way the organization identifies its role in the community and how it provides services to the public. These recommendations set a course for the City to develop real solutions that will position the community for continued growth and success.

The City of Lake Elmo is fortunate to be staffed with a core group of key staff. Using this report as a guide, the City can further improve its operations and services as it responds to changing community resources and demands.

APPENDIX A:

SAMPLE POSITION DESCRIPTIONS

Town of Payson Job Description

Position Title: **Assistant Building Official**

FLSA Classification: **Non-Exempt**

Pay Grade: **62**

Department: Community Development

Reports To: Chief Building Official

Approved By:

The fundamental reason this classification exists is to direct the activities of a major division of the Community Development Department, including coordination of field and office work in the enforcement of construction regulations. Work involves reviewing building plans, site plans, construction documents, inspection reports and development proposals for compliance with applicable Town codes and ordinances and issuing related permits. Supervision is exercised over staff working in various sections that are responsible for inspecting buildings, reviewing plans and issuing construction permits. Work assignments are very broad in scope and are performed with considerable independence.

GENERAL PURPOSE

Responsible for the administration and supervision of the day-to-day technical aspects of the Building Division. Manages highly complex and multi-disciplinary development services activities. Incumbents receive only nominal supervision and have substantial responsibility in working with staff and heads of other departments on problems relating to property development activities. Work assignments are very broad in scope and are performed with considerable independence. Work is performed under the direction of the Chief Building Official and is reviewed based on results obtained. This is the fifth of six classifications.

SUPERVISION EXERCISED

Responsible for supervision of field inspection and plan review staff within the Building Division and in the absence of the Chief Building Official is responsible for the supervision of all Building Division personnel.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Supervises and coordinates the activities and training of all personnel assigned to the division, as directed by the Chief Building Official;
- Assists in developing standards and procedures for the conduct of the division;
- Provides general guidance to the work program of the division and aids in interpreting policy;
- Acts as technical advisor to employees in solving difficult assignments and in reviewing the objectives, feasibility, and techniques of execution and resultant findings in their work;
- Assists in formulating division operating budget for review and approval of the Community Development Director;
- Assists in advising department management in the establishment of personnel policy;
- Participates in code development with appropriate agencies and jurisdictions;

- Assists in presenting the division's policies and positions in meetings, negotiations and communications with the public, citizen and industry groups, Town Manager, Mayor and town Council, the media and other public forums within assigned areas of authority;
- Participates in formulation of department policies, goals and objectives as a member of the senior management team;
- Acts as the Chief Building Official in their absence;
- Provides for the efficient operation of the field inspection staff;
- Responsible for the enforcement of building construction codes adopted by the Town;
- Coordinates building plan review to ensure reviews are performed consistent with division policies;
- Trains inspection and plan review staff;
- Ensure building division operations are effectively conducted in a professional timely manner;
- Provides assistance and information to the public regarding building matters through correspondence, interviews, presentation, reports and telephone calls;
- Prepares for the adoption, revision and new provisions of building codes as directed by the Chief Building Official;
- Works with other Town departments to ensure proper implementation of building policies;
- Demonstrates continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service.

PERIPHERAL DUTIES

- Performs other duties, which may be assigned from time to time.

MINIMUM QUALIFICATIONS

Education and Experience:

- High School Diploma or G.E.D certificate.
- Four (4) years experience in general construction and related fields.
- Minimum six (6) years experience within a building inspection department or private inspection agency.
- Two (2) years supervisory experience.
- Any equivalent combination of education and experience that provides the required skills and abilities for the position.

Certifications & Licenses:

- Must possess, or be able to obtain by the time of hire, a valid Arizona drivers license without record of suspension or revocation in any state.
- Plans Examiner certification from the International Code Council.
- Building Official certificate from the International Code Council, preferred. OR obtained within eighteen (18) months of appointment.

Knowledge, Skills and Abilities:

- Extensive knowledge of the principles and practices of Building plan review and inspections.
- Some experience in supervising building plan review and inspections.
- Extensive knowledge of local and State laws governing building construction, use and occupancy.

- Thorough knowledge of approved methods and materials used in building construction, including concrete, masonry, framing, plumbing, electrical, heating ventilation and cooling and allied construction work.
- Ability to establish effective working relationships with fellow staff members, contractors, designers, boards, Town Council and the general public.
- Ability to interpret complex construction plans and specifications.
- Ability to direct and supervise technical staff.
- Ability to conduct technical investigations and research in the area of building construction.
- Ability to manage the technical affairs of the Building Division.
- Ability to communicate effectively orally and in writing.
- Ability to work under stressful conditions with frequent interruptions.

