



BAXTER CITY COUNCIL AGENDA

Tuesday, December 6, 2016

The regular meeting of the Baxter City Council will be held on Tuesday, December 6, 2016 at 7:00 p.m. at the Baxter City Hall, 13190 Memorywood Dr., Baxter, MN.

1. Call Meeting to Order

2. Roll Call

3. Pledge of Allegiance

4. Public Comments

Comments received from the public may be placed on a future meeting agenda for consideration.

5. Consent Agenda

The following items are considered non-controversial by staff and are recommended to be read and passed in one motion. Any council person, staff, citizen, or meeting attendee can request one or more items be pulled from the Consent Agenda and the item will be pulled and addressed immediately after the passage of the Consent Agenda; otherwise, the following items will be passed in one motion:

- A. Approve City Council Minutes from November 15, 2016 (pp. 3-8).
- B. Approve City Council Work Session Minutes from November 15, 2016 (pp. 9-10).
- C. Approve the Payment of Bills and Finance Report (Addendum A).
- D. Adopt Resolution 2016-095, Approving the 2017 Property Tax Levy of \$5,807,000 (pp. 14-68).
- E. Adopt Resolution 2016-096, Approving the 2017 Operating Budget of \$16,146,100 (pp. 14-68).
- F. Adopt Resolution 2016-097, Designating Buildings as Structurally Substandard within the City of Baxter's Development District No. 1 (pp. 69-71).
- G. Adopt Resolution 2016-098 Ordering Preparation of Report on the 2017 Excelsior Road Residential Improvement Project (pp. 72).

- H. Approve the Engagement Letter with CliftonLarsonAllen for the City's 2016 Audit (pp. 73-81).
- I. Approve Hildi Inc. Contract to Provide a Required OPEB Actuarial Valuation Study in Conjunction with GASB 45 and GASB 74 and 75 (pp. 82-88).
- J. Appoint Warming House Attendants for the 2016-2017 Season (pp. 89).
- K. Approve the \$3,600 Purchase of Thermal Night Vision System with Proceeds from the Drug Forfeiture Fund (pp. 90).
- L. Accept Parks and Trails Commission Minutes from November 28, 2016 (pp. 91-93).
- M. Accept Long Range Planning Commission Minutes from November 28, 2016 (pp. 94-97).
- N. Approve Amendment to Contract Number 45902 with the State of Minnesota regarding trail connections to the Paul Bunyan State Trail (pp. 98-113).
- O. Approve LHB Contract for Tax Increment Analysis (pp. 114-120).

6. Pulled Agenda Items

7. Other Business

- A. Adopt Resolution 2016-099 approving Comprehensive Plan Amendment to amend the City's Future Land Use Plan for property currently platted as Baxter Woods, located East of Forest Dr. and North/Northwest of the Gander Mountain property (pp. 121-122).
- B. Nominating Council Member to Serve on the NJPA Board of Directors (pp. 123-128).
- C. Roadside Tractor Mower Purchase (pp. 129-130).

8. Council Comments

- A. Quinn Nystrom
- B. Steve Barrows
- C. Todd Holman
- D. Mark Cross
- E. Darrel Olson

8. City Administrator's Report

9. City Attorney's Report

- A. Closed Session, Labor Negotiations, Minnesota Statute 13D.03

10. Adjourn

BAXTER CITY COUNCIL MINUTES
November 15, 2016

Mayor Darrel Olson, who led in the pledge to the flag, called the regular meeting of the Baxter City Council to order at 7:00 p.m.

COUNCIL MEMBERS PRESENT: Mayor Darrel Olson and Council Members Quinn Nystrom, Steve Barrows, Todd Holman and Mark Cross.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Interim City Administrator Kelly Steele, Community Development Director Josh Doty, Finance Director Jeremy Vacinek, Police Chief Jim Exsted, and Public Works Director Trevor Walter.

PUBLIC COMMENTS

No public comments were received.

CONSENT AGENDA

- A. Approve City Council Minutes from November 1, 2016.
- B. Approve City Council Work Session Minutes from November 1, 2016.
- C. Approve the Payment of Bills and Finance Report
- D. Accept the Utilities Commission Minutes from November 2, 2016.
 1. Approve the DeChantal Excavating Two Year Snow Removal Contract.
 2. Accept the Mattress Firm Development Project and release the InSite Development Bond No. 1137924 contingent on submittal of the as-built drawings.
 3. Approve the Northwoods Drive Development Traffic Study.
 4. Approve the Fruth Property Site Plan Traffic Review as an amendment to the Excelsior Road Transportation Supplemental Traffic Analysis No. 2.
 5. Approve the street light request on the 90° corner of Franklin Drive.
 6. Approve the Dakota Supply Group Partial Pay Estimate No. 3 in the amount of \$100,362.13 for the 2016 Fixed Network Water Meter Replacement Project.
 7. Approve the Anderson Brothers Partial Pay Estimate No. 5 in the amount of \$30,070.21 for the 2015 Fairview Road Improvements Project.
 8. Approve the Bolton & Menk Agreement for Professional Engineering Services Fee Amendment Request for the 2016 Golf Course Drive Improvements Project in the increased amount of \$23,564.00.
 9. Approve the Anderson Brothers Change Order No. 3 in the increased amount of \$9,728.60 for the 2016 Golf Course Drive Improvements Project.
 10. Approve the Anderson Brothers Partial Pay Estimate No. 3 in the amount of \$277,237.85 for the 2016 Golf Course Drive Improvements Project.
 11. Approve the Bolton & Menk Proposal for Engineering Services for the 2017 Sealcoat Project in the not to exceed amount of \$43,000.00.
 12. Approve the Tri-City Paving Change Order No. 3 in the increased amount of \$5,417.50 for the 2016 Mill & Overlay, Full Depth Reclamation and Right Turn Lane Construction Project.

13. Approve the Tri-City Paving Final Pay Estimate No. 4 in the amount of \$48,935.79 for the 2016 Mill & Overlay, Full Depth Reclamation and Right Turn Lane Construction Project contingent on the roller marks on Cedardale Lane have been repaired.
14. Approve the R.L. Larson Excavating Change Order No. 4 in the increased amount of \$18,524.10 for the 2015 Dellwood Drive and Novotny Road, Inglewood Drive and Independence Road Improvements Project.
15. Approve the R.L. Larson Excavating Partial Pay Estimate No. 7 in the amount of \$59,112.12 for the 2015 Dellwood Drive & Novotny Road, Inglewood Drive and Independence Road Improvements Project.
16. Approve the WSN Proposal for Electrical Engineering Services for ARC Flash Evaluation for the City of Baxter Water and Sanitary Sewer Utilities in the Lump Sum of \$14,450.00.
17. Approve the WSN Agreement for Professional Services for the 2021 Inglewood Drive Railway Crossing STP Funding Assistance in the lump sum amount of \$2,450.00.
18. Approve the WSN Proposal for the 2017 Excelsior Road Feasibility Report from Inglewood Drive to Forest Drive in the Not to Exceed amount of \$9,880.00.
19. Approve the WSN Agreement for Professional Services for the 2016 Excelsior Road Roundabout Preliminary Survey in the Not to Exceed amount of \$14,750.00.
- E. Adopt Resolution 2016-087, Reauthorizing Membership in the 4M Fund.
- F. Accept Market Study Completed by Springsted.
- G. Authorize Execution of Special Assessment Agreement for Lots 1 thru 4 & 25 thru 27 Block 2 Johnson's Addition to Baxter.
- H. Elect Not to Waive the Monetary Limits on Municipal Tort Liability Established by State Statutes with the 2017 LMCIT Insurance Renewal.
- I. Accept Planning & Zoning Commission Minutes from November 9, 2016.

MOTION by Council Member Cross, seconded by Council Member Barrows to approve the Consent Agenda. Motion carried unanimously.

OTHER BUSINESS

CITY ADMINISTRATOR SEARCH PROCESS

Gary Weiers reviewed the posting of the City Administrator position and the next step in the process. The position profile had been updated, the timeline and process was reviewed. Mr. Weiers stated that no action needed to be taken on the interview process at tonight's meeting.

The posting of the City Administrator position will be in the middle of December and will run until the middle of January 2017. Mr. Weiers inquired on the enhancement of the department head input, formal interview and to provide some feedback.

PLANNING AND ZONING ACTIONS

Adopt Resolution 2016-091 approving a Preliminary and Final Plat of Mills Addition to Baxter and Resolution 2016-092 and Resolution 2016- 093 approving Conditional Use Permits for two principal uses on a single lot and joint access/parking/lighting, and Variances for: 1) drive isle and parking setbacks; 2) structure setbacks; and 3) impervious surface coverage for properties located at 14138, 14086 and 14114 Dellwood Drive

Community Development Director Doty reviewed the items associated with the preliminary and final plat for Mills Addition to Baxter. Mr. Doty explained this is a "paper plat" only, as no physical alterations to the property are proposed with this application. The plat will combine four lots into two

lots, creating one legal lot on which Mills GM will be located and one on which Mills Fleet Farm and Mills Gas Mart will be located.

Mill's Family Attorney Gary Edison gave a brief history as to why the subdivision is occurring with the sale of the Fleet Farm Store. Mr. Edison stated that the one condition on approval of the plat is problematic, which is the 2 hour fire rating on the outside storage racking system and he is currently working on with staff to resolve. WSN Architect Mike Anglin, representing with Mills Fleet Farm, stated that the company is looking forward to working with staff on these issues.

MOTION by Council Member Cross, seconded by Council Member Barrows to adopt Resolution 2016-091 approving a Preliminary and Final Plat of Mills Addition to Baxter and Resolution 2016-092 and Resolution 2016-093 approving Conditional Use Permits for two principal uses on a single lot and joint access/parking/lighting, and Variances for: 1) drive isle and parking setbacks; 2) structure setbacks; and 3) impervious surface coverage for properties located at 14138, 14086 and 14114 Dellwood Drive. Motion carries unanimously.

Adopt Resolution 2016-094 approving Conditional Use Permits for two drive-through businesses and for joint access/parking to allow the development of two, multi-tenant retail buildings named Northwoods Crossing located at 15146 Dellwood Drive and the adjacent vacant lot to the south

Community Development Director Doty reviewed the project location which is the former Wells Fargo site. The project area will have two drive-thru businesses and joint parking for two 6,000 square feet, multi-tenant retail buildings. The buildings are planned for a mix of service retail and restaurants. One building would be developed on the Wells Fargo building site and the second one will be constructed on the undeveloped lot next to Country Inn and Suites.

Mr. Doty stated that adding a new northerly access will need to be approved by Menards since the road, which the driveways access is actually a Menards' private driveway. Menards needs to be part of the conditional use permit for joint access.

WSB did a traffic study for the project area which looked at crash data and traffic volumes at the area and the main access point of Woida Road and Highway 371. The traffic analysis found the weekday morning and afternoon peak hours expected in 2018 will not exceed available turn lane storage or block driveways. Recommendations included restriping Dellwood Drive to add a center left-turn lane from Woida north to the Menards' access.

Culvers Representative David Liedl expressed concern for the access, which lines up with Culver's drive aisle leading to its parking lot and drive-thru and increased traffic congestion. Mr. Liedl explained the morning traffic at the restaurant and with the existing traffic on any given day entails seeing a number of vehicles with trailers headed to or from the Menards' garden center and access to building materials.

Council Member Cross reviewed the Utilities Commission concerns and recommendations from the November 2, 2016 meeting. WSN Representative Chad Conner stated the Utilities Commission had an extensive conversation with regards to the traffic flow within the development and this layout seemed to be the best fit for traffic movement in the development area.

Council Member Barrows stated that this area will be congested since it is a very busy street. The design layout is probably the best that can be achieved in that particular area and certainly we want to have economic development but that will become a very congested spot in the city. Council Member Barrows said those leaving the new development using the north access by Culver's who want to turn left may also see a problem.

Mr. Doty stated that if the council was interested in right of way for a future right turn it may want to add that language. Mayor Olson stated that having six businesses going in there is great to have the economic development but when the traffic movement fails it will be back on the city.

Mayor Olson wanted to make sure that everything has been thought through. He certainly wants to see the development but expressed the concerns of the neighboring businesses. Council Member Barrows said one thought was to see if Menards would be interested in making the street a one-way but that wasn't part of the discussion to this point.

Bradford Northwoods Development owner Bill Bradford stated that he hoped the council would take into consideration the economic impact to the community and to the county as well. Everyone has worked very hard in coming up with a site plan that makes sense and that makes best use of both of the lots. Mr. Bradford stated that from the renditions and the drawings, this development is going to be a great addition.

Council Member Holman stated this is an infill project in the city and meets the zoning codes on all fronts and was adapted with conditions. He felt the City had done its due diligence and the findings support approval of the project.

MOTION by Council Member Holman, seconded by Council Member Barrows to adopt Resolution 2016-094 approving Conditional Use Permits for two drive-through businesses and for joint access/parking to allow the development of two, multi-tenant retail buildings named Northwoods Crossing located at 15146 Dellwood Drive and the adjacent vacant lot to the south. Motion carried unanimously.

Discussion: Council Member Cross asked if the easement for the right turn lane was enough or if there should be a note that if the right turn lane was needed the developer would pay for it. Council Member Holman stated the resolution he is approving includes the right-turn lane; however, Council Member Cross said his concern was when the lane needed to be constructed, who would pay for it.

Approve architectural plans for Northwoods Crossing located at 15146 Dellwood Drive

Community Development Director Doty gave a brief review of the architectural plans for the proposed development. Mr. Doty had no concerns and recommended approval of the plans.

MOTION by Council Member Cross, seconded by Council Member Nystrom to approve architectural plans for Northwoods Crossing located at 15146 Dellwood Drive. Motion carried unanimously.

Approve revised architectural plans for HJ Development located at 13499 Elmwood Drive, South of Costco

Community Development Director Doty gave a brief review of the revised architectural plans for the HJ Development on Elmwood Drive. Mr. Doty had no concerns and recommended approval of the plans.

MOTION by Council Member Barrows, seconded by Council Member Nystrom to approve revised architectural plans for HJ Development located at 13499 Elmwood Drive, South of Costco. Motion carried unanimously.

ACCEPT THE ABSTRACT OF VOTES CAST IN THE PRECINCTS OF BAXTER FOR THE ELECTION HELD NOVEMBER 8, 2016 AND DECLARE THE RESULTS OF THE ELECTION

Interim Administrator Steele presented the abstract of votes for the precincts of Baxter from the November 8, 2016 election.

MOTION by Council Member Barrows, seconded by Council Member Nystrom to accept the Abstract of Votes Cast in the Precincts of Baxter for the election held November 8, 2016 and declare the results of the election. Motion carried unanimously.

CERTIFICATION OF DELINQUENT UTILITY BILLS, INVOICES AND NUISANCE ABATEMENTS

Finance Director Vacinek explained the Council has before them a list of delinquent utility bills, invoices, and abatement charges that are 90 days past due. Typically, the city certifies the delinquent charges twice per year. The Council is required to hold a public hearing before adopting the assessments.

Mayor Olson opened the public hearing at 7:08 p.m. There was no one present to speak to the matter and the public hearing was closed at 7:08:15 p.m.

MOTION by Council Member Holman, seconded by Council Member Nystrom to adopt Resolution 2016-088, Adopting Assessments for Unpaid Delinquent Utility Bills, Invoices, and Abatement Charges. Motion carried unanimously.

SALE OF \$2,310,000 G.O. IMPROVEMENT BONDS, SERIES 2016

Finance Director Vacinek reviewed the sale of the Series 2016 Improvement Bond in order to finance the costs incurred to construct the projects in 2016. Moody's Investors Service has reaffirmed the Aa3 rating to the 2016 bonds and on the City's existing outstanding debt.

There were five (5) bidders on the bond sale and the United Bankers Bank of Bloomington was the low bidder. The finance department will be sending out revised record of assessments to show savings on interest.

MOTION by Council Member Cross, seconded by Council Member Holman to adopt Resolution 2016-089, Providing for the Issuance and Sale of \$2,310,000 General Obligation Improvement Bonds, Series 2016. Motion carried unanimously.

MOTION by Council Member Cross, seconded by Council Member Holman to adopt Resolution 2016-090, Setting Special Assessment Terms and Interest Rate on 2016 Improvement Projects. Motion carried unanimously.

COUNCIL COMMENTS

Quinn Nystrom - Update on community health board. Extended her congratulations to the three gentlemen on their re-election and to the continuation of serving the residents of Baxter. Cuyuna Medical Center is doing a free event at the Northland Arboretum with regards to diabetes.

Steve Barrows – Congratulations to the re-elected council members. Thanked Officer Huntley for her assistance with a recent incident.

Todd Holman – It has been an honor and privilege to serve the residents and thank you for allowing me to continue to serve.

Mark Cross – Thanked everyone who voted. Big things to going to happen and he is very glad to be a part of it.

Darrel Olson – Thanked everyone who voted and the council tries very hard to do it right. Mayor Olson read a Proclamation for the Salvation Army for the 2016 Brainerd Lakes Salvation Army Bell Ringer Season.

MOTION by Council Member Nystrom, seconded by Council Member Barrows to proclaim November 18 through December 24, 2016, as Brainerd Lakes Salvation Army Bell Ringer Season. Motion carried unanimously.

CITY ATTORNEY REPORT

Closed Session, Labor Negotiations, Minnesota Statute 13D.03

City Attorney Person asked council to go into a closed session to discuss labor negotiations.

MOTION by Council Member Cross, seconded by Council Member Nystrom to enter into a closed session at 8:10 p.m.

Mayor Olson opened the regular meeting at 8:37 p.m.

City Attorney stated it was the consensus of the City Council to continue with the ongoing labor negotiations, no conclusions.

ADJOURNMENT

MOTION by Council Member Holman, seconded by Council Member Barrows to adjourn at 8:38 p.m. Motion carried unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Mary Haugen
Administrative Assistant

BAXTER CITY COUNCIL MINUTES
Work Session
November 15, 2016

Mayor Darrel Olson called the Work Session to order at 5:30 p.m.

COUNCIL MEMBERS PRESENT: Mayor Darrel Olson, Council Members Quinn Nystrom, Steve Barrows, Todd Holman and Mark Cross.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Interim City Administrator Kelly Steele, Community Development Director Josh Doty, Finance Director Jeremy Vacinek, Police Chief Jim Exsted, and Public Works Director Trevor Walter.

2018 CYPRESS DRIVE PROJECT LAYOUT REVIEW

SEH Consulting Engineer Hedlund reviewed the proposed 2018 Cypress Drive Project layout which included trails and walks, intersection control on Cypress Drive and College Road, Super One Foods parking lot layout and Fairview Road reconfiguration, utility extensions and existing truck sanitary sewer in the Cypress Drive corridor south of T.H. 210.

Council Member Holman discussed having year round accessibility from the apartment complex to Super One. The Paul Bunyan Trail in the winter becomes a snowmobile trail and thought should be given to this trail connection to the apartment complex.

Mr. Hedlund reviewed the proposed watermain loop to the Alano building. The trunk sewer line was installed in late 1970's and consideration should be given to televise this line.

Mr. Hedlund reviewed the proposed roundabout at Excelsior Road. SEH is currently updating the traffic analysis and is looking at roundabout at Cypress Drive and College Road; however, the study is not completed. Mr. Hedlund stated he would like to know if the council has any strong feelings about a roundabout, stop lights, or stop signs until traffic counts increase. Council Member Cross felt there should be a 4-way stop sign; otherwise you are entering onto College Road. Mr. Hedlund stated that the traffic numbers support the proposed layout.

The Utilities Commission will be reviewing the layout at their December meeting. Mayor Olson inquired if the traffic and environmental numbers would be available at that time. Mr. Hedlund stated this information would be available at the commission meeting.

Council Member Holman stated the Industrial Park Project in 2005 had street lights and will this section of Cypress Drive have lighting? Mr. Hedlund stated the plan is to install lighting along the corridor and intersections.

Mr. Hedlund gave a brief review of the storm water pond placement but did not go into detail since they are working on the specifics.

Public Works Director/City Engineer Walter inquired if there will be lighting at the $\frac{3}{4}$ access at Golf Course due to trail access and Mr. Hedlund stated there will be lighting at the access. Council Member Holman inquired if MnDOT would consider train warning lights for pedestrians. Mr. Hedlund will look into this matter.

Council members were in favor of the concept plan and would like both roundabouts to be four (4) lanes.

2017 EXCELSIOR ROAD/FAIRVIEW ROAD/EDGEWOOD DRIVE IMPROVEMENTS PROJECT SCHEDULE

City Consulting Engineer Welch gave an overview of the project and the items necessary to complete the project. Mr. Welch reviewed the tight project schedule and a public informational meeting could be held in December for the commercial property owners.

Council consensus was to move forward with the project.

2017 BUDGET DISCUSSION

Finance Director Vacinek reviewed the 2017 general, special revenue, capital project, and enterprise fund budgets. Finance Director Vacinek stated that no rate adjustments are proposed at this time in either the water or sewer enterprise funds for the monthly charges or availability charges. Year to date water sales are 2.02% lower than the same time last year.

Sewer sales year to date are up 1.63% compared to the same time last year; however, gallons billed by BPU are 4.53% higher than the same period last year. An estimated 1% growth in revenues from 2016 projections for water and sewer based on new connections is being utilized for 2017.

A 5% increase in the storm water rates is being recommended for 2017. The utility does not have the financial flexibility experienced by the water and sewer funds. This is in part due to the lack of an availability charge component on new construction, the amount of revenue generated annually, while stable, is significantly less than water and sewer, and the fund is relatively new compared to the others. Additional pressure on the fund is added by continued state and federal mandates and the need to replace the roadside tractor mower. Even with the proposed rate adjustment, the projected \$269,900 deficit for 2017 exceeds the depreciation figure of \$207,400. The one-time capital outlays for estimated improvements to Excelsior Road and the replacement of the tractor mower comprise of a majority of the deficit.

Within the governmental funds, the actual employee insurance premium rates were allocated to the various departments. To balance the general fund budget, the \$1,600 of savings was allocated to the contingency account. In the capital equipment fund, \$2,000 for improvements to replace the conference room video presentation equipment was added. The obsolete and non-functioning projector and computer equipment are in need of replacement. Funding is being recommended from the existing IT replacement charges in the capital equipment fund.

ADJOURNMENT

MOTION by Council Member Cross, seconded by Council Member Barrows to adjourn at 6:56 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Mary Haugen
Administrative Assistant

REQUEST FOR COUNCIL ACTION

12/06/16

Department Approval: Finance Director Vacinek  **Agenda Section:** Consent
Approval Required: Simple Majority Vote of the Council

Items Description: Adopt Resolution 2016-095 Approving the 2017 Property Tax Levy of \$5,807,000
Adopt Resolution 2016-096 Approving the 2017 Budget of \$16,146,100

BACKGROUND

City Staff, under the direction of the council, has prepared the 2017 Annual Budget and Property Tax Levy for the council's approval. The 2017 Budget process began with a council and staff work session on July 5, 2016, followed by an August 30 work session where the proposed governmental fund revenues and expenditures were reviewed and discussed with additional discussions throughout September to November occurring as necessary. The preliminary levy and governmental funds budget were approved by the council at its September 20, 2016 meeting.

The 2017 preliminary levy was set at \$5,807,000, a \$72,400 or 1.26% increase from 2016. The proposed final levy is recommended at the same \$5,807,000. The proposed increase represents only the fifth increase in the levy since 2009; three other years had decreases or remained flat. Last year's levy increase was 2.37%.

On October 26 and November 15, presentations of the water, sewer, and storm water enterprise fund budgets and their respective cash flows, along with an initial discussion of the revised capital improvement plan were reviewed and discussed. No rate adjustments were recommended for the water and sewer enterprise funds and a small adjustment for the storm water enterprise fund was proposed. It was noted enterprise revenue projections will continue to be monitored to ensure the funds are sound.

On Monday, December 5, 2016, the informational meeting to review the proposed budget and property tax levy will be held with the public. This required meeting is in lieu of the previously required Truth-in-Taxation public hearing and provides residents with the opportunity to ask questions and comment on the proposed budget and levy. Included in the council packet is a copy of the final 2017 Budget for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds recommended for approval. If you have any questions regarding the budget, please feel free to contact Finance Director Vacinek.

FINANCIAL IMPLICATIONS

The financial implications of adopting the 2017 Property Tax Levy and the 2017 Budget are outlined in the 2017 Budget included in the council packet and have been discussed at various prior council budget work sessions and council meetings. In addition, the budget and levy will be reviewed at the December 5, 2016 Public Informational Meeting.

Proposed revenues included in the 2017 Budget are \$14,941,800, net of internal transfers. The proposed property tax levy of \$5,807,000 represents the most significant portion of the overall 2017 Budget's revenues, followed by charges for services at \$3,436,700. Charges for services are primarily general fund administrative charges to other funds, enterprise fund utility bill charges, building permit plan reviews fees, and planning and zoning fees. Budgeted revenues are based upon current fees in place on the city's fee schedule. Modifications to the fee schedule may impact these figures. Revenues from the city's local option sales, use, and motor vehicle excise taxes sales at \$2,509,000 is the third largest revenue source in the 2017 Budget.