Additional Requirements:

- Some positions may require the use of personal of Town vehicles on Town business. Individuals must be physically capable of operating the vehicles safely, possess a valid driver's license, and have an acceptable driving record. Use of a personal vehicle for Town business will be prohibited if the employee is not authorized town vehicle or if the employee does not have personal insurance coverage.
- Some positions may require the performance of other essential and marginal functions depending upon work location, assignment, or shift.

TOOLS AND EQUIPMENT USED

Personal computer, including word processing, and database software; calculator, copy and fax machine, phone, mobile or portable radio, automobiles telephones, ladder or scaffolding, and tape measure.

PHYSICAL DEMANDS

The Physical demands described herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

Work is performed mostly in office settings. Some outdoor work is required in the inspection of various land use developments and construction sites. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

The employee must occasionally lift and/or move twenty-five (25) pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus. The employee is occasionally required to stand, walk, sit, climb or balance, stoop, kneel, crouch, or crawl. The employee is occasionally required to use hands to finger, handle, grasp, feel and operate instruments or controls, and reach with hands and arms. Requires repetitive

movements standard in office related activities such as typing, sitting and standing, talking in person and via the telephone.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts in high, precarious places and is occasionally exposed to wet and/or humid conditions, or airborne particles.

The noise level in the work environment is usually moderately quiet in the office.

MENTAL ACTIVITIES

Reasoning: Ability to apply common sense understanding to carry out assigned duties. Ability to reason with a diversity of cultures and individuals and difficult conditions and often strong and vocal viewpoints.

Logic: Ability to perform basic skills, including organizational and process management.

Language/Communication: Demonstrable ability to communicate clearly and concisely orally and in writing. All job descriptions have been reviewed to ensure that only essential functions and basic duties have been included. Peripheral tasks, only incidentally related to each position, have been included. Requirements, skills and abilities included have been determined to be the minimal standards required to successfully perform the position. In no instance however, should the duties, responsibilities and requirements be interpreted as all-inclusive. Supervisors as deemed appropriate may assign additional functions and requirements.

In accordance with Americans with Disabilities Act, it is possible that requirements may be modified to reasonably accommodate disabled individuals. However, no accommodation will be made which may pose serious health or safety risks to the employee or others or which may pose undue hardships on the organization.

This job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the need of the employer and requirements of the job change.

Employee Signature

Date

Town of Payson Job Description

Position Title: **Senior Planner**

FLSA Classification: **Non-Exempt**

Pay Grade: **B14**

Department: **Planning and Development**

Reports To: **Planning and Development Director**

Approved By: _____

The fundamental reason this classification exists is to provide advanced analysis of technical data and major project work in the field of urban planning. Senior Planners are responsible for major planning functions or projects requiring combinations of skill in research, analysis, development, presentation, or interpretation of concepts and data pertaining to planning and implementation of plans. Work is performed with general instructions from a supervisor with considerable latitude for independent initiative and judgment. A Senior Planner is distinguished from a Planner by the size, complexity, creative demands, public relations problems, and independence of performance of assigned projects or functions.

GENERAL PURPOSE

To plan, review and implement the activities and operations for the effective enforcement of zoning regulations. To coordinate assigned activities with other Town departments and outside agencies. To provide highly responsible and complex administrative support to the Zoning Administrator and Community Development Director. This is the third of four classifications.

SUPERVISION EXERCISED

None.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Coordinate large processes such as application screenings, annexations, regulatory license requests, school district notifications, text amendments, and the preparation of interpretation letters;
- Reviews site and building plans for residential, commercial and industrial development to ensure compliance with zoning regulations;
- Provide staff assistance to the Planning and Zoning Commission and the Board of
- Adjustments when requested by the Zoning Administrator or Community development
- Director;
- May be requested to prepare and present staff reports and other necessary correspondence;
- Assists the Zoning Administrator with the address assignment program for new development and periodically reviews effectiveness of current addressing program;
- Provides direct customer service at the Community Development counter for inquiries regarding zoning regulations, application procedures and property information;
- Identifies violations of the zoning regulations through citizen complaint or drive by inspections and takes appropriate action to bring all violations into compliance;
- Compile and maintain information, documents, pictures and interviews for complaint case files;

- Confers with engineers, developers, architects, attorneys, property owners, consultants, agencies and the general public in acquiring information, coordinating department matters and discussions of Town requirements for proposed developments;
- Assist the Zoning Administrator in reviewing site plans for commercial and industrial developments to ensure compliance with Town zoning regulations;
- Assists with residential site plan reviews as needed;
- Assists the Zoning Administrator in reviewing applications for compliance and issues
- Temporary Use Permits (TUPs), tree permits and sign permits;
- Assists in monitoring the above permits after issuance;
- Assists the Zoning Administrator in reviewing business license applications to ensure compliance with the Town zoning regulations;
- Responds to and resolves complex and sensitive citizen inquiries regarding violations of the zoning regulations;
- Demonstrates continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service.