The proposed expenditures for the 2017 Budget are \$16,146,100, net of internal transfers. In comparison, the expenditures of the current 2016 Amended Budget are \$17,350,200, net of internal transfers. Of the overall \$1.2 million decrease in expenditures in the 2017 Budget, annual debt service payments declined \$981,100 due to the reduction in city debt, the early call of the 2007B G.O. Improvement Bonds, and \$910,500 for the one-time automatic meter reading installation project in the water fund. These reductions are partially offset by an \$183,900 increase in the general fund for operations, \$251,300 increase in the street replacement capital project fund for pavement management, and \$180,300 increase storm water enterprise fund.

Excluding transfers, overall expenditures are projected to exceed revenues by \$1.2 million for 2017. A majority of the difference is due to the overall expenditures in the city's governmental debt service funds and water enterprise debt service fund exceed revenues by \$2.0 million, as a result of the timing of when special assessment revenues and sales tax receipts are collected versus when debt service is paid. This variance along with variances in the city's enterprise funds due to depreciation not being fully covered, are partially offset by other funds.

STAFF RECOMMENDATIONS

Finance Director Vacinek recommends approval of the 2017 General, Special Revenue, certain Capital Project Funds, Debt Service Funds, and Enterprise Funds Budget and the final levy for 2017 as presented.

COUNCIL ACTION REQUESTED

- Motion approving Resolution 2016-095, establishing a total 2017 property tax levy of \$5,807,000.
- Motion approving Resolution 2016-096, approving the 2017 General Fund, Special Revenue Funds, certain Capital Project Funds, Debt Service, and Enterprise Funds budget resolution in the amount of \$16,146,100.

EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF BAXTER, MINNESOTA

HELD: December 6, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Baxter, Minnesota, was duly called and held at the Baxter City Hall in said City on the 6st day of December, 2016 at 7:00 p.m.

The following members were present:

and the following were absent: .

Member ____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2016-095

RESOLUTION APPROVING 2016 TAX LEVY, COLLECTIBLE IN 2017
AND SUBMITTING THE PROPERTY TAX LEVY
ON REAL ESTATE TO THE CROW WING COUNTY AUDITOR

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

The City of Baxter, in compliance with Minnesota Statutes, is submitting to the Crow Wing County Auditor the following sums of money to be levied for the current year, collectible in 2017, upon the taxable real estate within the corporate limits of the City, for the following purposes:

Levy	Amount
Operating Levy	\$ 4,731,000
Debt Service Levy	<u>1,076,000</u>
Total Levy	\$ 5,807,000

The motion for the adoption of the foregoing resolution was duly seconded by Council Member ____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same: .

WHEREUPON, said resolution was declared duly passed and adopted on this 6th day of December 2016.

STATE OF MINNESOTA)
COUNTY OF CROW WING) ss
CITY OF BAXTER)

I, the undersigned, being the duly qualified and acting Clerk of the City of Baxter, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original minutes thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes of a meeting of the City Council of said City duly called and held on the date therein indicated insofar as such minutes relate to the adoption of the 2016 tax levy, collectible in 2017, and submitting the property tax levy on real estate to the Crow Wing County Auditor in said City.

WITNESS my hand as such Clerk of said City this 6th day of December, 2016.

Kelly Steele
Interim City Administrator/City Clerk

EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF BAXTER, MINNESOTA

HELD: December 6, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Baxter, Minnesota, was duly called and held at the Baxter City Hall in said City on the 6th day of December, 2016 at 7:00 p.m.

The following members were present:

and the following were absent: .

Member ____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2016-096

RESOLUTION APPROVING THE 2017 ANNUAL BUDGET
FOR THE CITY OF BAXTER

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

The City of Baxter’s General, Special Revenue, select Capital Project Funds, Debt Service, and Enterprise Funds Budget for 2017 in the amount of \$16,146,100 by hereby accepted and approved.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same: .

WHEREUPON, said resolution was declared duly passed and adopted on this 6th day of December 2016.

STATE OF MINNESOTA)
COUNTY OF CROW WING) ss
CITY OF BAXTER)

I, the undersigned, being the duly qualified and acting Clerk of the City of Baxter, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original minutes thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes of a meeting of the City Council of said City duly called and held on the date therein indicated insofar as such minutes relate to the adoption of the 2017 annual budget for the City of Baxter.

WITNESS my hand as such Clerk of said City this 6th day of December, 2016.

Kelly Steele
Interim City Administrator/City Clerk

CITY OF BAXTER, MN

2017 Annual Operating Budget

December 6, 2016

Table of Contents

2017 Annual Operating Budget

Section I – The City

Elected and Appointed Officials.....	01
Organizational Chart.....	02
Budget Calendar	03
Property Tax Levy	
Changes in Property Taxes by Fund	04
Detail of Debt Service Funds.....	04
Operating vs. Debt Service Levy.....	04
Estimated Tax Capacity with Growth and New Construction	05
New Construction by Class and Change in Market Value and Tax Capacity – Comparison of Prior Year to Current Year.....	05
Calculation of Levy for 2017 and 2017 Estimated Tax Capacity Rate Based upon the 2017 Annual Operating Budget	06
Estimated Impact of the 2017 Levy on Various Valued Properties Based upon No Change in Valuation.....	06
Estimated Impact of the 2017 Levy on Various Valued Properties with the Citywide Average Assessed Valuation Changes Included	07

Section II – Budget by Funds

All Funds – Revenues and Transfers In	01
All Funds – Expenditures and Transfers Out	02
General Fund (1001)	
Revenues.....	03
Expenditures	
General Government.....	04
Council.....	04
Administration.....	05
Finance	05
Legal	05
Information Systems (GIS).....	06
Public Works Administration	06
Police.....	07
Fire Protection	07
Streets.....	08
Street Lighting.....	08
Parks, Trails, and Grounds Maintenance.....	09
Recreation Programs	09
Operating Transfers to Other Funds	10
Cemetery Fund (2025)	11
Community Development Fund (2101)	
Revenues.....	12
Expenditures	
Planning	12
Building Inspection.....	13

Table of Contents (continued)

2017 Annual Operating Budget

Section II – Budget by Funds (continued)

Capital Parks Fund (2201)	14
Economic Development Fund (2501)	15
Lodging Tax Administration Fund (2595)	16
Sales Tax Collection Fund (2701)	17
Recycling Fund (2901)	18
Capital Equipment Fund (4701)	19
Collector Street Fund (4801).....	20
Street Replacement Fund (4851).....	21
Trail Construction and Maintenance Fund (4901)	22
Water Fund	
Water Operations Fund (6001).....	23
WAC Fund (6011).....	24
Water Debt Service Fund (6021).....	25
Sewer Fund	
Sewer Operations Fund (6501).....	26
SAC Fund (6515).....	27
Storm Water Fund (6801)	28
Debt Service Funds.....	29

Section III - Graphs

All Funds – Revenues by Category	01
All Funds – Expenditures by Department	02
All Funds – Expenditures by Function	03

Section IV – Supporting Document

Full-Time Equivalent Staff Positions by Department.....	01
Capital Equipment Program Budget by Department	02

Section I

The City

Elected and Appointed Officials

2017 Annual Operating Budget

Elected Officials

Mayor	Term of Office Expires*
Darrel Olson	2021
Council Members	
Steve Barrows	2019
Mark Cross	2021
Todd Holman	2021
Quinn Nystrom	2019

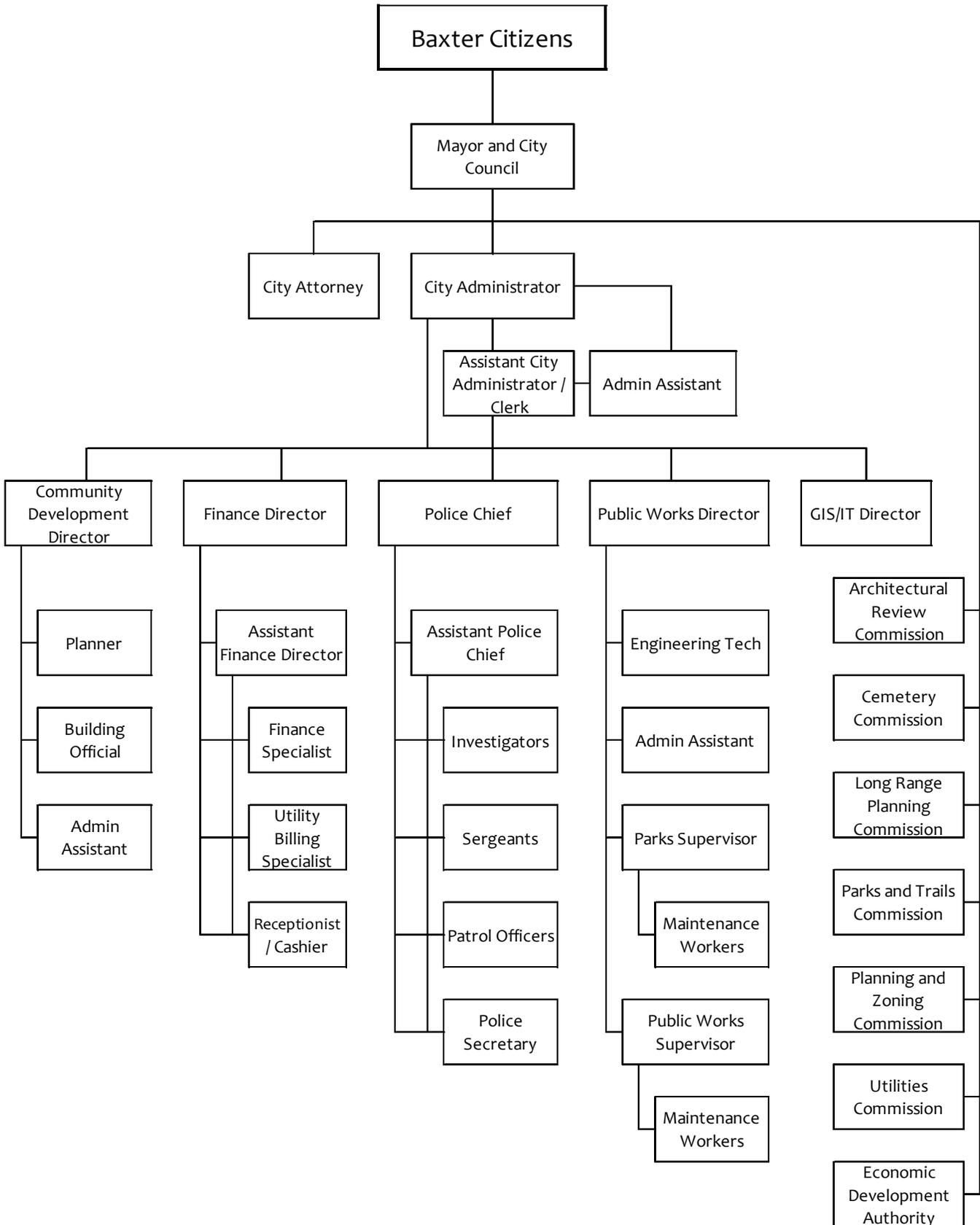
Appointed Officials

Interim City Administrator/Clerk	Kelly Steele
Community Development Director	Josh Doty
Finance Director	Jeremy Vacinek
GIS/IT Director	Todd DeBoer
Police Chief	James Exsted
Public Works Director	Trevor Walter

* Expires on the first official business day in January

Organizational Chart

2017 Annual Operating Budget



Budget Calendar

2017 Annual Operating Budget

Friday, July 1, 2016	Budget Packets Distributed to Departments
Tuesday, July 5, 2016 5:30 p.m. (prior to Council meeting)	Council Budget Work Session to Discuss 2017 Goals and Priorities, including 5-Year Capital Improvement Plan Initial Projects Proposed for 2017
Wednesday, July 20, 2016	Completed Department Budget Packets Returned to Finance
July 21 to August 29, 2016	Finance Assembly and Review of Initial Departmental Submittals Finance/Administration Meeting with Departments to discuss Proposed Budget Determine Initial 2017 Spending Targets and Preliminary Operating Levy & Debt Service Levy (the levies may not be increased after September 30 th)
Tuesday, August 30, 2016 6:00 p.m.	City Council Budget Work Session to Review and Discuss 2017 Governmental Funds Budgets, Proposed Property Tax Levy, and 2017 CIP
August 31 to September 5, 2016	Finance/Administration Continued Review and Refinement of Proposed Budget
Tuesday, September 6, 2016 5:30 p.m. (prior to Council meeting)	City Council Budget Work Session to Review and Discuss 2017 Governmental Fund Budget (<i>Continuation Meeting, if necessary; additional meetings may be scheduled</i>)
Friday, September 16, 2016	Preliminary Governmental Funds Budget and Proposed Property Tax Levy Distributed to the City Council for Consideration
Tuesday, September 20, 2016 7:00 p.m.	City Council Meeting Council Approval of Preliminary Governmental Funds Budget and Levy (Levy can be decreased after this point, but not increased); Preliminary Levy must be certified to Crow Wing County and State of Minnesota by September 30th
September 21 to October 26, 2016	Administration and Finance Continued Review and Refinement of Proposed Budget and 5-Year CIP Meet with Department Heads to Formulate Proposed Budget Finance Department Prepares Final Draft of Proposed Budget
Wednesday, October 26, 2016 6:00 p.m.	Council Budget Work Session to Review Proposed Budget, including Introduction of Enterprise Funds Budgets and 5-Year CIP
Tuesday, November 1, 2016 5:30 p.m. (prior to Council meeting)	Council Budget Work Session to Review Proposed Budget, continued, if necessary (<i>additional meetings may be scheduled, if necessary</i>)
Tuesday, November 22, 2016	Final Budget Document Submitted to City Council
Monday, December 5, 2016 6:00 p.m.	Informational Meeting to Review the 2017 Budget and Property Tax Levy with Public Testimony
Tuesday, December 6, 2016 7:00 p.m. or shortly thereafter	Council Adoption of 2017 Final Budget, Levy and 5-Year Capital Improvement Plan

Highlighted dates represent proposed City Council meetings and/or work sessions to be held at Baxter City Hall, 13190 Memorywood Drive. Other meetings may be scheduled as determined necessary during the budget process

Property Tax Levy

2017 Annual Operating Budget

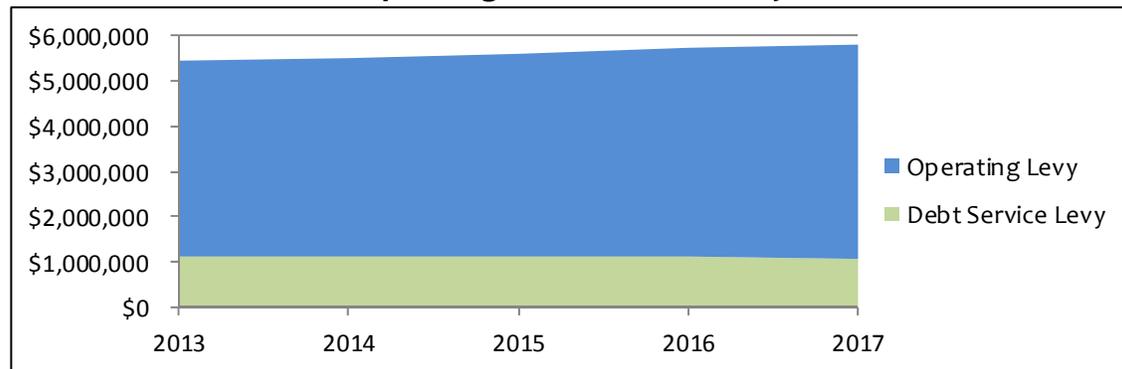
Changes in Property Taxes by Fund

Fund	2016 Approved Property Taxes	2017 Proposed Property Taxes	Increase (Decrease) Amount
General	\$ 4,088,800	\$ 4,154,000	\$ 65,200
Collector Street	337,000	387,000	50,000
Community Development	100,000	130,000	30,000
Capital Parks	14,400	7,300	(7,100)
Cemetery	4,600	9,600	5,000
Economic Development	31,000	37,900	6,900
Recycling	4,800	5,200	400
Trails Construction	28,000	-	(28,000)
Total Operating Levy	4,608,600	4,731,000	122,400
Debt Service	1,126,000	1,076,000	(50,000)
Total Operating and Debt Service Levies	\$ 5,734,600	\$ 5,807,000	\$ 72,400

Detail of Debt Service Funds

Bond Issue	Initial Levy Required	WAC/SAC	Net Levy Required
G.O. Refunding Bonds 2010 (04/05B)	\$ 260,000	\$ -	\$ 260,000
G.O. Refunding Bonds 2013A (06A/06B portion)	238,200	(50,000)	188,200
G.O. Improvement Bonds 2014	178,900	-	178,900
G.O. Improvement Bonds 2015	448,900	-	448,900
Total	\$ 1,126,000	\$ (50,000)	\$ 1,076,000

Operating vs. Debt Service Levy



Property Tax Levy (continued)

2017 Annual Operating Budget

Estimated Tax Capacity with Growth and New Construction

	2015	2016	2017*
Gross Net Tax Capacity	\$ 10,914,233	\$ 11,216,217	\$ 12,029,303
Less: JOBZ Value**	(18,956)	(18,150)	-
Less: Tax Increment Value	(385,003)	(468,037)	(479,155)
Net Tax Capacity for Operating Levy (Overall)	\$ 10,510,274	\$ 10,730,030	\$ 11,550,148
Gross Net Tax Capacity	\$ 10,914,233	\$ 11,216,217	\$ 12,029,303
Less: Tax Increment Value	(385,003)	(468,037)	(479,155)
Net Tax Capacity for Debt Levy	\$ 10,529,230	\$ 10,748,180	\$ 11,550,148
Change in Net Tax Capacity Over Prior Year (Overall)	\$ 419,982	\$ 219,756	\$ 820,118
NTC Overall Rate	53.281%	53.426%	50.277%
NTC JOBZ Rate (D/S Only)	10.695%	10.476%	9.316%

*The 2017 Net Tax Capacity is estimated based upon figures available from Crow Wing County (CWC) as of November 15, 2016. The figures are subject to change until the final figures are certified after year end, including potential legislative impacts on the 2016 assessment, 2017 payable year. Tax Increment values (current projected estimates) are deducted from initial tax capacity to calculate the taxable tax capacity. Parcels with JOBZ benefits are exempt from the City Revenue property tax levy, but not from debt service levy revenue. CWC determines a Net Tax Capacity Rate and a JOBZ Rate.

** The Minnesota JOBZ program expired in 2016.

New Construction by Class and Change in Market Value and Tax Capacity Comparison of Prior Year to Current Year

	2015 New Construction*		2016 New Construction*	
	Market Value	Est. Tax Capacity	Market Value	Est. Tax Capacity**
New Construction Class				
Residential Homestead	\$ 1,468,350	\$ 14,684	\$ 1,523,550	\$ 15,236
Residential Non-Homestead & Other	853,650	8,537	1,331,750	13,318
Residential Non-Homestead 4+	7,248,400	90,605	8,880,400	111,005
Commercial	5,319,800	79,797	3,446,000	51,690
Industrial	-	-	-	-
Totals	\$ 14,890,200	\$ 193,622	\$ 15,181,700	\$ 191,248

*2015 and 2016 Market Value and Est. Tax Capacity Figures for individual construction classes were current as of the same period (prior to the Local Board of Appeal and Equalization), are based upon conservative CWC estimates, and have not been updated individually to reflect finalized figures for the individual classes; however, the actual tax capacities are included in the county's calculation of overall tax capacity. The purpose of this table is to compare for illustrative purposes only the current year's new construction added to the following year's tax base and estimated tax capacity with the new construction and estimated tax capacity added in the prior year.

**Conservative estimates utilizing lowest class rate multiplier applied to CWC market value estimates; does not account for the new market value potentially being included in a tax increment financing district

Property Tax Levy (continued)

2017 Annual Operating Budget

Calculation of Levy for 2017 and the 2017 Estimated Tax Capacity Rate Based upon the 2017 Annual Operating Budget

	2017 Annual Operating Budget
General Fund Expenditures	\$ 5,134,300
General Fund Non-Levy Revenue	980,300
Net General Fund Levy Required	\$ 4,154,000
Other Funds Levies	\$ 577,000
Debt Service Levies	1,076,000
Net Levy	\$ 5,807,000
Tax Cap Rate (Overall)* - Preliminary Estimate for 2017	50.277%
Prior Year's Actual Tax Cap Rate (Overall)	53.217%
Change in Tax Capacity Rate (Overall)	-2.940%

*Tax capacities and rates are estimated and subject to change with the final CWC certification based upon factors identified earlier.

Estimated Impact of the 2017 Levy on Various Valued Properties Based upon No Change in Valuation

The following table provides a comparison for certain Baxter homes and smaller commercial/industrial properties from 2016 to 2017 based on legislative, budget, and voter approved changes for the City of Baxter portion only. **The figures do not reflect a change in valuation.**

	2016 City Taxes	2017 City Taxes	Change 2016-17
\$76,000 Residential Property	\$ 244	\$ 229	\$ (15)
\$175,000 Residential Property	820	772	(48)
\$250,000 Residential Property	1,257	1,183	(74)
\$500,000 Commercial Property	4,942	4,651	(291)

Property Tax Levy (continued)

2017 Annual Operating Budget

Estimated Impact of the 2017 Levy on Various Valued Properties with the Citywide Average Assessed Valuation Changes Included

The following table provides a comparison for certain Baxter homes and smaller commercial/industrial properties from 2016 to 2017 based on legislative, budget, and voter approved changes for the City of Baxter portion only. **The figures reflect an across the board average 4.93% increase in existing residential valuations and average 5.48% increase in existing commercial/industrial valuations**, based upon data provided by Crow Wing County in the 2015 Year-End and 2016 Fall Abstracts.

	2016 City Taxes	2017 City Taxes	Change 2016-17
\$76,000 Residential Property Increased to \$79,747	\$ 244	\$ 250	\$ 6
\$175,000 Residential Property Increased to \$183,628	\$ 820	\$ 819	\$ (1)
\$250,000 Residential Property Increased to \$262,325	\$ 1,257	\$ 1,250	\$ (7)
\$500,000 Commercial Property Increased to \$527,400	\$ 4,942	\$ 4,926	\$ (16)

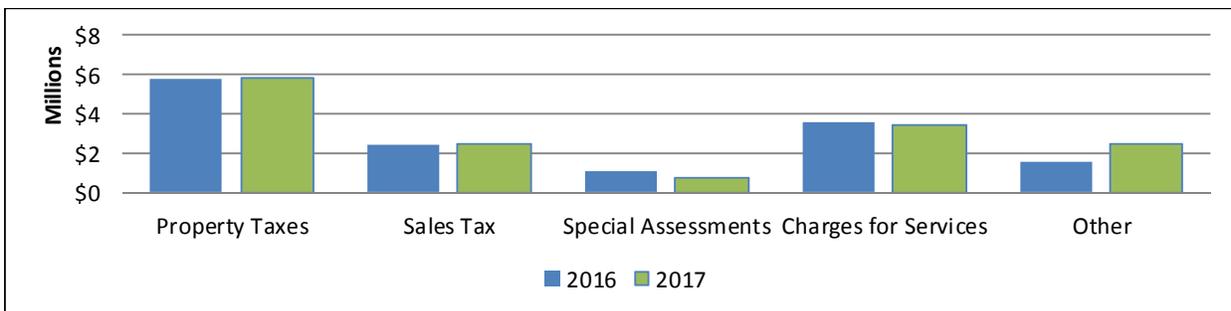
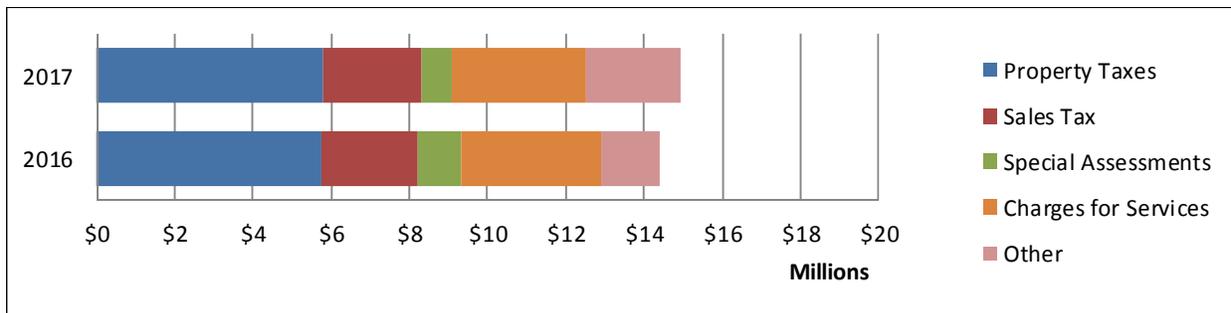
Section II

Budget by Funds

All Funds – Revenues and Transfers In

2017 Annual Operating Budget

	2016 Amended	2017 Operating	Increase / (Decrease)	
	Budget	Budget	\$	%
Property Taxes	\$ 5,744,600	\$ 5,815,000	\$ 70,400	1%
Lodging Tax	349,200	349,600	400	0%
Sales Tax	2,450,000	2,509,000	59,000	2%
Franchise Fees	92,000	604,000	512,000	557%
Special Assessments	1,136,200	741,900	(394,300)	-35%
Licenses/Permits	237,800	214,600	(23,200)	-10%
Intergovernmental	351,300	354,400	3,100	1%
Charges for Services	3,550,100	3,436,700	(113,400)	-3%
Fines & Forfeits	73,000	61,500	(11,500)	-16%
Interest	234,800	270,200	35,400	15%
Other	198,300	584,900	386,600	195%
Total Revenues Before Transfers	14,417,300	14,941,800	524,500	4%
Transfers In	2,958,500	1,932,400	(1,026,100)	-35%
Total Revenues and Transfers In	17,375,800	16,874,200	(501,600)	-3%



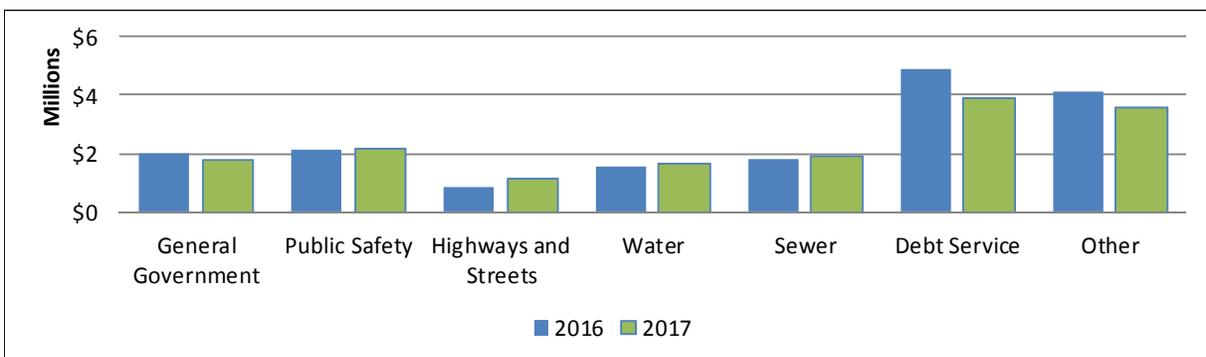
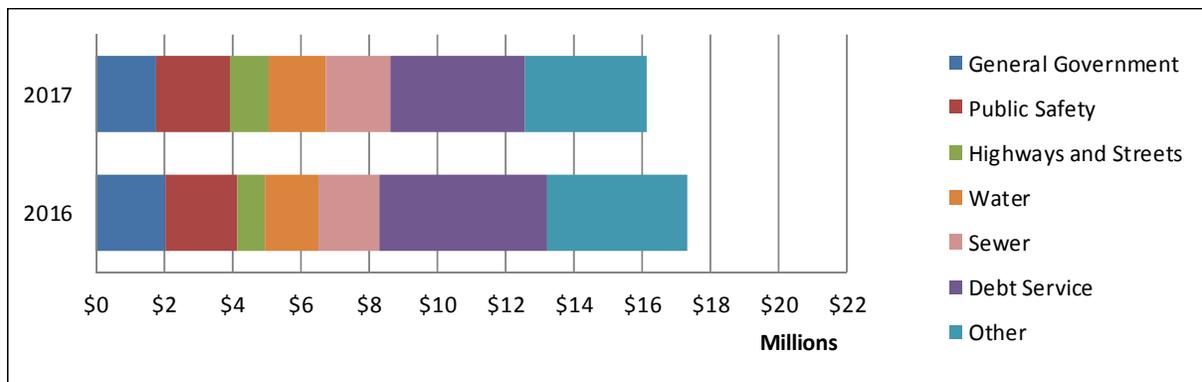
Charts exclude transfers

All Funds – Expenditures and Transfers Out

2017 Annual Operating Budget

	2016 Amended	2017 Operating	Increase / (Decrease)	
	Budget	Budget	\$	%
General Government	\$ 2,035,400	\$ 1,768,300	\$ (267,100)	-13%
Public Safety	2,102,700	2,176,000	73,300	3%
Highways and Streets	818,700	1,148,900	330,200	40%
Sanitation	665,600	48,000	(617,600)	-93%
Culture and Recreation	63,900	708,100	644,200	1008%
Economic and Community Development	740,700	1,202,700	462,000	62%
Water	1,553,700	1,648,300	94,600	6%
Sewer	1,782,300	1,889,400	107,100	6%
Storm Water	379,900	453,700	73,800	19%
Capital Outlay	2,295,500	1,173,800	(1,121,700)	-49%
Debt Service	4,911,800	3,928,900	(982,900)	-20%
Total Expenditures Before Transfers	17,350,200	16,146,100	(1,204,100)	-7%
Transfers Out	2,958,500	2,020,000	(938,500)	-32%
Total Expenditures and Transfers Out	20,308,700	18,166,100	(2,142,600)	-11%

Net Revenues Over/(Under) Expenditures including Transfers	\$ (2,932,900)	\$ (1,291,900)
Net Revenues Over/(Under) Expenditures excluding Transfers	\$ (2,932,900)	\$ (1,204,300)



*Other expenditures includes: Sanitation, Culture and Recreation, Economic and Community Development, Storm Water, and Capital Outlay.
Charts exclude Transfers.

General Fund Revenues

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended	2017 Proposed
Property Taxes	\$ 4,448,690	\$ 4,618,600	\$ 4,739,000
Franchise Fees	97,278	92,000	210,000
Special Assessments	9,199	8,100	8,100
Licenses, Permits, and Fees	53,778	42,800	41,900
Intergovernmental Revenue	173,177	118,300	124,100
Charges for Services	436,818	395,300	398,000
Fines and Forfeits	76,281	73,000	61,500
Gifts and Contributions	1,500	-	-
Investment Earnings	40,166	38,500	43,700
Change in Fair Value of Investments	2,289	-	-
Other	103,249	81,000	85,000
Transfers In	231,080	-	-
Total Revenues	\$ 5,673,505	\$ 5,467,600	\$ 5,711,300

Highlights:

- Proposed property tax levy of \$5,807,000 (increase of \$72,400), is comprised of the following:
 - \$1,076,000 levied for Debt Service as a special levy (decrease of \$50,000 from 2016; increased Collector Street levy by \$50,000 in order to lessen future debt service burden from upcoming projects)
 - \$4,731,000 levied for operations: \$4,154,000 for General Fund operations and \$577,000 for other funds supported by a property tax levy
- \$8,000 budgeted for penalties and interest related to the late payments of prior years' property taxes (included in the Property Taxes above)
- \$374,900 Allocated Administration from other funds for central supplies, insurance, finance, IS support and equipment, and other services
- \$97,000 cable franchise fees (2/5 or 40% to ISD 181)
- \$113,000 electric franchise fees to pay for street light operations
- \$61,500 budgeted for court fines
- \$8,200 for school liaison program
- \$119,200 budgeted for police-related state aid programs

General Fund Expenditures

2017 Annual Operating Budget

Expenditures

General Government

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	-	-	-
Personnel Services	\$ 900	\$ 14,200	\$ 1,100
Supplies	6,231	9,600	9,000
Services and Charges	204,654	289,000	333,200
Total Expenditures	\$ 211,785	\$ 312,800	\$ 343,300

Highlights:

\$38,800 for Lakes Media Cable Public Access Channels (2% Franchise Fees)

\$17,000 funding to Senior Center (\$2,000 requested increase), \$5,330 to Initiative Foundation (\$130 requested increase), \$8,000 to 4th of July Fireworks

\$107,000 for property and liability insurance, an estimated \$2,000 increase

\$3,000 funding for Dial-A-Ride

\$19,000 City Hall building maintenance

\$26,600 budgeted for 0.50% of General Fund expenditures to maintain reserves, protect bond rating, and to cover unanticipated expenditures and potential revenue reductions.

Council

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	5.00	5.00	5.00
Personnel Services	\$ 30,416	\$ 31,800	\$ 31,800
Supplies	-	-	1,300
Services and Charges	5,589	5,600	6,100
Transfers Out	-	2,800	3,000
Total Expenditures	\$ 36,005	\$ 40,200	\$ 42,200

Highlights:

\$1,300 to upgrade Microsoft Office software on tablets

General Fund Expenditures (continued)

2017 Annual Operating Budget

Administration

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	2.50	2.50	2.50
Personnel Services	\$ 313,888	\$ 333,100	\$ 344,000
Supplies	1,784	3,500	5,700
Services and Charges	12,885	21,100	18,600
Transfers Out	2,900	2,800	2,900
Total Expenditures	\$ 331,457	\$ 360,500	\$ 371,200

Highlights:

\$7,000 for human resource consulting services

Finance

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	4.00	4.00	4.00
Personnel Services	\$ 358,900	\$ 383,300	\$ 384,900
Supplies	9,400	13,700	15,200
Services and Charges	16,699	21,700	21,600
Transfers Out	4,000	3,800	4,000
Total Expenditures	\$ 388,999	\$ 422,500	\$ 425,700

Highlights:

\$8,200 for auditing services within general fund

Legal

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	-	-	-
Services and Charges	\$ 40,971	\$ 46,000	\$ 46,000

Highlights:

\$20,000 for City Attorney and specialized counsel

\$26,000 for prosecuting attorney

General Fund Expenditures (continued)

2017 Annual Operating Budget

Information Systems (GIS)

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	1.00	1.00	1.00
Personnel Services	\$ 105,080	\$ 118,900	\$ 121,400
Supplies	14,105	22,000	18,100
Services and Charges	6,458	9,200	9,000
Debt Service	25,000	-	-
Transfers Out	1,200	1,100	1,200
Total Expenditures	\$ 151,843	\$ 151,200	\$ 149,700

Highlights:

\$6,700 for an intern – GIS and surveying tasks

\$4,500 for backup and consulting services

\$16,600 for GIS and various citywide network software annual maintenance

Public Works Administration

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	2.50	2.50	2.50
Personnel Services	\$ 253,224	\$ 267,400	\$ 273,000
Supplies	2,214	6,100	9,100
Services and Charges	21,378	10,700	12,300
Transfers Out	5,700	5,600	5,800
Total Expenditures	\$ 282,516	\$ 289,800	\$ 300,200

Highlights:

\$2,000 for a color scanner

\$2,900 annual funding for future vehicle acquisition/replacement in capital equipment fund (anticipate replacing truck in 2017)

\$5,000 for general engineering services

General Fund Expenditures (continued)

2017 Annual Operating Budget

Police			
	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	15.00	15.00	15.00
Personnel Services	\$ 1,379,569	\$ 1,447,700	\$ 1,485,400
Supplies	59,783	73,100	92,900
Services and Charges	91,922	80,500	77,400
Capital Outlay	-	10,000	-
Transfers Out	81,500	81,300	82,300
Total Expenditures	\$ 1,612,774	\$ 1,692,600	\$ 1,738,000

Highlights:

\$27,000 for fuel, reduction from \$38,000 current budget

\$35,100 for minor equipment, including \$17,000 for body/squad cameras

\$20,600 for animal control

\$11,000 for the K-9 program, including a new dog and increased cost for the overlapping time of two K-9s

\$64,000 annual funding for future squad car replacements in capital equipment fund (anticipate replacing two in 2017)

Fire Protection			
	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	-	-	-
Services and Charges	\$ 297,674	\$ 313,300	\$ 308,400

Highlights:

Contract with the City of Brainerd reflects a 1.6% decrease from 2016

General Fund Expenditures (continued)

2017 Annual Operating Budget

Streets			
	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	2.04	2.04	2.04
Personnel Services	\$ 182,256	\$ 193,400	\$ 192,000
Supplies	104,338	131,400	129,200
Services and Charges	206,211	231,100	243,000
Capital Outlay	2,100	10,400	-
Transfers Out	87,200	42,800	43,600
Total Expenditures	\$ 582,105	\$ 609,100	\$ 607,800

Highlights:

- \$17,000 for fuel, reduction from \$21,000 current budget
- \$60,000 for salt and sand
- \$20,000 for street sign replacement
- \$27,000 for contract plowing, reduction from \$35,000 current budget
- \$31,000 for striping
- \$55,000 for crack sealing, increase from \$51,000 current budget
- \$75,000 for miscellaneous street improvements, maintenance, and repairs, including: shoulders (\$40,000), polypatching (\$15,000), and bituminous patching (\$20,000), increase from \$65,000 current budget
- \$3,000 for public works facility LED lighting upgrade (\$14,600 total project funded by streets, parks, water, sewer, and storm water departments)
- \$5,500 for public works facility pressure wash and painting inside walls and ceiling (\$27,400 total project funded by streets, parks, water, sewer, and storm water departments)
- \$30,900 for future vehicle and equipment acquisition/replacement in capital equipment fund (anticipate adding additional Public Works maintenance truck for 2015 employee addition)
- \$10,000 allocated for future civil siren replacements

Street Lighting			
	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	-	-	-
Supplies	\$ -	\$ -	\$ 12,500
Services and Charges	32,171	42,400	100,500
Total Expenditures	\$ 32,171	\$ 42,400	\$ 113,000

Highlights:

- Reflects implementation of franchise fee funding of street lighting
- \$12,500 allocated for the installation of new street lights
- \$79,000 for utilities and maintenance

General Fund Expenditures (continued)

2017 Annual Operating Budget

Parks, Trails, and Grounds Maintenance

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	5.00	5.00	5.00
Personnel Services	\$ 384,773	\$ 427,000	\$ 438,900
Supplies	50,434	77,600	70,800
Services and Charges	101,477	83,000	98,500
Capital Outlay	8,216	-	-
Transfers Out	46,700	48,600	48,600
Total Expenditures	\$ 591,600	\$ 636,200	\$ 656,800

Highlights:

- \$48,700 for seasonal employees to assist with maintenance of trails and parks
- \$25,000 for water and sewer utilities
- \$7,400 for repairs, including fencing, Whipple Beach fishing pier beam, and Southdale Park sign
- \$20,000 to repair basketball courts at Loren Thompson and Berrywood Parks
- \$3,000 for public works facility LED lighting upgrade (\$14,600 total project funded by streets, parks, water, sewer, and storm water departments)
- \$5,400 for public works facility pressure wash and painting inside walls and ceiling (\$27,400 total project funded by streets, parks, water, sewer, and storm water departments)
- \$47,600 for future vehicle and equipment acquisition/replacement in capital equipment fund

Recreation Programs

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	-	-	-
Services and Charges	\$ 31,000	\$ 31,200	\$ 32,000
Transfers Out	2,200	-	-
Total Expenditures	\$ 33,200	\$ 31,200	\$ 32,000

Highlights:

- Contract with ISD 181 Community Education to administer recreation programs, requested amount

General Fund Expenditures (continued)

2017 Annual Operating Budget

Operating Transfers to Other Funds

	2015 Actual	2016 Amended	2017 Proposed
Cemetery	\$ 4,600	\$ 4,600	\$ 9,600
Community Development	100,000	100,000	130,000
Capital Parks	3,900	14,400	7,300
Economic Development	30,000	31,000	37,900
Alcohol Seizure			
Recycling	6,900	4,800	5,200
Debt Service	-	-	-
Capital Equipment	66,400	-	-
Capital Projects	293,655	-	-
Collector Street	337,000	337,000	387,000
Street Replacement	174,200	-	-
Trails Construction	28,500	28,000	-
Total Transfers Out	\$ 1,045,155	\$ 519,800	\$ 577,000

Total General Fund Expenditures	\$ 5,638,255	\$ 5,467,600	\$ 5,711,300
--	---------------------	---------------------	---------------------

Net Revenues Over/(Under)			
Expenditures Contributed to Unassigned			
Fund Balance	\$ 35,250	\$ -	\$ -

Cemetery Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended	2017 Proposed
Investment Earnings	\$ 645	\$ 700	\$ 400
Change in Fair Value of Investments	42	-	-
Other	8,400	4,800	4,800
Transfers In	4,600	4,600	9,600
Total Revenues	\$ 13,687	\$ 10,100	\$ 14,800

Highlights:

\$9,600 transfer from the General Fund
 \$4,800 in operating revenues from plot sales
 Consider reviewing plot sale prices

Expenditures			
	2015 Actual	2016 Amended	2017 Proposed
Personnel Services	\$ 3,000	\$ 3,300	\$ 4,200
Supplies	17	2,800	2,800
Services and Charges	1,468	8,700	7,800
Total Expenditures	\$ 4,485	\$ 14,800	\$ 14,800

Highlights:

\$600 for cemetery commission funding
 \$2,000 for black dirt
 \$4,800 to repair fencing

Net Revenues Over/(Under) Expenditures	\$ 9,202	\$ (4,700)	\$ -
---	-----------------	-------------------	-------------

Community Development Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended	2017 Proposed
Special Assessments	\$ 36	\$ -	\$ -
Licenses, Permits, and Fees	162,465	195,000	172,700
Charges for Services	102,190	102,200	98,900
Fines and Forfeits	241	-	-
Investment Earnings	5,105	5,000	4,200
Change in Fair Value of Investments	351	-	-
Other	669	-	-
Transfers In	100,000	100,000	130,000
Total Revenues	\$ 371,057	\$ 402,200	\$ 405,800

Highlights:

\$130,000 transfer from the General Fund to the extent needed for Planning operations

\$242,600 budgeted for building, plumbing, mechanical, and electrical permits and plan review fees

Planning Expenditures			
	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	3.00	3.00	2.50
Personnel Services	\$ 211,911	\$ 273,500	\$ 250,100
Supplies	4,104	5,700	8,200
Services and Charges	24,700	65,100	55,600
Transfers Out	3,200	3,100	3,500
Total Expenditures	\$ 243,915	\$ 347,400	\$ 317,400

Highlights:

Reallocate 0.50 FTE Community Development Admin Assistant from Planning to Building Inspections

\$10,000 for zoning professional services

\$20,000 for a complete streets study

Community Development Fund

2017 Annual Operating Budget

Building Inspection Expenditures

	2015 Actual	2016 Amended	2017 Proposed
Employee Full-Time Equivalency (FTE)	1.00	1.00	1.50
Personnel Services	\$ 73,427	\$ 99,000	\$ 138,000
Supplies	3,859	26,900	10,900
Services and Charges	81,722	62,200	63,000
Transfers Out	1,700	1,600	5,500
Total Expenditures	\$ 160,708	\$ 189,700	\$ 217,400

Highlights:

Reallocate 0.50 FTE Community Development Admin Assistant to Building Inspections from Planning \$25,200 estimated for contracted electrical and building inspections

Total Fund Expenditures	\$ 404,623	\$ 537,100	\$ 534,800
-------------------------	------------	------------	------------

Net Revenues Over/(Under) Expenditures	\$ (33,566)	\$ (134,900)	\$ (129,000) *
--	-------------	--------------	----------------

*Fund balance deficit currently anticipated in the Community Development Special Revenue Fund. During the recession when building permit revenue plummeted and the corresponding fund balance hovered near zero, a minimum level of service was required and the special revenue fund was supported by the General Fund. The Community Development fund balance is stabilizing. The anticipated deficit represents approximately 24% of the fund balance. The fund will continue to be monitored, along with building permit related revenues.

Capital Parks Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Gifts and Contributions	\$ 6,000	\$ -	\$ -
Investment Earnings	7,433	3,000	1,500
Change in Fair Value of Investments	508	-	-
Other	65,768	37,500	-
Transfers In	3,900	14,400	7,300
Total Revenues	\$ 83,609	\$ 54,900	\$ 8,800

Highlights:

\$7,300 transfer from the General Fund

No park dedication fee revenues budgeted

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Supplies	\$ 28,624	\$ 33,400	\$ 42,900
Services and Charges	1,744	-	-
Capital Outlay	206,260	250,000	-
Total Expenditures	\$ 236,628	\$ 283,400	\$ 42,900

Net Revenues Over/(Under) Expenditures	\$ (153,019)	\$ (228,500)	\$ (34,100)
---	---------------------	---------------------	--------------------

Highlights:

\$3,000 for Loren Thompson Park ADA picnic table and bike rack and two garbage receptacles at other parks

\$35,600 for final safety netting work at Oscar Kristofferson Park

\$4,300 for Oscar Kristofferson Park scoreboard

Net Revenues Over/(Under) Expenditures	\$ (153,019)	\$ (228,500)	\$ (34,100)
---	---------------------	---------------------	--------------------

Economic Development Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Special Assessments	\$ 56,457	\$ 56,300	\$ -
Charges for Services	1,479	-	-
Investment Earnings	11,659	5,500	11,300
Change in Fair Value of Investments	686	-	-
Other	368,886	-	-
Transfers In	30,000	31,000	37,900
Total Revenues	\$ 469,167	\$ 92,800	\$ 49,200

Highlights:

\$37,900 transfer from the General Fund for BLAEDC contract and funding of EDA and Industrial Park activities

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Services and Charges	\$ 38,845	\$ 47,200	\$ 49,200

Highlights:

\$31,500 requested by BLAEDC for contracted economic development services (\$5,000 or 17.8% increase); 2016 funding is \$26,500; currently budgeted at \$28,500, a \$2,000 or 7.5% increase)

Net Revenues Over/(Under) Expenditures	\$ 430,322	\$ 45,600	\$ -
---	-------------------	------------------	-------------

Lodging Tax Administration Fund

2017 Annual Operating Budget

Revenues				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Lodging Tax	\$ 362,561	\$ 349,200	\$	349,600
Investment Earnings	200	-	-	-
Total Revenues	\$ 362,761	\$ 349,200	\$	349,600

Highlights:

\$349,600 forecasted Lodging Tax receipts

Expenditures				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Services and Charges	\$ 362,761	\$ 349,200	\$	349,600

Highlights:

\$332,100 to Visit Brainerd Lodging Association for marketing efforts (95%)

\$17,500 allocated to the General Fund for administration (5%)

Net Revenues Over/(Under) Expenditures	\$ -	\$ -	\$	-
---	-------------	-------------	-----------	----------

Sales Tax Collection Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Sales and Excise Tax	\$ 2,488,992	\$ 2,450,000	\$ 2,509,000
Investment Earnings	84,024	55,300	56,200
Change in Fair Value of Investments	5,752	-	-
Total Revenues	\$ 2,578,768	\$ 2,505,300	\$ 2,565,200

Highlights:

\$2,400,000 Local Option Sales Tax revenue forecasted, increase of \$80,000 over 2016

\$109,000 Motor Vehicle Excise Tax revenue forecasted, a decrease of \$21,000 over 2016

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Services and Charges	\$ 555,068	\$ 400,700	\$ 550,100
Transfers Out	2,549,330	2,158,800	1,066,000
Total Expenditures	\$ 3,104,398	\$ 2,559,500	\$ 1,616,100

Highlights:

\$60,100 for state and city administrative costs

\$490,000 estimated payment to Brainerd for airport revenue sharing agreement

Sales Tax Transfers include:

\$436,400 for 2007A debt service on water treatment plant

\$629,600 for 2009A and 2009B debt service for new wastewater treatment plant

Net Revenues Over/(Under) Expenditures	\$ (525,630)	\$ (54,200)	\$ 949,100
---	---------------------	--------------------	-------------------

Recycling Fund

2017 Annual Operating Budget

Revenues

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Intergovernmental Revenue	\$ 27,416	\$ 46,600	\$ 42,300
Charges for Services	276	200	300
Investment Earnings	275	-	200
Change in Fair Value of Investments	20	-	-
Transfers In	6,900	4,800	5,200
Total Revenues	\$ 34,887	\$ 51,600	\$ 48,000

Highlights:

\$42,300 estimated SCORE Grant funding based on Crow Wing County funding changes
 \$5,200 proposed transfer from General Fund to fund leaf program

Expenditures

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Services and Charges	\$ 35,114	\$ 46,800	\$ 48,000

Highlights:

\$42,300 for recycling contracts with garbage haulers, now based upon tonnage recycled
 \$5,200 for contracted leaf disposal and advertising

Net Revenues Over/(Under) Expenditures	\$ (227)	\$ 4,800	\$ -
--	----------	----------	------

Capital Equipment Fund

2017 Annual Operating Budget

Purpose:

- Provide a sinking fund for future capital equipment replacement purchases
- Attempts to smooth annual capital outlay expenditures for systematic replacement of capital equipment, including squad cars, public works, and parks vehicles

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Investment Earnings	\$ 8,601	\$ 5,600	\$ 6,300
Change in Fair Value of Investments	549	-	-
Other	6,400	-	-
Transfers In	339,300	229,900	239,300
Total Revenues	\$ 354,850	\$ 235,500	\$ 245,600

Highlights:

- \$53,600 IT/GIS funding in all departments for technology replacements
- \$64,000 Police vehicle replacement charges for future squad replacements
- \$2,900 Public Works Administration future truck replacements
- \$30,900 Streets vehicle replacement charges for future truck and equipment replacements
- \$10,000 Streets civil siren future replacements
- \$47,600 Parks vehicle/equipment replacement charges for future truck and equipment replacements

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Supplies	\$ 6,547	\$ 13,000	\$ 32,000
Capital Outlay	99,631	237,100	203,800
Total Expenditures	\$ 106,178	\$ 250,100	\$ 235,800

Highlights:

- \$30,000 citywide desktop computer replacements
- \$30,000 network infrastructure upgrades
- \$2,000 conference room video presentation equipment replacement
- \$30,000 Public Works Admin 2000 truck replacement
- \$37,500 new Public Works Maintenance truck addition
- \$84,800 Police squad car replacement (two)
- \$21,500 Parks and Streets replacement equipment, including: \$10,000 for a mower; \$11,500 for a utility vehicle/work cart