PERIPHERAL DUTIES

- Performs other duties, which may be assigned from time to time.

MINIMUM QUALIFICATIONS

Education and Experience:

- Bachelor's degree in Urban Planning, social sciences, law enforcement, or related field.
- Two (2) years experience working with zoning code enforcement programs, law enforcement programs, issuance of construction permits, or planning programs where various techniques and data analysis methods are used.
- Any equivalent combination of education and experience that provides the required skills and abilities for the position.

Certifications & Licenses:

- Must possess, or be able to obtain by the time of hire, a valid Arizona driver's license and have an acceptable driving record.

Knowledge, Skills and Abilities:

- Knowledge of Arizona State laws pertaining to zoning and subdivision of land.
- Skillful in the operation of computers, including word processing, photo processing and planning software.
- Knowledge of modern and complex principles and practices of planning and zoning code enforcement programs.
- Knowledge of modern theories, principles and practices of urban planning and development as applied to the preparation of designs, plans and specifications for development projects.
- Knowledge of land use principles and applicable redevelopment responsibilities.

- Knowledge of methods and techniques of effective report preparation and presentation to groups, committees, boards, and other organizations.
- Ability to establish effective working relationships with the general public, staff, and applicants for service.
- Ability to gain cooperation through discussion and persuasion.
- Ability to analyze problems, find alternate solutions, project consequences or proposed actions, and Implement recommendations in support of goals.
- Ability to identify and respond to Town Council and management issues and concerns.
- Ability to analyze and systematically compile technical and statistical information and prepare technical reports to include graphic displays.
- Ability to interpret, apply, and ensure project compliance with local, State and Federal rules, leas and regulations particularly pertaining to municipal planning and zoning
 - codes.
- Ability to clearly communicate in both written and verbal form.
- Ability to work under stressful conditions with frequent interruptions.

Additional Requirements:

- Some positions may require the use of personal of Town vehicles on Town business.
 - Individuals must be physically capable of operating the vehicles safely, possess a valid driver's license, and have an acceptable driving record. Use of a personal vehicle for Town business will be prohibited if the employee is not authorized town vehicle or if the employee does not have personal insurance coverage.
- Some positions may require the performance of other essential and marginal functions depending upon work location, assignment, or shift.

TOOLS AND EQUIPMENT USED

Personal computer, including word processing, database and planning software; calculator, copy and fax machine, phone, mobile or portable radio, automobiles telephones, digital camera, drafting equipment, measuring tapes, and scales (engineering and architectural).

PHYSICAL DEMANDS

The physical demands described herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

Work is performed mostly in office settings. Some outdoor work is required in the inspection of various land use developments and construction sites. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

The employee must occasionally lift and/or move twenty-five (25) pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus. The employee is occasionally required to stand, walk, sit, climb or balance, stoop, kneel, crouch, or crawl. The employee is occasionally required to use hands to finger, handle, grasp,

feel and operate instruments or controls, and reach with hands and arms. The employee is required to perform moderate lifting and to operate a motor vehicle. Requires repetitive movements standard in office related activities such as typing, sitting and standing, talking in person and via the telephone.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderately quiet in the office.

MENTAL ACTIVITIES

Reasoning: Ability to apply common sense understanding to carry out assigned duties. Ability to reason with a diversity of cultures and individuals and difficult conditions and often strong and vocal viewpoints.

Logic: Ability to perform basic skills, including organizational and process management.

Language/Communication: Demonstrable ability to communicate clearly and concisely orally and in writing. All job descriptions have been reviewed to ensure that only essential functions and basic duties have been included. Peripheral tasks, only incidentally related to each position, have been included. Requirements, skills and abilities included have been determined to be the minimal standards required to successfully perform the position. In no instance however, should the duties, responsibilities and requirements be interpreted as all-inclusive. Supervisors as deemed appropriate may assign additional functions and requirements.

In accordance with Americans with Disabilities Act, it is possible that requirements may be modified to reasonably accommodate disabled individuals. However, no accommodation will be made which may pose serious health or safety risks to the employee or others or which may pose undue hardships on the organization.

This job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the need of the employer and requirements of the job change.

Employee Signature

Date