Net Revenues Over/(Under) Expenditures	\$ 248,672	\$ (14,600)	\$ 9,800
---	-------------------	--------------------	-----------------

Collector Street Fund

2017 Annual Operating Budget

Purpose:

- Provide a sinking fund for future collector street construction on a pay-as-you-go basis
- Minimizes the need to issue debt and levy for debt service for the City's share of project costs such as additional street width, lanes, and curb and gutter
- Provides an additional revenue source to leverage MSA for City collector streets

Revenues

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Special Assessments	\$ 1,244	\$ -	\$ -
Gifts and Contributions	3,138	-	-
Investment Earnings	45,111	24,000	30,700
Change in Fair Value of Investments	2,901	-	-
Transfers In	337,000	337,000	387,000
Total Revenues	\$ 389,395	\$ 361,000	\$ 417,700

Highlights:

\$387,000 transfer from General Fund property tax levy to fund 2018 Cypress Drive project, offset with \$50,000 reduction to the debt service levy

Expenditures

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Transfers Out	\$ 758,544	\$ -	\$ -
Total Expenditures	\$ 758,544	\$ -	\$ -

Net Revenues Over/(Under) Expenditures	\$ (369,149)	\$ 361,000	\$ 417,700
---	---------------------	-------------------	-------------------

Street Replacement Fund

2017 Annual Operating Budget

Revenues				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Franchise Fees	\$ -	\$ -	\$ 368,500	
Special Assessments	10,286	-	-	
Intergovernmental Revenue	120,496	118,000	124,000	
Investment Earnings	3,336	500	3,300	
Change in Fair Value of Investments	211	-	-	
Transfers In	174,200	-	-	
Total Revenues	\$ 308,530	\$ 118,500	\$ 495,800	

Highlights:

\$124,000 Municipal State Aid (MSA) funding for MSA Street Maintenance (25% of annual allocation)
 \$368,500 franchise fees for pavement management

Expenditures				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Services and Charges	\$ 194,831	\$ 220,400	\$ 471,700	
Total Expenditures	\$ 194,831	\$ 220,400	\$ 471,700	

Highlights:

\$471,700 sealcoating pavement management

Net Revenues Over/(Under) Expenditures	\$ 113,699	\$ (101,900)	\$ 24,100	
--	------------	--------------	-----------	--

Trail Construction and Maintenance Fund

2017 Annual Operating Budget

Purpose:

- Provide a sinking fund for future trail maintenance and reconstruction
- To provide a sinking fund for future trail construction by leveraging DNR and other grants with matching funds from this construction fund

Revenues

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Franchise Fees	\$ -	\$ -	\$ 25,500
Investment Earnings	3,652	2,500	2,500
Change in Fair Value of Investments	245	-	-
Transfers In	28,500	28,000	-
Total Revenues	\$ 32,396	\$ 30,500	\$ 28,000

Highlights:

\$25,500 franchise fees for pavement management

Expenditures

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Supplies	\$ 235	\$ -	\$ -
Services and Charges	30,678	30,500	25,000
Services and Charges	\$ 30,913	\$ 30,500	\$ 25,000

Highlights:

\$25,000 for maintenance and repairs, including: \$7,500 for crack sealing, \$2,500 for trail patching, and \$15,000 for sealcoating

Net Revenues Over/(Under) Expenditures	\$ 1,483	\$ -	\$ 3,000
---	-----------------	-------------	-----------------

Water Operations Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Charges for Services	\$ 1,344,990	\$ 1,290,400	\$ 1,331,900
Investment Earnings	46,743	32,400	38,200
Change in Fair Value of Investments	3,033	-	-
Other	674,796	-	-
Transfers In	-	-	-
Total Revenues	\$ 2,069,562	\$ 1,322,800	\$ 1,370,100

Highlights:

No rate adjustments proposed at this time; estimated 1% growth in revenues due to new water connections

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Employee Full-Time Equivalency (FTE)	2.33	2.33	2.33
Personnel Services	\$ 201,361	\$ 209,500	\$ 218,200
Supplies	93,782	112,600	108,700
Services and Charges	876,526	1,231,600	1,321,400
Transfers Out	19,600	14,100	15,100
Total Expenditures	\$ 1,191,269	\$ 1,567,800	\$ 1,663,400

Highlights:

\$29,100 professional services for equipment maintenance, water testing, water plant boiler service contracts and water plant programming

\$42,000 in chemicals

\$95,000 in electric utilities

\$30,000 for repairs to infrastructure, including \$5,000 for annual water treatment plant pond dredging

\$931,500 estimated depreciation

\$9,100 transfer out for future capital equipment funding

Net Revenues Over/(Under) Expenditures	\$ 878,293	\$ (245,000)	\$ (293,300)
Depreciation	826,114	858,300	931,500
Depreciation Coverage	1,030,161.90	613,300	638,200
Depreciation Coverage %	124.70%	71.46%	68.51%

WAC Fund

2017 Annual Operating Budget

Revenues

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Employee Full-Time Equivalency (FTE)	-	-	-
Charges for Services	\$ 378,933	\$ 218,300	\$ 302,100
Investment Earnings	3,948	3,200	3,400
Change in Fair Value of Investments	366	-	-
Other	817	-	-
Transfers In	23,288	1,100,000	-
Total Revenues	\$ 407,352	\$ 1,321,500	\$ 305,500

Highlights:

No rate adjustments proposed at this time; estimate 10 new residential and 40 new commercial units

Expenditures

	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Supplies	\$ 11,400	\$ -	\$ -
Services and Charges	728	-	-
Capital Outlay	23,684	1,100,000	189,500
Transfers Out	511,591	25,000	25,000
Total Expenditures	\$ 547,403	\$ 1,125,000	\$ 214,500

Highlights:

\$189,500 for the first phase of water treatment plant troughs project

\$25,000 transfer for 2013A Capital Improvement Plan Bonds

Net Revenues Over/(Under) Expenditures	\$ (140,052)	\$ 196,500	\$ 91,000
---	---------------------	-------------------	------------------

Water Debt Service Fund

2017 Annual Operating Budget

Revenues				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Investment Earnings	\$ 14,043	\$ -	\$ -	
Transfers In	477,469	433,700	436,400	
Total Revenues	\$ 491,512	\$ 433,700	\$ 436,400	

Highlights:

Transfer represents sales tax funded portion of 2013A (07A portion) debt service for the water treatment Plant

Expenditures				
	2015 Actual	2016 Amended Budget	2017 Proposed Budget	
Services and Charges	\$ 44	\$ -	\$ -	
Debt Service	4,223,248	693,300	691,500	
Total Expenditures	\$ 4,223,292	\$ 693,300	\$ 691,500	

Highlights:

2013A Refunding Bonds (2005C Portion):

\$215,000 bond principal

\$40,300 bond interest

2013A Refunding Bonds (2007A Portion):

\$375,000 bond principal

\$60,900 bond interest

Net Revenues Over/(Under) Expenditures	\$ (3,731,780)	\$ (259,600)	\$ (255,100)	
--	----------------	--------------	--------------	--

Sewer Operations Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Charges for Services	\$ 1,220,989	\$ 1,206,500	\$ 1,248,700
Investment Earnings	33,152	24,200	26,500
Change in Fair Value of Investments	2,161	-	-
Other	799,701	-	-
Total Revenues	\$ 2,056,003	\$ 1,230,700	\$ 1,275,200

Highlights:

No rate adjustments proposed at this time; estimated 1% growth in revenues due to new sewer connections

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Employee Full-Time Equivalency (FTE)	2.33	2.33	2.33
Personnel Services	\$ 197,076	\$ 209,500	\$ 217,500
Supplies	19,271	25,500	34,700
Services and Charges	1,489,118	1,547,300	1,637,200
Capital Outlay	-	58,000	-
Transfers Out	16,700	11,200	12,200
Total Expenditures	\$ 1,722,165	\$ 1,851,500	\$ 1,901,600

Highlights:

\$8,600 professional services for lift station and public works facility maintenance and SCADA support
 \$26,500 for electric utilities
 \$459,000 estimated sewer treatment charges
 \$908,500 estimated depreciation
 \$9,100 transfer out for future capital equipment funding

Net Revenues Over/(Under) Expenditures	\$ 333,838	\$ (620,800)	\$ (626,400)
Depreciation	845,921	870,100	908,500
Depreciation Coverage	385,248	249,300	282,100
Depreciation Coverage %	45.54%	28.65%	31.05%

SAC Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Investment Earnings	\$ 29,964	\$ 17,200	\$ 19,500
Change in Fair Value of Investments	2,059	-	-
Other	255,817	75,000	166,000
Transfers In	24,788	-	-
Total Revenues	\$ 312,628	\$ 92,200	\$ 185,500

Highlights:

No rate adjustments proposed at this time; estimate 10 new residential and 40 new commercial units

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Capital Outlay	\$ -	\$ 630,000	\$ 674,000
Transfers Out	541,893	25,000	25,000
Total Expenditures	\$ 541,893	\$ 655,000	\$ 699,000

Highlights:

- \$483,500 for reroute of Lift Station #3 project
- \$140,000 for rehabilitation of Lift Station #10 project
- \$24,000 for high flow pumps at Lift Station #2
- \$26,500 for SCADA PLC change out
- \$25,000 transfer for 2013A Capital Improvement Plan Bonds

Net Revenues Over/(Under) Expenditures	\$ (229,265)	\$ (562,800)	\$ (513,500)
--	--------------	--------------	--------------

Storm Water Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Charges for Services	\$ 321,866	\$ 337,200	\$ 358,900
Investment Earnings	6,762	3,200	3,700
Change in Fair Value of Investments	506	-	-
Other	513,681	-	27,000
Total Revenues	\$ 842,815	\$ 340,400	\$ 389,600

Highlights:

5% rate increase from \$0.0110 to \$0.0116 annually per square foot for commercial accounts; from \$26.52 to \$27.84 annually for residential accounts (\$2.21 to \$2.32 monthly)

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Employee Full-Time Equivalency (FTE)	0.30	0.30	0.30
Personnel Services	\$ 32,851	\$ 36,700	\$ 41,800
Supplies	9,845	15,700	15,200
Services and Charges	257,742	327,500	396,700
Capital Outlay	-	-	106,500
Transfers Out	386,406	11,100	99,300
Total Expenditures	\$ 686,844	\$ 391,000	\$ 659,500

Highlights:

\$8,900 ditch mowing operations (City labor)
 \$8,000 for engineering
 \$30,000 street sweeping contracts
 \$65,000 for storm water repair projects, including: \$18,000 for catch basin repairs, \$7,000 for MS4 compliance, \$20,000 for pond cleaning, and \$20,000 for techrete patching
 \$207,400 for depreciation
 \$106,500 for tractor mower replacement (less \$27,000 trade-in)
 \$9,100 transfer out for future capital equipment funding
 \$87,700 transfer for Excelsior Road improvements

Net Revenues Over/(Under) Expenditures	\$ 155,970	\$ (50,600)	\$ (269,900)
Depreciation	116,191	147,100	207,400
Depreciation Coverage	(242,727)	96,500	(62,500)
Depreciation Coverage %	-208.90%	65.60%	-30.14%

Debt Service Fund

2017 Annual Operating Budget

Revenues			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Property Taxes	\$ 1,121,370	\$ 1,126,000	\$ 1,076,000
Special Assessments	914,986	1,071,800	733,800
Intergovernmental Revenue	72,258	68,400	64,000
Investment Earnings	41,018	14,000	18,600
Change in Fair Value of Investments	2,541	-	-
Transfers In	670,847	675,100	679,700
Total Revenues	\$ 2,823,020	\$ 2,955,300	\$ 2,572,100

Highlights:

Transfers In from other funds:

\$74,000 from Sales Tax Fund for 2009A debt service related to wastewater capacity

\$555,700 from Sales Tax Fund for 2009B debt service related to wastewater capacity

\$50,000 from the WAC and SAC Funds for 2013 Refunding Bonds [portion related to 2006A G.O. Capital Improvement Bonds (for the public works facility)]

\$64,000 estimated rebate from the federal government for 2009B debt service interest related to wastewater capacity (Build America Bonds program)

Expenditures			
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
Services and Charges	\$ 1,550	\$ 2,000	\$ 2,200
Debt Service	6,529,351	4,216,500	3,235,200
Transfers Out	-	-	-
Total Expenditures	\$ 6,530,901	\$ 4,218,500	\$ 3,237,400

Highlights:

Debt service principal and interest payments on the City's outstanding debt

Net Revenues Over/(Under) Expenditures	\$ (3,707,881)	\$ (1,263,200)	\$ (665,300)
--	----------------	----------------	--------------

The 2016 G.O. Improvement Bonds were structured with the first debt service levy occurring in 2018.

Debt Service Fund

2017 Annual Operating Budget

Debt Service Levies by Fund

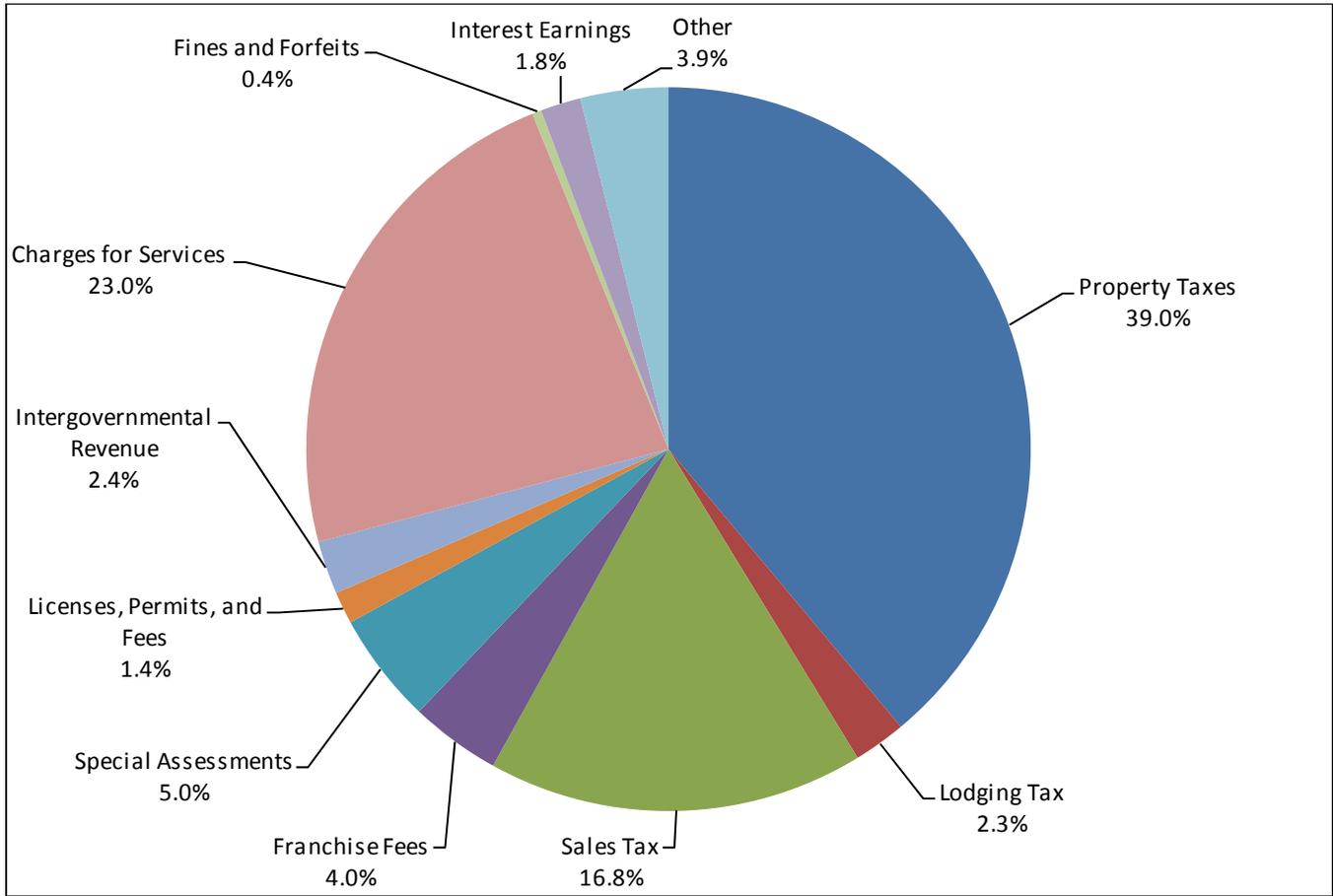
	2015 Actual	2016 Amended Budget	2017 Proposed Budget
G.O. Improvement Bonds 2007B	\$ 418,853	\$ 245,200	\$ -
G.O. Refunding Bonds 2010 (04/05B)	552,855	240,000	260,000
G.O. Refunding Bonds 2013A (06A/06B portion)	149,662	149,800	188,200
G.O. Improvement Bonds 2014	-	302,500	178,900
G.O. Improvement Bonds 2015	-	188,500	448,900
Total Debt Service Levies	\$ 1,121,370	\$ 1,126,000	\$ 1,076,000

Section III

Graphs

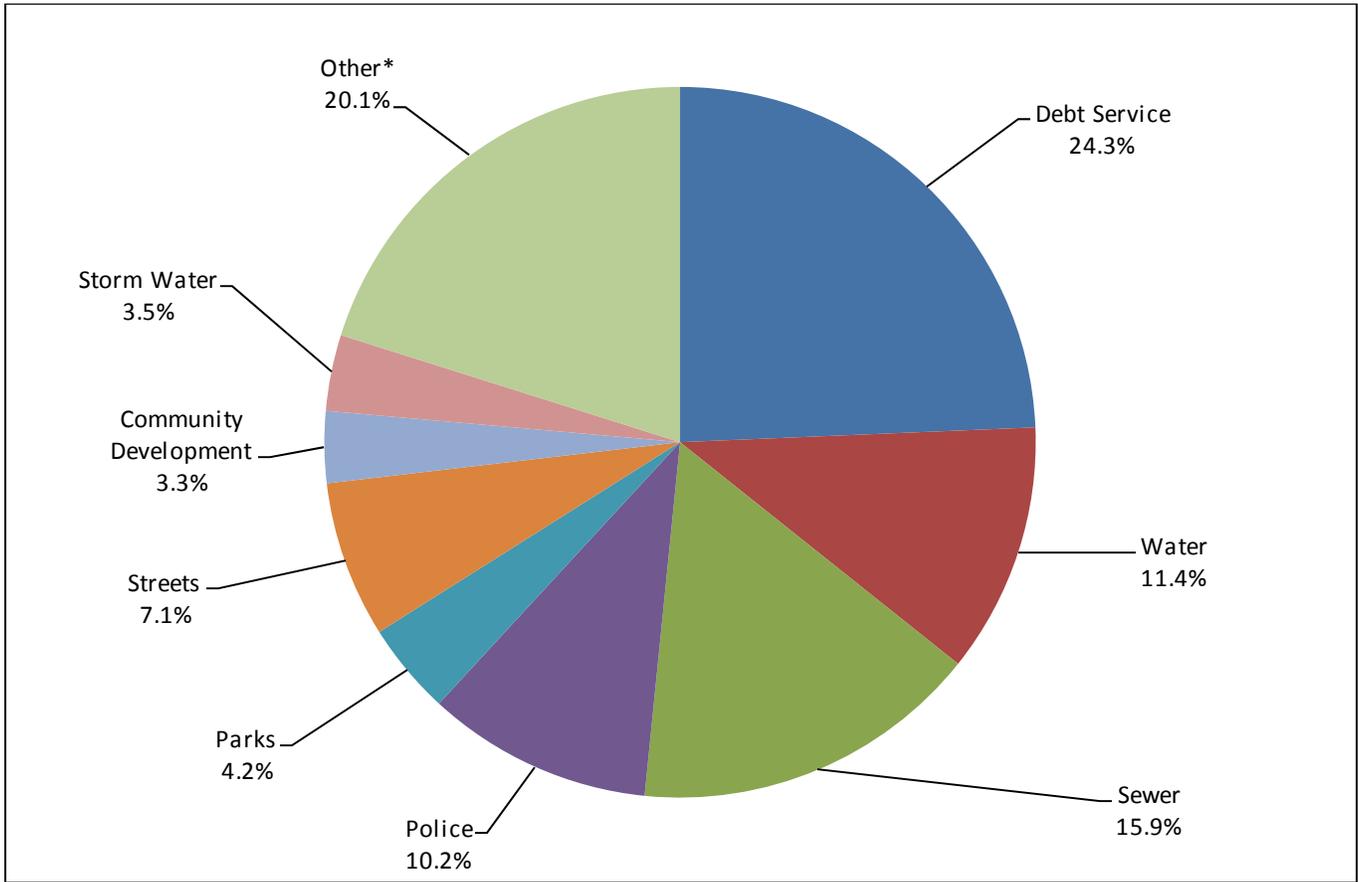
All Funds – Revenues by Category

2017 Annual Operating Budget



All Funds – Expenditures by Department

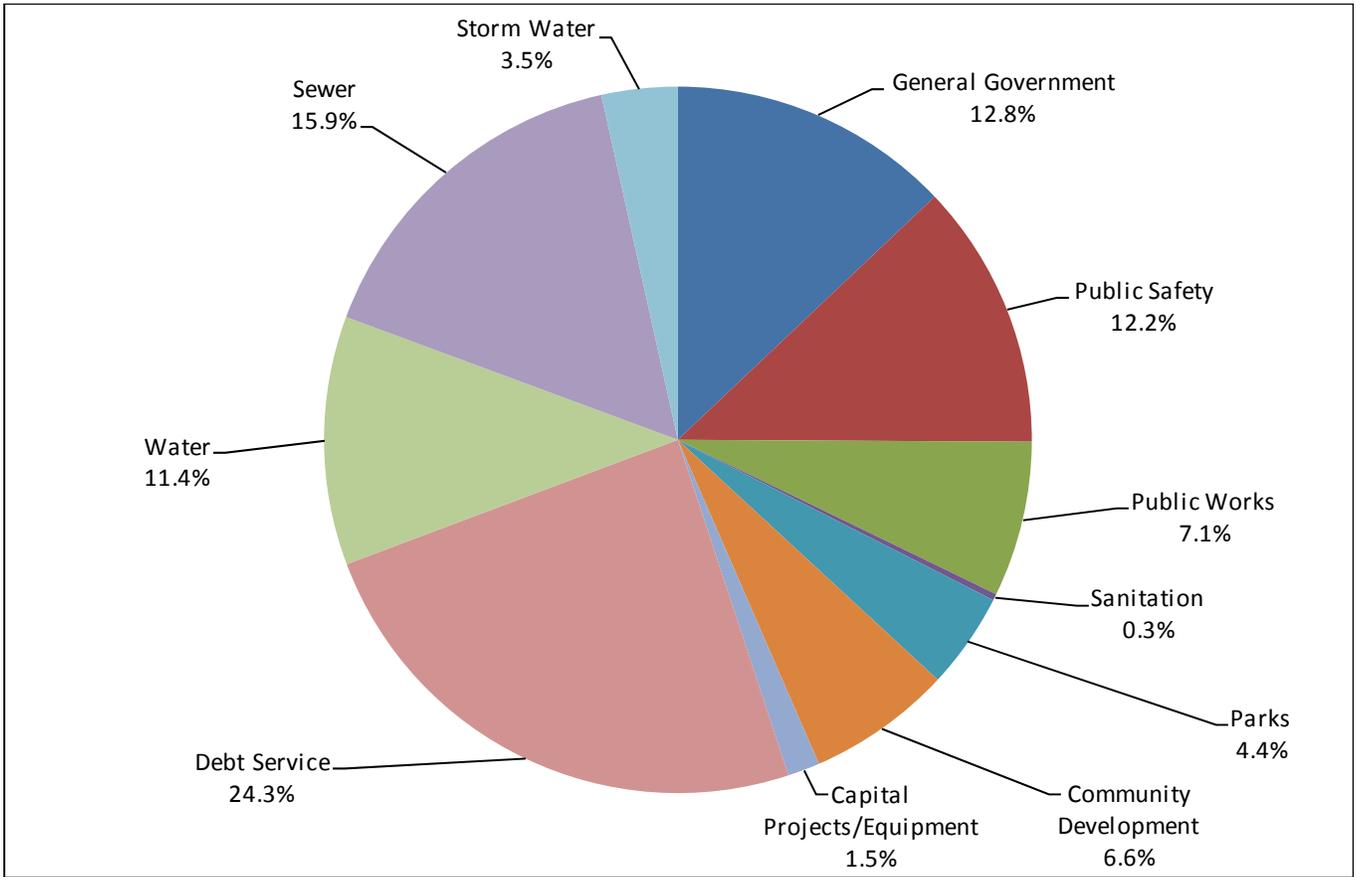
2017 Annual Operating Budget



Other*	
General Government	2.2%
Finance	2.6%
Lodging Tax	2.2%
PW Administration	1.8%
Administration	2.3%
Fire	1.9%
Capital Equipment	1.5%
Information Systems	0.9%
Economic Development	3.3%
Legal	0.3%
Sales Tax	0.4%
Recycling	0.3%
Council	0.2%
Recreation Programs	0.2%

All Funds – Expenditures by Function

2017 Annual Operating Budget



Section IV

Supporting Documents

Full-Time Equivalent Staff Positions by Department

2017 Annual Operating Budget

Department	2015 FTE Actual	2016 FTE Approved	2017 Annual Operating Budget	
			FTE	Incr
Administration	2.50	2.50	2.50	-
Finance	4.00	4.00	4.00	-
Information Systems	1.00	1.00	1.00	-
Planning	3.00	3.00	2.50	(0.50)
Police	15.00	15.00	15.00	-
Public Works Admin	2.50	2.50	2.50	-
Bldg Inspections	1.00	1.00	1.50	0.50
Park Maintenance	5.00	5.00	5.00	-
Streets Maintenance	2.04	2.04	2.04	-
Water	2.33	2.33	2.33	-
Sewer	2.33	2.33	2.33	-
Storm Water	0.30	0.30	0.30	-
Total FTE	41.00	41.00	41.00	-

Capital Equipment Program by Department

2017 Annual Operating Budget

Description	Total	Enterprise Revenues	Replacement Funds
General Government			
IT Network Infrastructure Upgrades	\$ 30,000	\$ -	\$ 30,000
Public Works Administration			
2000 Truck Replacement	30,000	-	30,000
Police			
(2) Squad Car Replacements	84,800	-	84,800
Public Works			
Pickup Truck Addition	37,500	-	37,500
Parks, Parks Maintenance and Trails			
60" Mower Replacement	10,000	-	10,000
Utility Vehicle/Work Cart Replacement	11,500	-	11,500
Total Parks Maintenance	21,500	-	21,500
Storm Water			
Roadside Mower Replacement	106,500	106,500	-
Total Capital Improvement Budget	\$ 310,300	\$ 106,500	\$ 203,800

REQUEST FOR COUNCIL ACTION

12/06/16

Department Approval: Finance Director Vacinek  **Agenda Section:** Consent
Approval Required: Simple Majority Vote of the Council

Item Description: Adopt Resolution 2016-097, Designating Buildings as Structurally Substandard within the City of Baxter's Development District No. 1

BACKGROUND

As part of the proposed Excelsior Road improvements, the city has been exploring the potential of establishing a tax increment district or districts to finance a portion of the project. To meet the requirements of a renewal and renovation district, a certain percentage of parcels and buildings within the district must qualify as structurally substandard. The building located on Lot 4, Block 3 Pinewood Acres, the "Parcel", meets the qualifications. The Parcel recently was tax forfeited to Crow Wing County and is being placed for sale at the county's December 9, 2016 land auction.

Per Minnesota Statutes, Section 469.174, subdivision 10(d), the city is authorized to deem the Parcel as occupied by a structurally substandard building prior to its demolition or removal by documenting the building's conditions. The city's building official recently completed an inspection of the Parcel for this purpose in anticipation of the potential removal of the building by a new owner after county's land auction. Attached is a resolution, recommended for approval, to preserve the city's ability to utilize the Parcel and building toward a potential tax increment financing district. The TIF district(s) parcels and boundaries currently are in the process of being evaluated and the Parcel may or may not be included within the final borders of the TIF district. The resolution simply preserves the city's ability to use the Parcel.

FINANCIAL IMPLICATIONS

No financial implications exist with adoption of the attached resolution. The subject building and Parcel may be used as part of a future, larger redevelopment or renewal and renovation tax increment financing district to finance infrastructure improvements in the area.

STAFF RECOMMENDATION

Finance Director Vacinek recommends adopting the attached resolution designating buildings as structurally substandard to preserve the potential utilization in a future tax increment district.

COUNCIL ACTIONS REQUESTED

Adopt Resolution 2016-097, designating buildings as structurally substandard within the City of Baxter's Development District No. 1

EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF
BAXTER, MINNESOTA

HELD: December 6, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Baxter, Minnesota, was duly called and held at the Baxter City Hall in said City on the 6th day of December, 2016 at 7:00 o'clock p.m.

The following members were present: _____ and the following were absent: _____.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2016-097

**RESOLUTION DESIGNATING BUILDINGS AS STRUCTURALLY SUBSTANDARD
WITHIN THE CITY OF BAXTER'S DEVELOPMENT DISTRICT NO. 1**

BE IT RESOLVED By the City Council of the City of Baxter ("City") as follows:

Section 1. Recitals.

1.01. Under Minnesota Statutes, Section 469.174, subd. 10(d), the City is authorized to deem parcels as occupied by structurally substandard buildings despite prior demolition or removal of the buildings, subject to certain terms and conditions as described in this resolution.

1.02. The property is owned by Crow Wing County ("County"), and the County intends to cause demolition of the buildings located on the property described in Exhibit A hereto (the "Designated Property"), and may in the future include the Designated Property in a redevelopment or renewal and renovation tax increment financing district as defined in Minnesota Statutes, Sections 469.174, Subd. 10 or Subd. 10a.

Section 2. Buildings Designated Substandard; Other Proceedings.

2.01. The City finds the buildings on the Designated Property as described in Exhibit A are structurally substandard to a degree requiring substantial renovation or clearance, based upon the analysis of such buildings by the City Building Official dated November 21, 2016, and on file in City Hall.

2.02. After the date of approval of this resolution, the buildings on the Designated Property may be demolished or removed by the County, or such demolition or removal may be financed by the City, or may be undertaken by a developer under a development agreement with the City.

2.03. The City intends to include the Designated Property in a redevelopment or renewal and renovation tax increment financing district, and to file the request for certification of such district with the Crow Wing County auditor within three years after the date of demolition of the buildings on the Designated Property.

2.04. Upon filing the request for certification of the new tax increment financing district, the City will notify the Crow Wing County Auditor that the original tax capacity of the Designated Property must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the parcel for the year in which the buildings were demolished or removed, but applying class rates for the current year, all in accordance with Minnesota Statutes, Section 469.174, subd. 10(d).

2.05. City staff and the City’s consultants are authorized to take any actions necessary to carry out the intent of this resolution.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon a vote being taken thereon, the following voted in favor thereof: _____

and the following voted against the same: _____.

WHEREUPON, said resolution was declared duly passed and adopted on this 6th day of December 2016.

STATE OF MINNESOTA)
COUNTY OF CROW WING) ss
CITY OF BAXTER)

I, the undersigned, being the duly qualified and acting Clerk of the City of Baxter, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original minutes thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes of a meeting of the City Council of said City duly called and held on the date therein indicated insofar as such minutes relate to designating buildings located at 7223 Fox Place as structurally substandard within the City’s Development District Number One, in said City.

WITNESS my hand as such Clerk of said City this 6th day of December, 2016.

Kelly Steele
Interim City Administrator/City Clerk

EXHIBIT A

Description of Designated Property

Property address: 7223 Fox Place in the City of Baxter, MN
Parcel Number: 031370030040009
Legal: Pinewood Acres, Lot 4, Block 3

**CITY OF BAXTER MINNESOTA
RESOLUTION 2016-098**

**RESOLUTION ORDERING PREPARATION OF REPORT ON 2017 EXCELSIOR
ROAD RESIDENTIAL IMPROVEMENT PROJECT**

WHEREAS, it is proposed to improve Excelsior Road from Inglewood Drive to Forest Drive by full depth reclamation and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BAXTER, MINNESOTA:

That the proposed improvement, called Improvement No. 4097 be referred to Widseth Smith Nolting & Associates for study and that that person is instructed to report to the council will all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

Whereupon, said Resolution is hereby declared adopted on this 6th day of December, 2016.

Darrel Olson, Mayor

ATTEST:

Kelly Steele, Assistant City Administrator/Clerk

City Seal

REQUEST FOR COUNCIL ACTION

12/06/16

Department Approval: Finance Director Vacinek  **Agenda Section:** Consent
Approval Required: Simple Majority Vote of the Council

Item Description: Approve the Engagement Letter with CliftonLarsonAllen for the City's 2016 Audit

BACKGROUND

Attached is the Engagement Letter from CliftonLarsonAllen, the City's Auditors, to conduct the annual audit for 2016. The engagement letter describes the scope of services CliftonLarsonAllen will perform in conjunction with the audit as well as assistance with the 2016 financial statements, if necessary. Similar to prior engagements, Finance staff has been preparing and assembling information throughout the year in the auditors' prescribed formats. Upon approval, our auditors will commence the initial background work shortly as customary in advance of next March's fieldwork.

FINANCIAL IMPLICATIONS

The 2016 audit fee has been negotiated at a CliftonLarsonAllen estimate of \$29,500. The fee represents a 2.4% or \$700 from last year's 2015 audit. The increase is only the second since 2009 and follows the two previous years of no increases and three prior years of decreases. The 2016 rate is still under the 2008 audit fee of \$30,700. Funding for the audit is included in the 2017 Budget.

Similar to last year, it is not anticipated any other out-of-pocket costs will be necessary since finance staff now prepare the financial statements internally. With the addition of the assistant finance director position, the finance department has prepared the city's financial statements for the last six years (2010 through 2015) and has not required any technical assistance with closing out the financial statements. No additional assistance is anticipated for 2016 which continues to contribute to the lower engagement fee.

STAFF RECOMMENDATION

Finance Director Vacinek recommends approving the Engagement Letter with CliftonLarsonAllen for the City's 2016 Audit.

COUNCIL ACTION REQUESTED

Motion to approve the Engagement Letter with CliftonLarsonAllen for the City's 2016 Audit.



CliftonLarsonAllen LLP
 14275 Golf Course Drive, Suite 300
 Baxter, MN 56425-8674
 218-828-0100 | fax 218-828-9503
 CLAAconnect.com

October 3, 2016

City Council and Management
 City of Baxter
 PO Box 2626
 Baxter, Minnesota 56425

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for City of Baxter ("you," "your," or "the entity") for the year ended December 31, 2016.

Douglas P. Host is responsible for the performance of the audit engagement.

Audit services

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Baxter, as of and for the year ended December 31, 2016, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. Schedule of funding progress – other postemployment health care benefits
4. Schedule of the city's proportionate share of the net pension liability
5. Schedule of the city's contributions

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

1. Other major governmental funds – budget and actual
2. Combining and individual fund schedules

The following information other than RSI accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

- Statistical data and transmittal letter

Audit objective

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed

examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying

and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. You are also responsible for providing us access to component information, those charged with governance of components, component management, and component auditors (including relevant audit documentation and communications).

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

October 3, 2016
City of Baxter
Page 5

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our audit March 2017.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to Minnesota Office of the State Auditor for their regulatory oversight purposes. We will notify you of any such request. Access to the requested workpapers will be provided to the regulators under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulators. The regulators may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your

October 3, 2016
City of Baxter
Page 6

information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when

October 3, 2016
City of Baxter
Page 7

we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

We estimate that our fees for these services will be \$29,500. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will provide you detailed explanations for any additional billings. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

October 3, 2016
City of Baxter
Page 8

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Douglas P. Host, CPA
Principal
218-825-2948
Doug.host@CLAconnect.com

Response:

This letter correctly sets forth the understanding of the City of Baxter.

Authorized governance signature: _____

Title: _____

Date: _____

Authorized management signature: _____

Title: _____

Date: _____

REQUEST FOR COUNCIL ACTION

12/06/16

Department Approval: Finance Director Vacinek 

Agenda Section: Consent

Approval Required: Simple Majority Vote of the Council

Item Description: Approve Hildi Inc. Contract to Provide a Required OPEB Actuarial Valuation Study in Conjunction with GASB 45 and GASB 74 and 75

BACKGROUND

The Government Accounting Standards Board (GASB) Statement 45 requires government employers to measure and report the liabilities associated with other (than pension) postemployment benefits (or OPEB). Reported OPEBs may include post-retirement medical, dental, and other insurance benefits not associated with a pension plan. Even though Baxter does not contribute directly to the premiums for the aforementioned benefits of retired employees, an “implicit” cost exists because employees, under Minnesota Statutes 471.61 subdivision 2b, are allowed to remain in the city’s pooled insurance plans after retirement.

GASB 45 was instigated in 2004 because of the growing concern over the potential magnitude of government employer obligations for post-employment benefits. GASB 45 requires the following financial statement disclosures: 1) Facts on the OPEBs: what are the benefits, who is eligible, how many employees and retirees are covered, etc.; 2) The actuarially determined liability for OPEB benefits and the assets (if any) available to offset the liability along with the actuarial methods and assumptions used to calculate the liability; and 3) The portion of the liability required to be reported as an annual accounting expense on the employer’s financial statements, and a cumulative accounting of the extent to which the plan sponsor actually makes contributions to offset its annual expense.

Government employers are required to comply with GASB 45 by completing an actuarial study periodically to disclose the city’s liability in the annual audited financial statements. Beginning with the 2018 fiscal year, governments will start the transition from GASB Statements 43 and 45 to the new pension and OPEB disclosure requirements under GASB Statements 74 and 75.

FINANCIAL IMPLICATIONS

The attached agreement for consulting services with Hildi, Inc. provides the required actuarial valuation study for the city’s OPEB. The up to \$2,200 cost of the actuarial study is included in the 2017 Budget and the \$900 cost will be accounted for in 2018. The study provides the required statistics for the 2017 and 2018 annual audits.

STAFF RECOMMENDATION

Finance Director Vacinek recommends approving the Hildi Inc. contract to provide the updated OPEB actuarial valuation study as required for GASB 45 and GASB 74 and 75 in the future. The figures provided by the study will be used in the audit disclosure periods through 2018.

COUNCIL ACTION REQUESTED

Motion to approve the Hildi Inc. contract to provide a required OPEB actuarial valuation study in conjunction with GASB 45 and GASB 74 and 75

AGREEMENT FOR CONSULTING SERVICES

This Agreement for Consulting Services (“Agreement”) is entered into and dated October 6, 2016 by and between Hildi Inc. with offices located at 11800 Singletree Lane, Suite 305, Minneapolis, MN 55344 (hereinafter referred to as the “Consultant”) and City of Baxter with offices located at 13190 Memorywood Drive, Baxter, MN 56425 (hereinafter referred to as the “Company”). Company and Consultant are jointly referred to as the “parties.”

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACCEPTED, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Description of Services. Consultant will perform certain services for Company upon terms and conditions specified herein and as such services are more particularly described in Exhibit(s), which are attached hereto and incorporated by this reference.
2. Prices and Payment. Company agrees to pay Consultant the fees set forth in the applicable Exhibit(s). Consultant anticipates invoicing the Company monthly for services provided. Payment will be due in full within fifteen (15) days of receipt of Consultant’s invoice. Company agrees to pay interest on all overdue amounts at a rate of twelve percent (12%) per annum or the rate allowed by law, which ever is less, plus costs of collection, court costs, and reasonable attorney fees on all such amounts.
3. Travel Expenses. Company agrees to reimburse Consultant for its reasonable and necessary out-of-pocket lodging, transportation, and food incurred at the Company’s request. Consultant agrees to provide reasonable expense documentation. Whenever possible, Consultant agrees to take advantage of travel discounts. All air travel by Consultant shall be on major national or regional airlines, and Consultant and its representatives may keep their frequent flier miles earned for their personal usage.
4. Ownership of Work Product. Ownership of, and all rights in, the work product which is the subject matter of this Agreement (the “Work”), including trademarks, patents and copyrights applicable to same, shall belong exclusively to Company. The parties expressly agree to consider as a “work made for hire” any Work ordered or commissioned by the Company which qualifies as such under the United States copyright laws. To the extent that the Work cannot be a “work made for hire” or where necessary for any other reason, Consultant will provide Company with all such assignments of rights, covenants and other assistance which may be required for Company, through trademark, patent or copyright applications or otherwise, to obtain the full benefit of the rights provided for herein. If the Work contains materials previously developed or copyrighted by Consultant or others, Consultant grants and agrees to grant to Company, or

obtain for Company, an unrestricted, royalty-free license to use and copy such materials. Any license so granted or obtained shall include the right for Company to grant an unrestricted, royalty-free license to any affiliate of Company. Consultant is allowed to retain one copy of the Work for archival purposes. Consultant shall place a copyright notice on the Work at Company's request. The Work shall be considered "Information" under the Section entitled "Nondisclosure."

5. Nondisclosure. Any technical or business information, including, but not limited to, computer programs, files, specifications, drawings, sketches, models, samples, tools, cost data, customer information, financial data, business or marketing plans or other data, whether oral, written or otherwise ("Information"), furnished or disclosed to Consultant hereunder or in contemplation hereof, shall remain Company's property. No license, express or implied, under any trademark, patent or copyright is granted by Company to Consultant by virtue of such disclosure. All such information in written, graphic or other tangible form shall be returned to the Company immediately upon request and copies shall be returned to the Company or, at Company's option, certified by Consultant as having been located and destroyed. Consultant shall be allowed to retain one copy of the Information for archival purposes. Unless such Information was previously known to Consultant free of any obligation to keep it confidential, is lawfully obtained by Consultant from any source other than Company or has been or is subsequently made public by Company or a nonparty to this Agreement, is approved for release by written authorization of the Company, or is required by law to be disclosed in response to a valid order of a court of competent jurisdiction or authorized governmental agency, provided the Company receives adequate notice to allow it to request a protective order and the Consultant reasonably cooperates with the Company's efforts to receive a protective order, it shall be kept confidential by Consultant for the benefit of Company, shall be used only in performing under this Agreement and shall not be used for other purposes except upon such terms as may be agreed upon by Company in writing. Consultant shall take reasonable steps to protect such Information to a similar extent that Consultant protects its own Information.
6. Liability. Consultant shall indemnify Company and its affiliates against, and shall hold Company and its affiliates harmless from, any loss, damage, expense or liability that may in any way arise out of or result from the performance of Consultant hereunder and caused by or resulting from the gross negligence or intentional misconduct of Consultant, including but not limited to any knowing infringement, or claim of infringement, of any patent, trademark, copyright, trade secret or other proprietary right of a third party or of Consultant or anyone claiming through Consultant who may be eligible to terminate any assignment or transfer made hereunder pursuant to the terms of the copyright laws up to the amount paid by the Company to the Consultant under a given applicable Exhibit(s). Consultant shall defend or settle, at its own expense, any action or suit against Company or its affiliates for which it is responsible hereunder. Company shall notify Consultant of any such claim, action or suit and shall

reasonably cooperate with the Consultant (at Consultant's expense) to facilitate the defense of any such claim.

7. Limitation. In no event shall company or consultant be liable, one to the other, for indirect, special, incidental, or consequential damages arising out of or in connection with the furnishing, performance or use of any products or services provided pursuant to this agreement.
8. Limited Warranties. Consultant warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which Consultant is a party or by which it may be bound.

Consultant warrants and represents that Consultant has the proper skill, training and background so as to be able to perform in a competent and professional manner and that all work will be performed in accordance with professional standards in the industry and/or field.

9. Headings. Section headings used in this Agreement are for convenience only, have no legal significance, and in no way change the construction or meaning of the terms hereof.
10. Insurance. Upon request by Company, Consultant shall provide to Company, copies of certificates of insurance evidencing the workers compensation, general liability and automobile insurance coverage that Consultant has in effect and Consultant shall maintain such insurance in effect through the duration of the Agreement.
11. Amendment and Waiver. No provision of this Agreement may be modified, waived, terminated or amended except by a written instrument executed by the parties. No waiver of a material breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or other provisions hereof.
12. Relationship. The Consultant shall be and act as an independent contractor hereunder, and neither Consultant nor any employee, agent, associate, representative or subcontractor shall be deemed to be employees of the Company for any purpose whatsoever.
13. Force Majeure. Neither party will be liable for any failure or delay in performance due to any cause beyond its reasonable control, including, but not limited to acts of nature, strikes, fire, flood, explosion, riots, or wars, provided that personnel changes, including unanticipated employee departures, shall not be considered to be an event or condition of force majeure.

14. Notices. All notices and other communications required or permitted under this Agreement shall be in writing, and hand delivered or sent by registered or certified mail, return-receipt requested, postage prepaid, or by overnight delivery service and shall be effective upon receipt at the following addresses or as either party shall have notified the other party:

If to Company: Mr. Jeremy Vacinek
 Finance Director
 City of Baxter
 13190 Memorywood Drive
 Baxter, MN 56425

If to Consultant: Hildi Inc.
 11800 Singletree Lane
 Suite 305
 Minneapolis, MN 55344
 Attn: Jill Urdahl, FSA
 President/Consulting Actuary

15. Assignment. Consultant shall not assign this Agreement or delegate the services to be performed hereunder, in whole or in part, or any of its rights, interest, or obligations hereunder without Company's express written consent.
16. Law Government. This Agreement shall be governed by the laws of the State of Minnesota, without regard to or application of conflicts of law rules or principles.
17. Taxes. Consultant shall assume full responsibility for the payment of all taxes imposed by any federal, state, local taxes or foreign taxing authority and all contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to performance of services for Company hereunder.
18. Termination. Any Exhibit(s) to this Agreement may be terminated by either party upon thirty (30) days written notice to the other party. This Agreement may be terminated by either party upon ninety (90) days written notice to the other party. Company agrees to pay for all services provided by Consultant and related travel expenses incurred by Consultant through the date of termination of the Exhibit(s) and/or the Agreement as applicable.
19. Entire Agreement. This constitutes the entire agreement between the parties regarding the subject matter hereof. This Agreement shall be binding on the affiliates, administrators, executors, heirs, successors in interest, or assigns of Consultant.

IN WITNESS WHEREOF, authorized representatives of the Company and the Consultant have executed this Agreement in duplicate.

Company: City of Baxter

Consultant: Hildi Inc.

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Name: _____
(Print or Type)

Name: Jill Urdahl

Title: _____
(Print or Type)

Title: President

Date: _____

Date: _____

(Please Note: A signature is required on both page 5 and page 6. Thank you.)

**Exhibit 1 to
AGREEMENT FOR CONSULTING SERVICES
Consultant and Rate Schedule**

Consultant Representative's Name	Title	Effective Start Date	Expected End Date
Hildi Inc. Actuaries and Consultants	Consulting Actuaries	January 1, 2017	December 31, 2018
Base Fees			
The approximate budget for Hildi Inc. consulting services is as follows:			
	2017 Fiscal Year	2018 Fiscal Year	
GASB 45	\$1,900 - \$2,200	N/A (GASB 45 will be replaced by GASB 74/75)	
GASB 74	N/A	N/A	
GASB 75	N/A	January 1, 2017 actuarial valuation to be used as base results. GASB 75 disclosures to be developed for the year-end December 31, 2018. Approximately \$800	
<p>These Base Actuarial Fees include the following:</p> <ul style="list-style-type: none"> • An Actuarial Report including all information required by the GASB Statements. Hildi Inc. will provide an electronic copy and three hard copies. • A results meeting by conference call to discuss the results. • Teleconferencing with the actuaries on pending or anticipated issues which may affect the actuarial valuation/report. If any work is needed based on one of the outcomes of a teleconference, a fee will be agreed upon before any work is initiated. • Periodic memos and telephone calls to provide updates on developments that may affect future actuarial reports. 			
<p>All quotes assume the plan provisions and assumptions remain unchanged from the last actuarial valuation. Additional charges may occur if there is out of scope work due to an OPEB Trust, changes in funding or investment policy for the OPEBs, changes in plan provisions or assumptions, or changes in the GASB disclosure requirements.</p>			

SERVICES OR REQUIREMENTS:

The Agreement for Consulting Services is dated October 6, 2016.

Company: City of Baxter

Consultant: Hildi Inc.

(Authorized Signature)

(Authorized Signature)

(Date)

(Date)

(Please Note: A signature is required on both page 5 and page 6. Thank you.)

REQUEST FOR COUNCIL ACTION

December 6, 2016

Department Origination: Administration **Agenda Section:** Consent

Agenda Item: Appoint Warming House Attendants for the 2016-2017 Season

Approval Required: Simple Majority of Vote of the Council

BACKGROUND

The City annually hires seasonal employees to staff the warming houses. The warming houses are scheduled to open December 17, weather depending. The applicants have passed background checks.

FINANCIAL IMPLICATIONS

The warming house attendant positions are accounted for the budget. All warming house attendants will be paid \$10.00 per hour.

STAFF RECOMMENDATIONS

The interview panel, Roy Rauhen and Kelly Steele, recommend the appointment of Corey Nelson, Tristan Brecht, Michael Lyscio, Devan Liebeg, and Benjamin Krall as seasonal warming house attendants at \$10.00 per hour.

COUNCIL ACTION REQUESTED

Motion to approve the appointment of Corey Nelson, Tristan Brecht, Michael Lyscio, Devan Liebeg, and Benjamin Krall seasonal warming house attendants at \$10.00 per hour.

REQUEST FOR COUNCIL ACTION

December 6, 2016

Department Origination: Police

Agenda Section: Consent

Agenda Item: Approve the \$3,600 Purchase of Night Vision System with Proceeds from the Drug Forfeiture Fund.

Approval Required: Simple Majority of Vote of the Council

BACKGROUND

The Police Department is looking to purchase a second night vision/thermal imager system for another of our squad cars. The first system has been extremely useful and a second system would be just as beneficial to the department.

This would be an acceptable use of the forfeiture dollars.

FINANCIAL IMPLICATIONS

A transfer of \$3,600 from the Drug Forfeiture Fund will cover the costs of this system.

STAFF RECOMMENDATION

Staff is recommending approval of the transfer of \$3,600 from the Drug Forfeiture Fund to cover the costs associated with the purchase of the night vision system.

COUNCIL ACTION REQUESTED

Motion to approve the transfer of \$3,600 from the Drug Forfeiture Fund to purchase the night vision system.

PARKS & TRAILS COMMISSION MINUTES
November 28, 2016

The regular meeting of the Baxter Parks and Trails Commission was called to order at 4:00 p.m.

MEMBERS PRESENT: Chair Gail Brecht, Commissioner Mari Holderness, Melissa Barrick and Council Liaison Quinn Nystrom

MEMBERS ABSENT: Ken Hasskamp

STAFF PRESENT: Community Development (CD) Director Josh Doty and Planner Matthew Gindele

OTHERS PRESENT: None

Approval of the Minutes

MOTION by Commissioner Holderness, seconded by Commissioner Barrick to approve the regular meeting minutes of August 22, 2016. Motion carried unanimously.

2017 Park Improvement Projects

Planner Gindele reviewed the status of the park dedication fund, noting that the amount was less than normal and the need to replenish the funds that were used this year. He stated that there are a few smaller projects that the Commission could work on in 2017 that were not as costly as the projects in 2016. The first project was the trail by Fitquest. In previous years the Commission had discussed placing mile markers and directional signage on the existing trail. CD Director Doty stated that there would need to be an amendment to the current agreement with other property that have segments of the trail running through their property. CD Director Doty stated that the city is not allowed to allocate monies for trails outside of the city limits. Chair Brecht thought that all property owners that are part of the Fitquest development were supposed to allocate fees for the trail as stated in the agreement. CD Director Doty stated that there is an existing agreement, however it did not get fully followed through by all parties. Chair Brecht asked that the Commission receive a copy of the existing agreement that is in place. CD Director Doty used the GIS to show where the chip trail is currently located and the ownership of each parcel. He further stated that this is not a city park, there are additional owners and there is already an established trail, and asked if the Commission wanted to pursue a meeting with the additional owners to see if they would be interested in working with the city to finish the existing trail and incorporate signage. Chair Brecht stated that she spoke to Joan Peterson, Fitquest owner, she indicated that she is paying a fee to the city for the trail. CD Director Doty stated he will pursue the locations of the funds for the trail and a copy of the existing agreement for the next meeting.

Planner Gindele stated that the majority of the trails in Baxter are paved surfaces, however there are a few wood chip trails, such as the Fitquest trail and the trail in Mississippi Overlook Park (MOP). Staff is asking the Commission if there is anywhere else a wood chip trail could be installed that would benefit and blend in well with the surrounding areas. Commissioner Holderness stated that her 13 year old granddaughter has a hard time on that type of a trail. Commissioner Pennington stated that he has seen where wood chip trails have worked and have not worked, depending on the thickness of the chips. CD Director Doty used the GIS to show the Commission where the wood chip trail is located in MOP and locations for expansion of the wood chip trails within MOP. CD Director Doty reviewed the goals for this park that were placed in the Comprehensive Plan. Commissioner Barrick stated that MOP would be a nice location for a wood chip mountain bike trail. CD Director Doty reminded the Commission of the previous requests from the Nordic Ski Club for an additional trails at MOP. Council Liaison Nystrom brought up the idea of a few memorial benches at MOP with a looped wood chip trail. CD Director Doty stated that most of the benches that came in, the majority knew where they wanted the memorial bench to be located. He indicated that to date the benches have been placed in OK Park and the Whipple Beach Recreational Area. Commissioner Pennington asked about Riverwood Park and asked if

it was a neighborhood park. CD Director Doty indicated that it is a passive park with a board walk and trail. Commissioner Pennington asked about the sign that says “No river access”, he asked if canoes and kayaks were allowed to launch from there. CD Director Doty indicated that canoes and kayaks are allowed, the City did not want to allow boat access from that location. CD Director Doty added that south of Clearwater Rd. there is a large natural area of land owned by the City that is not planned to be developed into a city park. In the past, staff walked the area with the Commission and gauged the different topography of the land for a potential wood chip trail. Council Liaison Nystrom added that the connection should be finished in that area, even though it is a paving project, connectivity would help in that area, as it is a very busy area. The Commission discussed an area of Clearwater that could use a few signs indicating which way to go for different areas on the trail and current location/distance to a specific location. CD Director Doty gave the example of the senior complex and the separation between the fire lane and trail lane separation with vegetation between the lanes. The Commission held a conversation regarding high density locations that have little grassy/lawn area for use. The question was raised about how much a mile of wood trip trail verses paved trail would cost. CD Director Doty will look into those costs for the next meeting.

Planner Gindele stated that last item on the 2017 projects memo is to possibly apply for a grants to help offset the costs of parks and trails projects, as Commissioner Barrick had mentioned in the past. CD Director Doty stated he is waiting on a response for a potential grant. He indicated that staff has looked into TAP and DNR grants, and noted that the grants are for construction only, not purchasing of the property or engineering requirements and most grants are matching fund grants requiring the City to contribute a certain percent of funds for eligible project activities. Staff will keep the Commission posted.

Pet Care Policy

Planner Gindele informed the Commission of the complaints regarding animal droppings/need for pet waste stations, and most recently, a dog being bathed at Whipple Beach. Currently there is not policy in place regarding how to address this situation. Staff is looking for a few recommendations on this situation and if there is a need for policy. Commissioner Holderness stated that she is not for more policy/signs telling people what to do if there is only a few people not taking care of their pets waste. It was asked if pets are allowed in City parks, the answer was yes, as long as they are leashed or under the owners control. (NOTE: pets are not allowed at Whipple Beach). Commissioner Barrick stated that maybe placing an article in the spring newsletter, in a friendly/soft reminder to take care of/be responsible for your pet. CD Director Doty stated that they can hold off and see if there are more complaints. Staff could look at amending the current pet ordinance in the future to incorporate some language to assist with the few complaints that are received.

Cypress Drive Extension

CD Director Doty stated that the Council is working on road project for the next 5 years. These projects are significant and he thought the Commission should see the trails that are being proposed for these projects. CD Director Doty explained the map, locations, routes and trail locations on the current draft plan. 2018 is when this road is being proposed/constructed.

Excelsior Road Roundabout

CD Director Doty explained the map, locations, routes and trail locations on the current draft plan for the Excelsior Road Roundabout. 2017 is when this road is being proposed/constructed.

The Commission had discussion on the road improvement projects. Council Liaison Nystrom stated that the Council has been working on these projects, and now would be the time to add any comments/suggestions to the conversation. Commissioner Holderness asked if there are any projects that will be dedicating park funds to the City in 2017; CD Director Doty stated he thought there may be some, however he didn't have any numbers at this point. He stated that there have been lots of conversation and work that has been going into the Excelsior

Rd. project being there is some potential growth to that location and the roundabout would be required. Council Liaison Nystrom informed the Commission of some of the growth near/with Cub Foods and the strip mall that the Quisbergs currently own. The Commission continued discussing the current road conditions and future road connections and trails.

2017 Meeting Calendar

CD Director Doty stated that this is the time to see if there is any conflicts in the next year's meeting dates, prior to publishing all meetings instead of publishing each month for meetings. The Commission reviewed and agreed to the proposed dates.

MOTION by Commissioner Holderness, seconded by Commissioner Pennington to accept the 2017 Parks and Trails Commission meeting dates for 2017. Motion carried unanimously.

Other Business

Staff thanked and welcomed new Commissioner Josh Pennington for take the time to join the Parks Commission.

The next scheduled meeting is December 26, 2016 at 4:00 pm., however due to the Christmas holiday, this meeting is cancelled. The next scheduled meeting is January 23, 2017.

Adjournment

MOTION by Commissioner Barrick, seconded by Commissioner Holderness to adjourn the meeting at 5:18 p.m. Motion carried unanimously.

Approved by:

Respectfully submitted,

Chair Gail Brecht

Shanna Newman, CD Administrative Assistant

LONG RANGE PLANNING COMMISSION MEETING
November 28, 2016

The Long Range Planning Commission meeting was called to order at 6:00 p.m. by Chair Donnay.

MEMBERS PRESENT: Chair Kevin Donnay, Commissioners Cathy Clark, Gail Brecht, Bob Ryan, Lori Rubin, Mark Cross (arrived at 6:05pm), Rock Ylimeini and Council Liaison Todd Holman

MEMBERS ABSENT: None

STAFF PRESENT: Community Development (CD) Director Josh Doty and Planner Matthew Gindele

OTHERS: Jeff Johnson, Steve Kuepers and Chris Raimann

Approval of Minutes

Motion by Commissioner Ylimeini, second by Commissioner Ryan to approve the minutes of the September 26, 2016 meetings. Motion carried unanimously.

After the minutes, Chair Donnay introduced and welcomed Commissioner Gail Brecht to the Commission and indicated she has served on the Parks and Trails Commission for 6 years.

Public Hearing: Comprehensive Plan and Future Land Use Plan Amendment for property currently platted as Baxter Woods, located on Forest Dr. and North/Northwest of the current Gander Mountain location. (City File #16-30)

Chair Donnay asked staff to review the proposed comprehensive plan and land use amendment. CD Director Doty reviewed the staff report with the Commission. The applicant is requesting an amendment from commercial to high density residential to allow three, 35-unit apartment buildings and two, 8-unit townhomes for 12.2 acres located east of Forest Drive and North/Northwest of the current Gander Mountain property. CD Director Doty reviewed the locations history, existing conditions, site location and previous plat named Baxter Woods. The subject property would be an extension of the applicants current development on Clearwater Rd. CD Director Doty stated that this is a future land use amendment, not a plat or rezoning request at this time. He then reviewed the applicants proposed build out of the land with color renderings.

CD Director Doty stated that throughout the comprehensive plan update it was important that infill of existing property takes place prior to expanding the outer areas of Baxter. He reviewed the utilities available to this site and the uses around the site to make sure the transition from commercial to high density to low density is adequate for this location. CD Director Doty reviewed the commercial depth off of Hwy. 371 and access to the development being off of Forest Dr. and noted there would not be commercial traffic on Forest Dr. CD Director Doty stated that staff is in support of the request, however there has been some concerns that have been brought forward by land owners via the phone and a written letter. Commissioner Cross asked CD Director Doty where the person who wrote the letter lives in conjunction with the proposal. The author of the letter was in the audience and stated that he lives on Forest Dr. Commissioner Ryan asked how long this property has been listed C-2 Commercial. CD Director Doty stated this property has been C-2 for over 10 years, however did not have an exact timeframe of when it was originally zoned C-2. Commissioner Ryan stated that the reason he is asking is because Brook Silvernail, working at Nor-Son had requested the same request 8-10 years ago, and it had been approved then. Commissioner Ryan asked about the cart way access between the Light Depot and

Gander Mountain to allow for access off of Hwy. 371. Commissioner Ylimeini stated that the access is still there only it was moved to Fernwood Dr.

Chair Donnay opened the public hearing at 6:18 pm.

Mr. Jeff Johnson 14249 Forest Dr.-Does not want the high density that close to the single family residential homes on Forest Dr. He bought the property knowing it was medium density, but does not care for the high density coming right off of Forest Dr.

Mr. Steve Kuepers, Applicant/Developer thanked the Commission for hearing their proposal. Mr. Kuepers stated that he would like to answer Commissioner Ryan's questions. He explained that there was an approval for 151 units in a PUD, however the zoning was never changed. He stated that the strip of land on Forest Dr. is medium density and the former owners had the single family homes removed. The history is that the Pulaks had approached them to see if they were interested in buying the land after the first Pine Grove Estates apartment went up, they were not interested at that time, however now that both apartments are complete and doing well they were approached again about purchasing the property. Mr. Kueper's stated that this time the property was looked into a little more thoroughly. The land has 151 units of park fees previously paid for at the time it was platted Baxter Woods making the property more desirable. He asked if the Commission had any questions of him, they did not.

Chair Donnay closed the public hearing at 6:24pm .

Commissioner Ryan stated the reason the cart way was in place was due to the road access in the past. This layout is better than the previous layout. Commission Ylimeini stated that this layout does work better and the lift station will need to be updated.

Motion by Commissioner Ryan, second by Commissioner Ylimeini to recommend the City Council approve the Comprehensive Plan and Future Land Use Plan Amendment for property currently platted as Baxter Woods, located on Forest Dr. and North/Northwest of the current Gander Mountain location as presented by staff. Motion carried unanimously.

CD Director Doty stated that this will go to the first Council Meeting in December or the second meeting in December.

Planning Area discussion for Fairview Road from Glenwood Dr. to Flintwood Dr.

CD Director Doty stated this is not a public hearing at this point, however may be a potential amendment to the comprehensive plan in the future. As the Commission recalls there was extensive conversation regarding the future land use map. Currently the property being referenced is zoned OS, but the future land use map is guiding this land to be low density residential in the future. Currently we have a zoning map stating OS and a future land use map saying residential, his poses a challenge if a developer comes in and wants to build on one of those lots. Staff is seeking guidance to see if the Commission wants to move forward with the land use map or the zoning. Currently there is a land owner that bought some land as a future investment and now has a buyer for the land, as it is currently zoned. The landowner was not aware of the proposed land use change. The question is does the city allow a OS development or guide it to low density residential, requiring a change in the zoning; or would the Commission like to reconsider the future land use map designation. CD Director Doty stated that staff is not asking for any action tonight. However, there is a chance that a rezoning public hearing may be held at the next Planning and Zoning Commission meeting.

Commissioner Ylimeini stated it was zoned OS and should stay OS. He stated that he would never by a piece on land along Fairview Rd. to build a home on because of the traffic and railroad noise in that area. He stated it

should remain OS as it is a better fit with access from Inglewood Dr. and Fairview Rd. Commissioner Ryan stated that area is not all residential; CD Director Doty indicated that is correct. Of the 8.5 acres there are 7 single family homes, 6 vacant lots and 1 home/auto service. Commissioner Ryan stated that several times he stated that this land should have been zoned commercial from the start. Council Liaison Holman stated that when he was new to the City the Council at that time explained it was zoned OS intentionally to offset the expansion of Hwy. 210. There was always some hesitation to zone it to a higher level of commercial due to the traffic flow and the residential setting directly behind Fairview Rd. CD Director Doty stated that there was a potential for closing off access, however, that could land lock two parcels if the city vacated that road right-of-way. However, if a developer came in, combined those lots, and replatted the land, the city would support that proposal. Commissioner Ryan asked if lots were currently vacant, staff indicated yes those lots are vacant. The Commission reviewed a GIS map and discussed the potential different ways access could be achieved and how the legal process would take place if the city vacated the road.

Chair Donnay stated the question is “do we leave it OS or change it to residential”. Commissioner Cross stated that it should stay OS and in the future the land owners that would have their parcels redesignated should be notified prior to the change. CD Director Doty stated it is not required to notify the property owners of the proposed change when reviewing the entire city as it would be very hard to notify the whole city. However, he stated it could be a goal to notify those involved in the change of proposed use. CD Director Doty stated he is hearing from the Commission that the future land use map should be amended to match the current zoning map for this area. He stated that it can be placed on the January 2017 meeting agenda, as the December meeting is typically cancelled due to the holidays. The Commission agreed.

Official Map of Dakar Rd.

CD Director Doty stated that this request is by the City. He reviewed the location on a map with the Commission. CD Director Doty stated they received a building permit for a single family home to be built without a plat on a large parcel of land. Does the city want to officially map this to have a public street going east and west in the future. The comprehensive plan shows a street in the long range transportation plan and shows road right of way. The question is being asked if the road needs to be officially mapped and 80 feet is taken before a structure is placed in an area that a public road would be required in the future. It does prevent the city from being in a tough spot in the future to keep from having structures built in the future.

Motion by Commissioner Cross, second by Commissioner Ryan to recommend the City Council approve the official map of Dakar Road as presented by staff. Motion carried unanimously.

CD Director Doty stated that this will require a public hearing and notice will go out 10 days prior to the second Council meeting in December.

2017 Long Range Planning Commission Meeting Dates

CD Director Doty stated he would like the Commission to review the dates and then staff creates one yearly publication instead of publishing for each monthly meeting. The approval would be forwarded on to City council for final approval.

Motion by Commissioner Clark, second by Commissioner Ryan to recommend the City Council approve the 2017 Long Rand Planning Commission Meeting dates as presented by staff. Motion carried unanimously.

Other Business

The next meeting is scheduled for December 27, 2016 at 6:00 p.m., however due to the holidays this meeting will be cancelled and the next meeting is scheduled for January 23, 2017.

Chair Donnay stated that he would like to respond to Mr. Johnson’s concerns regarding the two lots on Forest

Dr. being zoned medium density. The Commissioners indicated that the property has been medium density for a very long time. CD Director Doty stated that if they require less than the maximum number per medium density per acre it may not require a high density zoning, however they are requesting high density for the whole project. Chair Donnay asked if staff gets back to the owner or concerned party, CD Director Doty stated that usually staff gets to talk to the concerned party when the letter is dropped off, however the person dropping this letter off did not ask to speak to anyone. CD Director Doty stated that he will follow up with the resident.

Adjournment

Motion by Commissioner Cross, second by Commissioner Clark to adjourn the meeting at 7:00 p.m.
Motion carried unanimously.

Approved By:

Submitted By:

Chair Kevin Donnay

Shanna Newman
CD Administrative Assistant

REQUEST FOR COUNCIL ACTION

December 1, 2016

Department Approval: Community Development
Public Works

Agenda Section: Consent

Item Description: Approve amendment to the cooperative agreement with the Department of Natural Resources regarding trail connections to the Paul Bunyan Trail.

Approval Required: Simple Majority of Vote of the Council

BACKGROUND

The City is requesting an amendment to the cooperative agreement with the Department of Natural Resources (DNR) regarding trail connections to the Paul Bunyan Trail (PBT). Specifically, staff has been working with the DNR regarding two new connections to the PBT. One trail connection is from the Northern Lakes Senior Living Development and the second connection is from the Arbor Glen development.

The Minnesota DNR requires a cooperative agreement to be in place to allow any municipal trail connections to the PBT. The City of Baxter has an existing agreement with the DNR for trail connections to the PBT at: 1) Baxter Drive, 2) the PBT Bridge at Excelsior Road, 3) the PBT Bridge at Fairview Road, 4) Cypress Drive at Autumn Glen, and 5) Cypress Drive at Clearwater Road.

The proposed connection at Northern Lakes Senior Living was proposed with the development plan at the time the development was approved. The proposed connection is from the Northwest side of senior development site to connect to the East/West section of the PBT that goes from the DNR trail head parking lot near the Northland Arboretum to the PBT adjacent to Cypress Drive.

The proposed connection at Arbor Glen would be a second connection from this development to the PBT. The secondary connection is proposed to provide a more handicap accessible winter crossing of the PBT to allow access to the trail crossing of Cypress Drive. The current trail connection to the PBT from Arbor Glen is located south of the Cypress trail crossing. In the winter, the PBT is a groomed snowmobile trail, which does not allow an accessible route of travel during winter conditions.

FINANCIAL IMPLICATIONS

The city does have some surveying and design work to get the agreement approved with the DNR. However, City staff intends to work with the property owners of Northern Lakes Senior Living and Arbor Glen to pay for the construction of the trail connections.

STAFF RECOMMENDATIONS

Staff recommends that the City Council approve the amendment to the cooperative agreement with the Department of Natural Resources to allow two trail connections to the Paul Bunyan Trail

COUNCIL ACTION REQUESTED

Approve Amendment to Contract Number 45902 with the State of Minnesota regarding trail connections to the Paul Bunyan State Trail.

Attachment:

1. Amendment No. 1 to Contract No. 45902

Contract Start Date:	<u>May 15, 2012</u>	Total Contract Amount:	<u>\$ 0.00</u>
Original Contract Expiration Date:	<u>May 15, 2037</u>	Original Contract:	<u>\$ 0.00</u>
Current Contract Expiration Date:	<u>Same</u>	Previous Amendment(s) Total:	<u>\$ 0.00</u>
Requested Contract Expiration Date:	_____	This Amendment:	<u>\$ 0.00</u>

This amendment is by and between the State of Minnesota, through its Commissioner of Department of Natural Resources ("State") and City of Baxter, 13190 Memorywood Drive, Baxter, MN 56425 ("Contractor").

Recitals

1. The State has a contract with the Contractor identified as CFMS Contract Number B45902 ("Original Contract") to provide for the cooperative development and operations of municipal trail connections to the segment of the Paul Bunyan State Trail, located within the city of Baxter.
2. This agreement is being amended to provide for, at the request of the City of Baxter, the opportunity for the City to develop a total of two (2) additional municipal trail connections to the Paul Bunyan State Trail, within the State Trail right-of-way at no cost to the State.
3. The State and the Contractor are willing to amend the Original Contract as stated below.

Contract Amendment

REVISION 1. "WITNESSETH" is amended as follows:

WHEREAS, the State and City have determined that providing municipal trail connections to the Paul Bunyan State Trail within the City of Baxter is of high priority; as shown on the Plan attached hereto as **Exhibit B and Exhibit D**; and

REVISION 2. "STATE DUTIES AND RESPONSIBILITIES" is amended as follows:

- a. The State shall permit the City to construct Trail Connections to the Paul Bunyan State Trail, within the boundaries of within the boundaries of the State Trail r/w as shown in **Exhibit B and Exhibit D**.

REVISION 3. "CITY DUTIES AND RESPONSIBILITIES" is amended as follows:

- a. The City shall design and construct the segment of the Trail Connections as referenced in **Exhibit B and Exhibit D**. The proposed trail connections shall meet ADA requirements.

The Original Contract and any previous Amendments are incorporated into this amendment by reference.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §§16A.15 and 16C.05.

Signed: April Kane

Date: 10/24/16

CFMS Contract No. ~~B45902~~ 45902
NO PO

2. CONTRACTOR

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

3. STATE AGENCY

Individual certifies the applicable provisions of Minn. Stat. §16C.08, subdivisions 2 and 3 are reaffirmed.

By: _____
(with delegated authority)

Title: _____

Date: _____

4. COMMISSIONER OF ADMINISTRATION

As delegated to Materials Management Division

By: _____

Date: _____

Distribution:
Agency

ARBOR / AUTMGN GLEN TRAIL CONNECTIONS

BAXTER, MINNESOTA



INDEX TO DRAWINGS

SHEET NO.	DESCRIPTION
1	TITLE SHEET
2	PLAN LEGEND
3	WEST TRAIL CONNECTION
4	EAST TRAIL CONNECTION

CITY OFFICIALS

MAYOR: DARREL OLSON

CITY COUNCIL:
 TODD HOLMAN
 MARK CROSS
 STEVE BARROWS
 QUINN NYSTROM

UTILITIES COMMISSION:
 ROCK YLINIEMI - CHAIR
 DAVE FRANZEN
 SHAWN CROCHET
 DOUGLAS WOLF
 JACK CHRISTOFFERSON

CITY ADMINISTRATOR:
 TREVOR WALTER

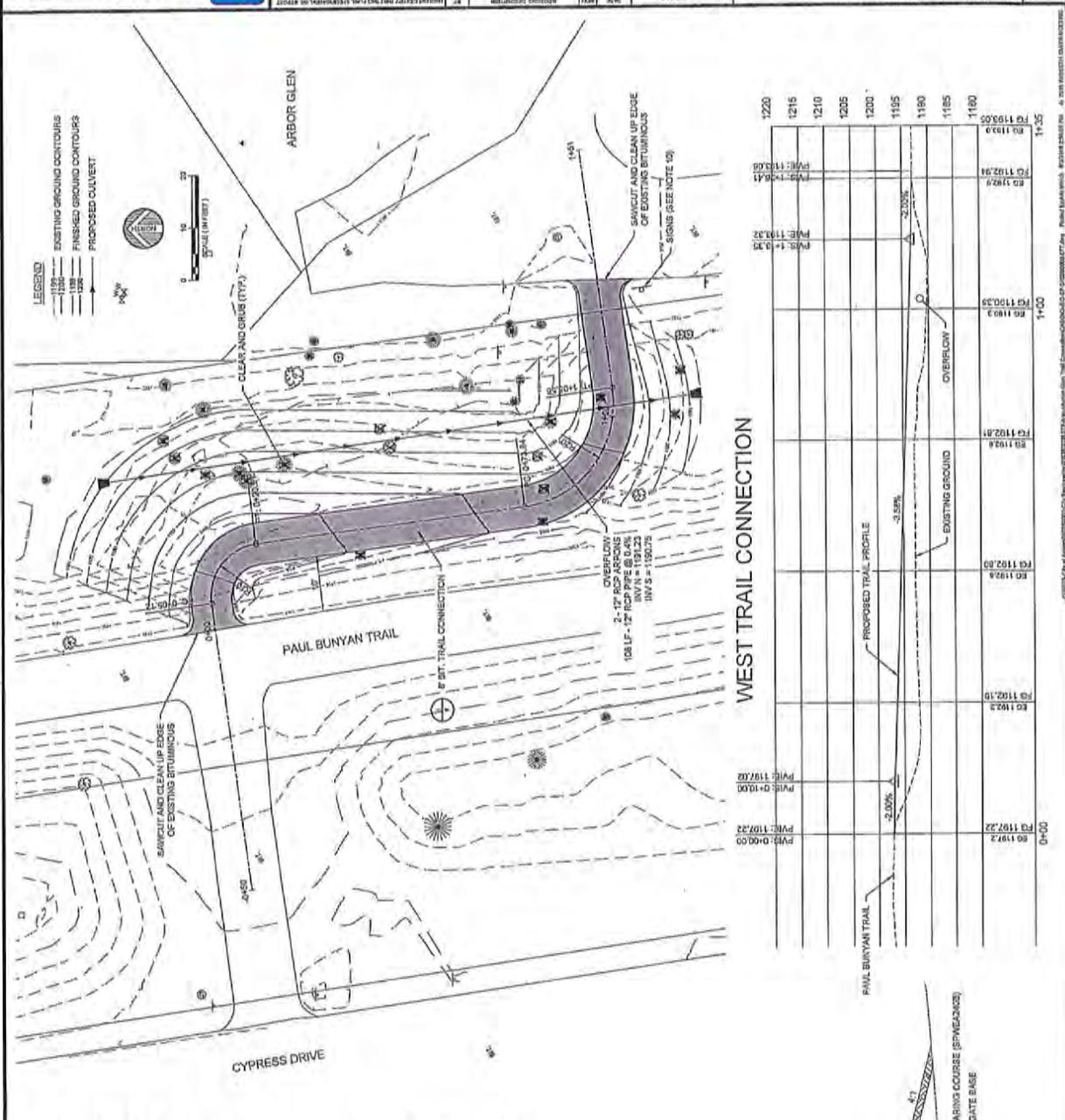
PUBLIC WORKS DIRECTOR / CITY ENGINEER:

APPROVALS

RECOMMENDED FOR APPROVAL: _____
 CITY CONSULTING ENGINEER DATE

RECOMMENDED FOR APPROVAL: _____
 PUBLIC WORKS DIRECTOR / CITY ENGINEER DATE

Exhibit D



LEGEND

- 1190' EXISTING GROUND CONTOURS
- 1180' EXISTING GROUND CONTOURS
- 1170' EXISTING GROUND CONTOURS
- 1160' EXISTING GROUND CONTOURS
- 1150' EXISTING GROUND CONTOURS
- 1140' EXISTING GROUND CONTOURS
- 1130' EXISTING GROUND CONTOURS
- 1120' EXISTING GROUND CONTOURS
- 1110' EXISTING GROUND CONTOURS
- 1100' EXISTING GROUND CONTOURS
- 1090' EXISTING GROUND CONTOURS
- 1080' EXISTING GROUND CONTOURS
- 1070' EXISTING GROUND CONTOURS
- 1060' EXISTING GROUND CONTOURS
- 1050' EXISTING GROUND CONTOURS
- 1040' EXISTING GROUND CONTOURS
- 1030' EXISTING GROUND CONTOURS
- 1020' EXISTING GROUND CONTOURS
- 1010' EXISTING GROUND CONTOURS
- 1000' EXISTING GROUND CONTOURS
- 990' EXISTING GROUND CONTOURS
- 980' EXISTING GROUND CONTOURS
- 970' EXISTING GROUND CONTOURS
- 960' EXISTING GROUND CONTOURS
- 950' EXISTING GROUND CONTOURS
- 940' EXISTING GROUND CONTOURS
- 930' EXISTING GROUND CONTOURS
- 920' EXISTING GROUND CONTOURS
- 910' EXISTING GROUND CONTOURS
- 900' EXISTING GROUND CONTOURS
- 890' EXISTING GROUND CONTOURS
- 880' EXISTING GROUND CONTOURS
- 870' EXISTING GROUND CONTOURS
- 860' EXISTING GROUND CONTOURS
- 850' EXISTING GROUND CONTOURS
- 840' EXISTING GROUND CONTOURS
- 830' EXISTING GROUND CONTOURS
- 820' EXISTING GROUND CONTOURS
- 810' EXISTING GROUND CONTOURS
- 800' EXISTING GROUND CONTOURS
- 790' EXISTING GROUND CONTOURS
- 780' EXISTING GROUND CONTOURS
- 770' EXISTING GROUND CONTOURS
- 760' EXISTING GROUND CONTOURS
- 750' EXISTING GROUND CONTOURS
- 740' EXISTING GROUND CONTOURS
- 730' EXISTING GROUND CONTOURS
- 720' EXISTING GROUND CONTOURS
- 710' EXISTING GROUND CONTOURS
- 700' EXISTING GROUND CONTOURS
- 690' EXISTING GROUND CONTOURS
- 680' EXISTING GROUND CONTOURS
- 670' EXISTING GROUND CONTOURS
- 660' EXISTING GROUND CONTOURS
- 650' EXISTING GROUND CONTOURS
- 640' EXISTING GROUND CONTOURS
- 630' EXISTING GROUND CONTOURS
- 620' EXISTING GROUND CONTOURS
- 610' EXISTING GROUND CONTOURS
- 600' EXISTING GROUND CONTOURS
- 590' EXISTING GROUND CONTOURS
- 580' EXISTING GROUND CONTOURS
- 570' EXISTING GROUND CONTOURS
- 560' EXISTING GROUND CONTOURS
- 550' EXISTING GROUND CONTOURS
- 540' EXISTING GROUND CONTOURS
- 530' EXISTING GROUND CONTOURS
- 520' EXISTING GROUND CONTOURS
- 510' EXISTING GROUND CONTOURS
- 500' EXISTING GROUND CONTOURS
- 490' EXISTING GROUND CONTOURS
- 480' EXISTING GROUND CONTOURS
- 470' EXISTING GROUND CONTOURS
- 460' EXISTING GROUND CONTOURS
- 450' EXISTING GROUND CONTOURS
- 440' EXISTING GROUND CONTOURS
- 430' EXISTING GROUND CONTOURS
- 420' EXISTING GROUND CONTOURS
- 410' EXISTING GROUND CONTOURS
- 400' EXISTING GROUND CONTOURS
- 390' EXISTING GROUND CONTOURS
- 380' EXISTING GROUND CONTOURS
- 370' EXISTING GROUND CONTOURS
- 360' EXISTING GROUND CONTOURS
- 350' EXISTING GROUND CONTOURS
- 340' EXISTING GROUND CONTOURS
- 330' EXISTING GROUND CONTOURS
- 320' EXISTING GROUND CONTOURS
- 310' EXISTING GROUND CONTOURS
- 300' EXISTING GROUND CONTOURS
- 290' EXISTING GROUND CONTOURS
- 280' EXISTING GROUND CONTOURS
- 270' EXISTING GROUND CONTOURS
- 260' EXISTING GROUND CONTOURS
- 250' EXISTING GROUND CONTOURS
- 240' EXISTING GROUND CONTOURS
- 230' EXISTING GROUND CONTOURS
- 220' EXISTING GROUND CONTOURS
- 210' EXISTING GROUND CONTOURS
- 200' EXISTING GROUND CONTOURS
- 190' EXISTING GROUND CONTOURS
- 180' EXISTING GROUND CONTOURS
- 170' EXISTING GROUND CONTOURS
- 160' EXISTING GROUND CONTOURS
- 150' EXISTING GROUND CONTOURS
- 140' EXISTING GROUND CONTOURS
- 130' EXISTING GROUND CONTOURS
- 120' EXISTING GROUND CONTOURS
- 110' EXISTING GROUND CONTOURS
- 100' EXISTING GROUND CONTOURS
- 90' EXISTING GROUND CONTOURS
- 80' EXISTING GROUND CONTOURS
- 70' EXISTING GROUND CONTOURS
- 60' EXISTING GROUND CONTOURS
- 50' EXISTING GROUND CONTOURS
- 40' EXISTING GROUND CONTOURS
- 30' EXISTING GROUND CONTOURS
- 20' EXISTING GROUND CONTOURS
- 10' EXISTING GROUND CONTOURS
- 0' EXISTING GROUND CONTOURS

PROPOSED TRAIL PROFILE

Station	Proposed Trail Profile (Elevation)	Existing Ground (Elevation)
0+00	1197.22	1197.22
0+100	1197.02	1197.02
1+000	1192.80	1192.80
1+100	1192.80	1192.80
1+200	1192.80	1192.80
1+300	1192.80	1192.80
1+400	1192.80	1192.80
1+500	1192.80	1192.80
1+600	1192.80	1192.80
1+700	1192.80	1192.80
1+800	1192.80	1192.80
1+900	1192.80	1192.80
2+000	1192.80	1192.80
2+100	1192.80	1192.80
2+200	1192.80	1192.80
2+300	1192.80	1192.80
2+400	1192.80	1192.80
2+500	1192.80	1192.80
2+600	1192.80	1192.80
2+700	1192.80	1192.80
2+800	1192.80	1192.80
2+900	1192.80	1192.80
3+000	1192.80	1192.80
3+100	1192.80	1192.80
3+200	1192.80	1192.80
3+300	1192.80	1192.80
3+400	1192.80	1192.80
3+500	1192.80	1192.80
3+600	1192.80	1192.80
3+700	1192.80	1192.80
3+800	1192.80	1192.80
3+900	1192.80	1192.80
4+000	1192.80	1192.80
4+100	1192.80	1192.80
4+200	1192.80	1192.80
4+300	1192.80	1192.80
4+400	1192.80	1192.80
4+500	1192.80	1192.80
4+600	1192.80	1192.80
4+700	1192.80	1192.80
4+800	1192.80	1192.80
4+900	1192.80	1192.80
5+000	1192.80	1192.80
5+100	1192.80	1192.80
5+200	1192.80	1192.80
5+300	1192.80	1192.80
5+400	1192.80	1192.80
5+500	1192.80	1192.80
5+600	1192.80	1192.80
5+700	1192.80	1192.80
5+800	1192.80	1192.80
5+900	1192.80	1192.80
6+000	1192.80	1192.80
6+100	1192.80	1192.80
6+200	1192.80	1192.80
6+300	1192.80	1192.80
6+400	1192.80	1192.80
6+500	1192.80	1192.80
6+600	1192.80	1192.80
6+700	1192.80	1192.80
6+800	1192.80	1192.80
6+900	1192.80	1192.80
7+000	1192.80	1192.80
7+100	1192.80	1192.80
7+200	1192.80	1192.80
7+300	1192.80	1192.80
7+400	1192.80	1192.80
7+500	1192.80	1192.80
7+600	1192.80	1192.80
7+700	1192.80	1192.80
7+800	1192.80	1192.80
7+900	1192.80	1192.80
8+000	1192.80	1192.80
8+100	1192.80	1192.80
8+200	1192.80	1192.80
8+300	1192.80	1192.80
8+400	1192.80	1192.80
8+500	1192.80	1192.80
8+600	1192.80	1192.80
8+700	1192.80	1192.80
8+800	1192.80	1192.80
8+900	1192.80	1192.80
9+000	1192.80	1192.80
9+100	1192.80	1192.80
9+200	1192.80	1192.80
9+300	1192.80	1192.80
9+400	1192.80	1192.80
9+500	1192.80	1192.80
9+600	1192.80	1192.80
9+700	1192.80	1192.80
9+800	1192.80	1192.80
9+900	1192.80	1192.80
10+000	1192.80	1192.80

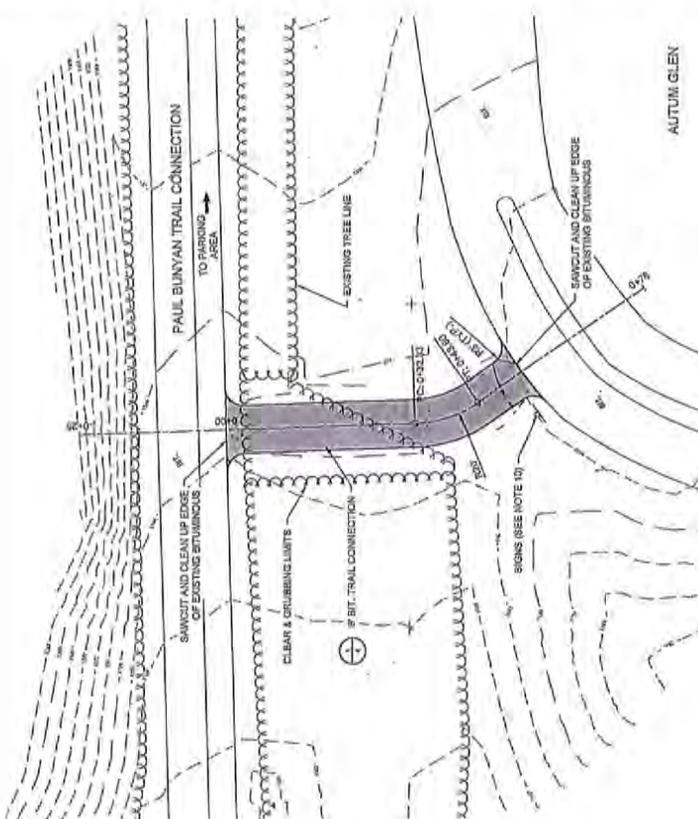
TYPICAL TRAIL SECTION

- 4" TOPSOIL AND SEED (SEE NOTE 11 AND 12)
- 2" BITUMINOUS WEARING COURSE (SP#62402)
- 4" CLASS 5 AGGREGATE BASE
- EXISTING GROUND

NOTES:

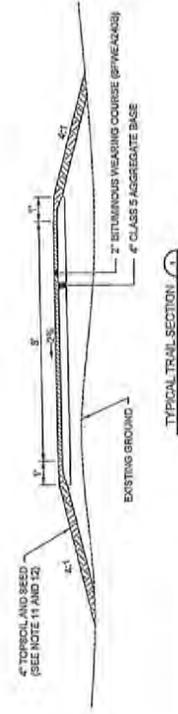
- CONTRACTOR SHALL PROVIDE APPROPRIATE TRAFFIC CONTROL ON ALL ROADWAYS AND THE EAST TRAIL CONNECTION SHALL BE MAINTAINED WITH TRAFFIC CONTROL DEVICES (MATERIAL) AND TEMPORARY TRAFFIC CONTROL ZONE LAYOUTS FIELD MANUAL.
- UNDERGROUND UTILITY LOCATIONS ARE THE RESPONSIBILITY OF THE CONTRACTOR. COORDINATION OF UTILITY RELOCATIONS, IF NECESSARY, ARE THE RESPONSIBILITY OF THE CONTRACTOR.
- THIS PROJECT WILL DISTURB LESS THAN ONE ACRE AND DOES NOT REQUIRE AN NPDES STORMWATER PERMIT FOR CONSTRUCTION ACTIVITY, EVEN THOUGH A PERMIT IS NOT MANDATORY. THE CONTRACTOR WILL BE REQUIRED TO COMPLY WITH THE CITY OF BAXTER'S STORMWATER MANAGEMENT PLAN AND THE CITY OF BAXTER'S STORMWATER SEDIMENT CONTROL PLAN TO COMMENCE ANY CONSTRUCTION ACTIVITY ON THE SITE.
- CONTRACTOR SHALL UTILIZE APPROPRIATE BMPs TO PREVENT EROSION AND PROVIDE SEDIMENT CONTROL.
- SEDIMENT TRACKED ONTO STREETS, ROADWAYS OR TRAILS SHALL BE CLEANED UP AND REMOVED WITHIN 24 HOURS.
- ESTIMATED EARTHWORK CALCULATIONS ARE AS FOLLOWS: CUT 0 CY, FILL 255 CY, NET 255 CY, CUT FACTOR = 1, FILL FACTOR = 1.
- BORROW MATERIAL SHALL MEET THE REQUIREMENTS OF M2007 3145 GRANULAR BORROW. EXCAVATION AND EMBANKMENT SHALL BE COMPLETED IN ACCORDANCE WITH M2007 2105.
- AGGREGATE BASE SHALL CONFORM TO THE REQUIREMENTS OF M2007 5136 AND SHALL BE CONSTRUCTED IN ACCORDANCE WITH M2007 2211. COMPACTION SHALL BE OBTAINED BY THE QUALITY COMPACTION METHOD.
- BITUMINOUS PAVEMENT SHALL CONFORM TO THE REQUIREMENTS OF M2007 2250. MIXTURE DESIGNATION SHALL BE AS SHOWN IN THE TYPICAL SECTION. THE REQUIREMENTS OF 2302.7B (STRAIGHT EDGE SPECIFICATION) WILL APPLY. COMPACTION SHALL BE OBTAINED BY THE ORDINARY COMPACTION METHOD. PAYMENT ADJUSTMENTS FOR DENSITY AND RISE DO NOT APPLY.
- FURNISH 1" NO MOTOR VEHICLES PERMITTED AND 1" STOP SIGN. MUTCD NUMBER R533 AND R1-1, BLACK ON WHITE, 36" X 18", HIGH INTENSITY, MOUNT "STOP" AND "NO MOTOR VEHICLES PERMITTED" SIGNS BACK TO BACK.
- ALL DISTURBED AREAS SHALL BE RESTORED WITH 4" TOPSOIL SEED MIXTURE (50/400 LBS/ACRE), FERTILIZER TYPE 1-24-12-24 (200 LBS/ACRE) AND HYDRAULIC SOIL STABILIZER TYPE 8 (2500 LBS/ACRE).
- DISTURBED SLOPES OF 4:1 OR GREATER SHALL BE RESTORED IN ACCORDANCE WITH NOTE 13 AND COVERED WITH EROSION CONTROL BLANKET CATEGORY 1.

- NOTES:**
- CONTRACTOR SHALL PROVIDE APPROPRIATE TRAFFIC CONTROL ON ALL ROADWAYS AND THE PAUL BUNYAN TRAIL CONNECTIONS TO MAINTAIN TRAFFIC FLOW AND MAINTAIN APPROPRIATE TRAFFIC CONTROL DEVICES (MOUNTED) AND TEMPORARY TRAFFIC CONTROL ZONE LAYOUTS FIELD MANUAL.
 - UNDERGROUND UTILITY LOCATES ARE THE RESPONSIBILITY OF THE CONTRACTOR. COORDINATION OF UTILITY RELOCATIONS, IF NECESSARY, ARE THE RESPONSIBILITY OF THE CONTRACTOR.
 - THIS PROJECT WILL DISTURB LESS THAN ONE ACRE AND DOES NOT REQUIRE AN IMPASS STORMWATER PERMIT FOR CONSTRUCTION ACTIVITY. EVEN THOUGH A PERMIT IS NOT MANDATORY, THE CONTRACTOR WILL BE REQUIRED TO COMPLETE WITH THE CONDITIONS OF THE GREAT RIVERS WATER SEDIMENT CONTROL PLAN TO THE CITY FOR REVIEW PRIOR TO COMMENCING ANY CONSTRUCTION ACTIVITY ON THE SITE.
 - CONTRACTOR SHALL UTILIZE APPROPRIATE EHPs TO PREVENT EROSION AND PROVIDE SEDIMENT CONTROL.
 - SEDIMENT TRACKED ONTO STREETS, ROADWAYS OR TRAILS SHALL BE CLEANED UP AND REMOVED WITHIN 24-HOURS.
 - ESTIMATED EARTHWORK CALCULATIONS ARE AS FOLLOWS: CUT 0 CY, FILL 65 CY, NET 65 CY, CUT FACTOR = 1, FILL FACTOR = 1.
 - BORROW MATERIAL SHALL MEET THE REQUIREMENTS OF MNDOT 3145 GRAVELS BASES. EXCAVATION AND EMBANKMENT SHALL BE COMPLETED IN ACCORDANCE WITH MNDOT 2105.
 - AGGREGATE BASE SHALL CONFORM TO THE REQUIREMENTS OF MNDOT 3138 AND SHALL BE CONSTRUCTED IN ACCORDANCE WITH MNDOT 2311. COMPACTION SHALL BE OBTAINED BY THE QUALITY COMPACTION METHOD.
 - BITUMINOUS PAVEMENT SHALL CONFORM TO THE REQUIREMENTS OF MNDOT 2360. MIXTURE DESIGNATION SHALL BE AS SHOWN IN THE TYPICAL SECTION. THE REQUIREMENTS OF 2360.7B (STRAIGHT EDGE SPECIFICATION) WILL APPLY. COMPACTION SHALL BE OBTAINED BY THE ORDINARY COMPACTION METHOD. PAYMENT ADJUSTMENTS FOR DENSITY AND RISE DO NOT APPLY.
 - FURNISH 1" NO MOTOR VEHICLES PERMITTED AND 1" STOP SIGN MOUNT NUMBER R6-3 AND R1-1, SLACK ON WHITE, 18" X 18", HIGH INTENSITY, MOUNT "STOP" AND "NO MOTOR VEHICLES PERMITTED" SIGNS BACK TO BACK.
 - ALL DISTURBED AREAS SHALL BE RESTORED WITH 4" TOPSOIL, SEED MIXTURE 200 (600 LBS/ACRE), FERTILIZER TYPE 1-24-24 (200 LBS/ACRE) AND HYDRAULIC SOIL STABILIZER TYPE B (6500 LBS/ACRE).
 - DISTURBED SLOPES OF 4:1 OR GREATER SHALL BE RESTORED IN ACCORDANCE WITH NOTE 13 AND COVERED WITH EROSION CONTROL BLANKET CATEGORY 1.



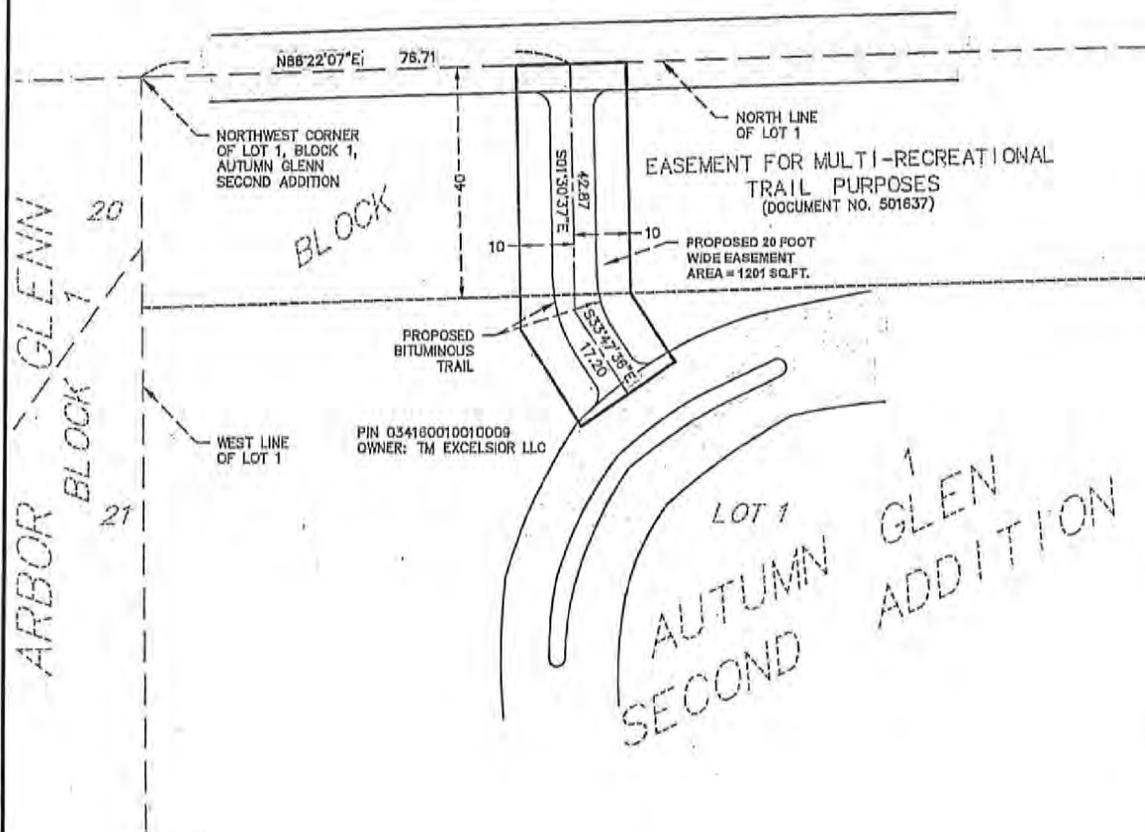
EAST TRAIL CONNECTION

STATION	PROPOSED TRAIL PROFILE	EXISTING GROUND
0+00	FG 1195.81 PVS 1192.00	FG 1195.81
0+25	FG 1187.10	FG 1187.10
0+50	FG 1193.30	FG 1193.30
0+70	FG 1195.87 PVS 1192.00	FG 1195.87
0+70	FG 1196.41 PVS 1192.00	FG 1196.41

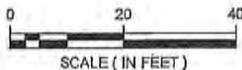


CERTIFICATE OF SURVEY

PART OF LOT 1, BLOCK 1, AUTUMN GLEN SECOND ADDITION
SECTION 5, TOWNSHIP 133, RANGE 28,
CROW WING COUNTY, MINNESOTA



PIN 034160010010009
OWNER: TM EXCELSIOR LLC



ORIENTATION OF THIS BEARING SYSTEM
IS BASED ON CITY OF BAXTER COORDINATE
DATABASE NAD 83

DENOTES BITUMINOUS SURFACE

PROPOSED EASEMENT DESCRIPTION

A 20.00 foot wide easement for pedestrian trail purposes over and across that part of Lot 1, Block 1, AUTUMN GLEN SECOND ADDITION, according to the recorded plat on file in the Crow Wing County Minnesota Recorder's Office which lies 10.00 feet on each side of the following described line: Commencing at the northwest corner of said Lot 1; thence North 88 degrees 22 minutes 07 seconds East, bearing based on the City of Baxter Coordinate Database NAD 83, 76.71 feet along the north line of said Lot 1 to the point of beginning of the line to be described; thence South 01 degree 30 minutes 37 seconds East 42.87 feet; thence South 33 degrees 47 minutes 36 seconds East 17.20 feet and said line there ending.

DATE: 10-03-18	DATE:	APPROVED BY:	BY:	PREPARED FOR: CITY OF BAXTER	* MINNESOTA STATUTE 182.03
SCALE: AS SHOWN				I HEREBY CERTIFY THAT THIS SURVEY, PLAN OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A duly LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.	WIDSETH SMITH NOLTING Engineering Architecture Surveying Environmental
DRAWN BY: CMO					
CHECKED BY: CMO					
FILE NUMBER: 10280000.077				CHANGAL CODE: _____ DATE: _____ LIC. NO. 4163	

**PAUL BUNYAN STATE TRAIL / CITY OF BAXTER TRAIL CONNECTIONS
COOPERATIVE AGREEMENT
BETWEEN
THE STATE OF MINNESOTA AND THE CITY OF BAXTER**

This Agreement, between the State of Minnesota, acting by and through the Commissioner of the Department of Natural Resources, hereinafter referred to as the "State" and the City of Baxter, hereinafter referred to as the "City".

WITNESSETH:

WHEREAS, the Commissioner of Natural Resources has the authority, duty and responsibility under Minnesota Statutes 85.015, sub. 15, to establish, develop, maintain and operate the Paul Bunyan State Trail; and

WHEREAS, the State and the City are authorized under Minnesota Statutes Section 471.59 to enter into agreements to jointly or cooperatively exercise common powers; and

WHEREAS, the State owns land described as: Sec. 5 and 8, T133N, R28W, Crow Wing County, as shown on the map attached hereto as Exhibit A; and

WHEREAS, the State and City have determined that providing municipal trail connections to the Paul Bunyan State Trail within the City of Baxter is of high priority; as shown on the Plan attached hereto as Exhibit B; and

WHEREAS, the City shall design, manage, construct and administer the municipal trail connections to the Paul Bunyan State Trail, as established hereinafter referred to as the "Trail Connections"; and

WHEREAS, upon completion, the Trail Connections shall be the sole responsibility of the City; and

WHEREAS, a resolution or copy of the City council/board meeting minutes authorizing the respective entities to enter into this agreement is/are attached hereto as Exhibit C; and

NOW, THEREFORE, in consideration of the mutual benefit to be derived by the public bodies hereto and for the benefit of the general public, the parties agree as follows:

I. STATE DUTIES AND RESPONSIBILITIES

- a. The State shall permit the City to construct Trail Connections to the Paul Bunyan State Trail, within the boundaries of within the boundaries of the State Trail r/w as shown in Exhibit B.
- b. The State shall be allowed to review and approve the preliminary and final plans for the Trail Connections as proposed by the City. The proposed trail connections shall meet ADA requirements.
- c. The State shall be permitted to review and approve any alterations to the Trail Connections or the State Trail Corridor proposed by the City.
- d. The State shall permit the City to review any alterations to the Trail Connections proposed by the State during the term of this Agreement. Proposed alterations to the Trail shall meet ADA requirements.
- e. The State shall provide all trail related informational signs for the Trail Connections as determined by Department of Natural Resources policy.

- f. The State reserves the right to inspect the Trail Connections at any time to ensure the City is in compliance with the terms of the Agreement.

II. CITY'S DUTIES AND RESPONSIBILITIES

- a. The City shall design and construct the segment of the Trail Connections as referenced in Exhibit B. The proposed trail connections shall meet ADA requirements.
- b. The City shall permit the State to review and approve the preliminary and final plans for the Trail Connections as proposed by the City.
- c. The City shall obtain all federal, state and local permits necessary for the construction of the Trail Connections. The City shall provide the State certified copies of all permits required for the construction and administration of the Trail Connections.
- d. The City shall operate and maintain the Trail Connections consistent with all local, state, and federal laws, regulations and rules that may apply to the management, operation and maintenance of the Trail.
- e. The City will provide and install the appropriate signage for the Trail Connections as approved by the State.
- f. Upon completion of the Trail Connections, the City shall have primary responsibility for the administration, operations and annual maintenance of all Trail Connections and associated improvements.
- g. The City shall permit the State to review and approve any alterations to the Trail Connections proposed by the City during the term of this Agreement. Proposed alterations to the Trail Connections shall meet ADA requirements.
- g. The City shall be permitted to review any alterations to the Trail Connections proposed by the State during the term of this Agreement.
- h. Upon termination of the Agreement the City shall restore the State Trail Corridor to a condition consistent with its preconstruction condition and as approved by the State,

III. FUNDING

The State shall provide funding for its responsibilities under Article I (a)(b)(c)(d)(e)(f) above through the standard internal purchasing process including, but not limited to, a separate requisition in which funds will be encumbered. The total obligation of the State is limited to the amount of funds legislatively appropriated and administratively allocated to this project.

IV. LIABILITY

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by the law and shall not be responsible for the acts of the other party and the results thereof. The State's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, and other applicable law. The City's liability shall be governed by and limited to the amount set forth in Minnesota Statutes, Sections 466.01-466.15, and other applicable law.

V. TERM

- a. *Effective Date:* May 15, 2012, or the State obtains all required signatures under Minnesota Statutes Section 16C.05, Subdivision 2, whichever is later.
- b. *Expiration Date:* May 15, 2037, for a period of twenty five (25) years except as otherwise provided herein or agreed to in writing by both parties. This agreement shall renew at the end of the term for an additional five (5) year period unless a party gives three (3) months written notice to the other party to terminate the

agreement. This agreement shall continue to automatically renew as the end of each five (5) year period unless the required notice is given.

VI. **AUDIT**

Under Minnesota Statutes Section 16C.05, sub. 5, the books, records, documents and accounting procedures and practices of the City relevant to the agreement shall be subject to examination by the Commissioner of Natural Resources, the Legislative Auditor and the State Auditor for a minimum of six years from the end of this agreement.

VII. **ANTITRUST**

The City hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this Agreement resulting from antitrust violations that arose under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

VIII. **CANCELLATION**

This Agreement may be cancelled by the State at any time with cause or as necessary as provided in Article III, upon thirty (30) days written notice to the City. This agreement may be cancelled by the City at any time with or without cause with (30) days written notice to the State. This Agreement may also be cancelled by the State if it does not obtain funding from the Minnesota Legislature, or other funding sources, or if funding cannot be continued at a level sufficient to allow for the completion of the activities covered under this agreement. The State will notify the City by written or fax notice. The City will also notify the State by written or fax notice. The State will not be obligated to pay for services provided after the notice is given and the effective date of cancellation. The State will not be assessed any penalty if the agreement is cancelled because of a decision of the Minnesota Legislature, or other funding source, not to appropriate the necessary funds. The State shall provide the City notice of lack of funding within a reasonable time of the State's receiving that notice.

IX. **GOVERNMENT DATA PRACTICES**

The City and the State must comply with the Minnesota Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the City under this agreement. The civil remedies of Minn. Stat. 13.08 apply to the release of the data referred to in this clause by either the City or the State.

X. **PUBLICITY AND ENDORSEMENT**

Any publicity regarding the subject matter of this agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the City individually or jointly with others, or any subcontractors, with respect to the program and services provided from this agreement.

XI. **COMPLETE AGREEMENT**

This Agreement, and amendments, constitutes the entire agreement between the parties. Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

XII. **OTHER TERMS AND CONDITIONS**

NOTICES: Any notice, demand or communication under this Agreement by either party to the other shall be deemed to be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid to:

The State

Minnesota Department of Natural Resources
Parks and Trails Division Area (2E) Supervisor
1601 Minnesota Drive
Brainerd, MN 56401

The City

City of Baxter
Public Works Director
13190 Memorywood Drive
Baxter, MN 56425

Paul Bunyan State Trail
Baxter Municipal Trail Connections
City of Baxter
MnDNR Parks & Trails 6May12

.... 3 of 4

IN WITNESS WHEREOF, the parties have caused the Agreement to be duly executed intending to be bound thereby.

DEPARTMENT OF NATURAL RESOURCES

CITY OF BAXTER

By: [Signature]

By: [Signature]

Title: Division Director

Title: Mayor

Date: 4 June 12

Date: 5/11/12

06/01/12
cjk

DEPARTMENT OF ADMINISTRATION
Delegated to Materials Management Division

CITY OF BAXTER

By: [Signature]

By: [Signature]

Title: anna

Title: City Administrator

Date: 6/6/12
(Effective Date)

Date: May 17, 2012

STATE ENCUMBRANCE VERIFICATION
Individual certifies that funds have been encumbered as req.
by Minn. Stat. 16A.15 and 16C.05.

Signed: [Signature]

Date: May 8, 2012

Contract: 45902



	ARCHITECT: [blank] ENGINEER: [blank] ENVIRONMENTAL ENGINEER: [blank] LANDSCAPE ARCHITECT: [blank] WATER RESOURCE: [blank]	PROJECT: [blank] DATE: [blank]	RECORD DESCRIPTION: [blank]	SHEET: [blank] TOTAL SHEETS: [blank]	PROJECT LOCATION: CITY OF BAXTER BAXTER, MINNESOTA	SHEET NO.: [blank]
	PROJECT TITLE: TRAIL CONNECTION EXHIBIT	DATE: [blank]	SHEET NO.: [blank]	TOTAL SHEETS: [blank]	PROJECT LOCATION: CITY OF BAXTER BAXTER, MINNESOTA	SHEET NO.: [blank]

BAXTER CITY COUNCIL MINUTES
May 15, 2012

The regular meeting of the Baxter City Council was called to order at 7:00 p.m. by Mayor Darrel Olson who led in the pledge to the flag.

MEMBERS PRESENT: Mayor Darrel Olson, Council Members Mark Cross, Todd Holman, Jim Klein, and Rob Moser.

MEMBERS ABSENT: None.

STAFF PRESENT: City Administrator Gordon Heitke, Finance Director Jeremy Vacinek, Community Development Director Bill Deblon, Public Works Director Trevor Walter, Police Chief Jim Exsted, and City Consulting Engineer Aric Welch.

PUBLIC COMMENTS

No public comments were received.

PRESENTATION AND ACCEPT DONATION OF TWO LIGHT BARS FROM "TOWARDS ZERO DEATHS" (TZD) PROGRAM FORMERLY SAFE AND SOBER

CONSENT AGENDA

MOTION by Council Member Cross, seconded by Council Member Holman to approve the Consent Agenda. Motion carried unanimously.

- A. Approve City Council Minutes from May 1, 2012.
- B. Approve the Payment of Bills and Finance Report.
- C. Accept Utilities Commission Minutes of May 2, 2012.
- D. Accept Architectural Review Commission minutes of May 8, 2012.
 1. Approve the architecture of the Refuge on Grand Oaks project per Architectural Review Commission findings and conditions.
- E. Accept Planning & Zoning Commission minutes of May 8, 2012.
- F. Approve the Paul Bunyan Trail/City of Baxter Trail Connections Cooperative Agreement between the State of Minnesota and the City of Baxter.
- G. Approve Purchase of Four (4) New Tasers from Drug Forfeiture Funds.
- H. Set Public Hearing for Tuesday, June 5, 2012 at 7:00 p.m. to consider revising the City's Existing Business Subsidy Plan.

PULLED AGENDA ITEMS

None.

OTHER BUSINESS

CERTIFICATION OF DELINQUENT UTILITY BILLS

Finance Director Vacinek presented the list of delinquent bills as of the January 2012 billing. A certification is done semiannually of the delinquent utility bills as authorized under state law. The hearing allows anyone on the list to make comments about the bill to the City. Upon

REQUEST FOR COUNCIL ACTION

12/06/16

Department Approval: Finance Director Vacinek 

Agenda Section: Consent

Approval Required: Simple Majority Vote of the Council

Item Description: Approve LHB Contract for Tax Increment Analysis

BACKGROUND

As part of the proposed Excelsior Road improvements, the city has been exploring the potential of establishing a tax increment district or districts to finance a portion of the project. To meet the requirements of a renewal and renovation district, a certain percentage of parcels and buildings within the district must qualify as structurally substandard. Due to the potential complexity of the district and the city's objective of funding the Excelsior project while complying with TIF statutes, it is recommended to employ an expert site inspector with experience in the TIF laws. LHB has experience performing building and site inspections in the context of the tax increment regulations and will be able to assist the city in identifying the proper tax increment district area.

FINANCIAL IMPLICATIONS

The not to exceed contract amount of \$19,900 is based upon the highest cost scenario with an inspection of up to 11 structures in the proposed TIF district areas. It is possible the entire time may not be necessary resulting in a lower final cost. Costs associated with establishing the tax increment district(s) will be recovered through potential TIF application fees, future tax increment generated in the district(s), and/or other project funding sources for the city portion of the public improvements.

STAFF RECOMMENDATION

Finance Director Vacinek recommends approval of the contract with LHB to perform building and site inspections and to provide tax increment related analysis to identify an area that not only can meet the City's goals, but also qualifies per state statutes.

COUNCIL ACTIONS REQUESTED

Approve LHB Contract for Tax Increment Analysis



**PERFORMANCE
DRIVEN DESIGN.**

LHBcorp.com

December 1, 2016

Jeremy Vacinek
Finance Director
City of Baxter
13190 Memorywood Drive
Baxter, MN 56425

HIGHWAY BUSINESS DISTRICT TIF ANALYSIS IN BAXTER, MN

Dear Jeremy:

Thank you for the opportunity to submit a proposal for the Highway Business District TIF analysis in Baxter, Minnesota. We have the experience and knowledge to help you strategize whether TIF is a reasonable tool for this area. LHB is a full-service architecture, planning and engineering firm with 250 employees in our Minneapolis, Duluth, Cambridge, and Superior, Wisconsin offices.

Our Government studio has extensive experience working with local governments on their planning, design, architectural and engineering needs. Having been personally involved as a City Council President and Planning Commission Chair, I understand how cities function and the importance of maintaining the support of your appointed and elected officials and community throughout the process.

PREVIOUS EXPERIENCE

LHB has significant experience with a variety of inspection and facility assessment projects, including the analysis of over 100 TIF Districts in the past seven years. Examples include:

- City of Columbia Heights TIF inspection services
- City of St. Paul TIF inspection services
- City of St. Anthony Village, NW Quadrant TIF inspection services
- City of St. Louis Park TIF District inspection services
- City of Mound TIF District “1-2” inspection services
- City of Osseo TIF inspection services
- Minnesota State Colleges and Universities system facility assessments
- State of Minnesota Facility Assessments
- Property Condition Assessments for the St. Paul Department of Planning and Economic Development (Franklin/Emerald Neighborhood)
- Condition surveys for every DNR facility in the State of Minnesota, 2014

21 West Superior Street, Suite 500		Duluth, MN 55802		218.727.8446
701 Washington Avenue North, Suite 200		Minneapolis, MN 55401		612.338.2029
200 Third Avenue Northeast, Suite 100		Cambridge, MN 55008		763.689.4042
63 East Second Street, Suite 150		Superior, WI 54880		715.392.2902

TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 30 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is a Senior Vice President at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Jonathan Pettigrew, AIA – Inspector

Jonathan Pettigrew has worked in architecture and construction for the last twenty years in Minnesota, California and Washington. His experience includes a variety of commercial and residential project types and scales, from single-family homes to a 300,000 square foot multi-building office complex. He has significant experience in code reviews and building systems inspections and analysis. Jonathan received his Minnesota architect's license in 2004. He brings a strong interest in sustainability and an eye for detail to his work. He enjoys working with clients, consultants and contractors to bring projects together successfully.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

SCOPE OF SERVICES

LHB will work with City staff and your consultant team to strategically select up to eleven buildings to inspect, ranging from single family homes to big box retail. Once we have completed the inspections and determined the number and location of substandard buildings, we will determine the viability of creating one or more TIF Districts in the study area. We will inspect the buildings and provide the following services based upon the terms and conditions described below.

- 1. Survey the TIF District to determine if it meets applicable coverage test.**
 - A. To meet the coverage test, parcels consisting of 70 percent of the area of the district must be “occupied” by buildings, streets, utilities, or paved or gravel parking lots.
 - B. A parcel is not considered “occupied” unless at least 15% of its total area contains improvements.

- 2. Conduct a visual review of building(s) interior and exterior:**
 - A. Obtain property owner’s consent for inspection.
 - B. Document property conditions relative to Minnesota Statutes Section 469.174 Subdivision 10.

- 3. Estimate building(s) replacement cost:**
 - A. Replacement cost is the cost of constructing a new structure of the same square footage and type on the site.
 - B. A base cost will be calculated by establishing the building class, type and construction quality.
 - C. Identify amenities, which increase the value of the building over the standard construction quality level.
 - D. Review building permits for each parcel.
 - E. The base cost and cost of amenities will be totaled to determine the replacement cost for the property.

- 4. Evaluate building(s) existing condition:**
 - A. “Structurally substandard shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

- 5. Determine Building(s) Code Deficiencies:**
 - A. Determine technical conditions, which are not in compliance with current building code applicable to new buildings.
 - B. Provide opinion of probable cost to correct identified deficiencies.
 - C. Compare cost of deficiency corrections to replacement value of building.

- 6. Prepare and deliver report:**
 - A. Prepare a written narrative analysis of the District describing why the property within the District does or does not meet the criteria as “structurally substandard” as established in Minnesota Statutes Section 469.174, subdivision 10.
 - B. Deliver final reports via email PDF.

ASSUMPTIONS

1. LHB will inspect up to 11 structures in a proposed TIF District with approximately 14-25 parcels. We will inspect both the interior and exterior of the buildings and evaluate the coverage of the parcel(s). The Client will provide the following:
 - A scalable parcel map and/or aerial photo of the area to be inspected, including GIS information with specific parcel data, including parcel area measured in square feet.
 - A list of all parcels affected including name of owner, current known business or resident name and address.
 - Available information regarding the condition of the structures, including past building permit information, and known code violations.
2. Our fee and schedule assumes that we will participate in the creation of up to, but not more than two TIF Districts. In addition, our inspections and travel time are assumed to take no more than two contiguous days with one night stay in a hotel.

STANDARD OF CARE

LHB shall perform services consistent with the professional skill and care ordinarily provided by other professionals practicing in the same or similar locality under the same or similar circumstances.

Any report prepared by LHB represents a professional opinion based upon information available and arrived at in accordance with generally accepted professional standards. Other than as contained in the report, LHB makes no express or implied warranty.

Short of complete deconstruction to examine every element at every location, no assessment can reveal all conditions which may exist. Additional testing, assessment, or demolition, may uncover conditions which would make it necessary to modify LHB's conclusions or recommendations.

Any report prepared for the purpose described in this Agreement is for the exclusive use by those to whom the report is addressed. LHB will not and cannot be held liable for the unauthorized reliance upon this report by any third party.

COMPENSATION

We propose to work on an hourly basis with the following key staff:

Project Principal, Michael Fischer (TIF analysis)	\$252/hour
Project Manager	\$140/hour
Project Architect/Inspector	\$126/hour
Project Administrator	\$80/hour

We will work on an hourly basis not to exceed Nineteen Thousand Nine Hundred dollars (\$19,900) including reimbursable expenses (mileage, hotel, food) for the inspection of up to 11 buildings and up to two full reports outlining the findings for the proposed TIF District(s).

Payments are due and payable upon receipt of our invoice. Unpaid balances 60-days after invoice date shall bear interest at the rate of 8% annually.

Failure to make timely payment to LHB is a material breach of this Agreement and may, at LHB's sole discretion, result in a suspension or termination of services, and may, at LHB's sole discretion, result in the termination of the Client's limited license authorization to use LHB's copyrighted Instruments of Service.

ADDITIONAL SERVICES

If there is a material change in the circumstances or conditions that affect the scope of work, schedule, allocation of risks or other material terms, LHB shall notify the Client. The Client and LHB shall promptly and in good faith enter into negotiation to address the changed conditions including equitable adjustment to compensation. The fees and costs for any additional services will be based upon LHB's Standard Hourly Rates and Standard Reimbursable Schedule.

SCHEDULE

The building inspections and final report typically requires 30-60 days to complete from the time we are authorized to start. We are able to make preliminary conclusions prior to our full report being completed if necessary to allow other consultants and the client to begin their work.

CONSEQUENTIAL DAMAGES

LHB and Client waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement.

LIMIT OF LIABILITY

To the maximum extent permitted by law, the Client agrees to limit LHB's liability for the Client's damages to the sum of Ten Thousand Dollars (\$10,000) or the amount of fee paid to LHB, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

USE OF LHB'S DOCUMENTS

The documents prepared by LHB are solely for use with respect to this project. All documents prepared by LHB pursuant to this Agreement are the instruments of services to the Project and LHB shall retain all common law, statutory and other reserved rights, including copyright. LHB grants to Client a nonexclusive limited license solely for the purposes of evaluating and executing the Project. The Client shall not assign, delegate, sublicense, or otherwise transfer any license granted herein to another party.

To the extent the documents are transferred or are modified, supplemented or otherwise altered by the Client, subsequent design professional, or any other party, the Client agrees to indemnify, defend and hold LHB harmless for any claims, demands, damages or causes of action arising out of such transfer or modification, supplementation or alteration.

OTHER CONDITIONS

The laws of the State of Minnesota shall govern this Agreement. Any provision of this agreement later held to violate a law or regulation shall be deemed void. All remaining provisions shall continue in force.

The Client recognizes that materials prepared by others may be subject to copyright protection and warrants to LHB that any documents provided by the Client do not infringe upon the copyright held by another.

Unless the parties mutually agree otherwise, the parties shall endeavor to settle disputes by mediation. A demand for mediation shall be filed, in writing, within a reasonable period of time after a claim, dispute or other matter in question has arisen.

LHB and the Client, acting through the Client's legal representative, will, to the fullest reasonable extent, cooperate and coordinate efforts in preparing necessary responses to any third party challenges to the inspections. The Client agrees to pay LHB its regular hourly rates for time spent as a result of a third party legal challenge

If the terms and conditions of this Agreement are acceptable, please sign and return a copy to LHB.

CLIENT NAME

LHB, INC.

By: _____
(Signature)

By: MAFischer
(Signature)

Its: _____
(Title)

Its: Senior Vice President
(Title)

Name: _____
(Printed Name)

Name: Michael A. Fischer, AIA
(Printed Name)

**CITY OF BAXTER, MINNESOTA
RESOLUTION 2016-099**

**A RESOLUTION APPROVING A COMPREHENSIVE PLAN AMENDMENT TO AMEND THE
FUTURE LAND USE PLAN FROM COMMERCIAL AND MEDIUM DENSITY RESIDENTIAL
TO HIGH DENSITY RESIDENTIAL FOR 14.7 ACRES LOCATED ON PROPERTY
CURRENTLY PLATTED AS BAXTER WOODS, LOCATED EAST OF FOREST DRIVE AND
NORTH/NORTHWEST OF THE GANDER MOUNTAIN SITE.**

WHEREAS, The Kuepers Inc. has requested Comprehensive Plan Amendments to amend the Future Land Use Plan; and

WHEREAS, the properties that are specifically affected by the amendments are more specifically described as follows:

033150030010009	033150030020009	0331500090A0009
033150040020009	033150040010009	033150030030009
033150040030009	033150040040009	0331500090D0009
0331500090C0009	033150030040009	033150010010009
033150010020009	033150010030009	033150010040009
033150010050009	033150010060009	033150020030009
033150020040009	033150020050009	033150020060009
033150020020009		

WHEREAS, the Long Range Planning Commission has reviewed the proposed Comprehensive Plan Amendments at a duly called public hearing on November 28, 2016 and recommends approval;

WHEREAS, the City Council considered the Long Range Planning Commission recommendation at their December 6, 2016 meeting;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAXTER, MINNESOTA, that it should and hereby does approve the Comprehensive Plan Amendment to amend the Future Land Use Plan for 14.7 acres from Commercial and Medium Density Residential to High Density Residential, based upon the following findings:

1. The amendment to the Future Land Use Plan to High Density Residential would not negatively impact other elements of the existing Comprehensive Plan.
2. The proposed Future Land Use of High Density Residential would transition land use from Commercial to Low Density residential and would therefore, be compatible with the Future Land Use the surrounding properties.

Whereupon, said Resolution is hereby declared adopted on this 6th day of December 2016.

Darrel Olson, Mayor

ATTEST:

Kelly Steele, Assistant City Administrator/Clerk

City Seal

REQUEST FOR COUNCIL ACTION

December 6, 2016

Department Origination: Administration

Agenda Section: Other Business

Agenda Item: Nominating Council Member to Serve on the NJPA Board of Directors

Approval Required: Simple Majority of Vote of the Council

BACKGROUND

NJPA has notified members of accepting nominations for the board of directors. Two four-year board of director seats will be available for nomination for expiring terms. If interested, the council could nominate a council member to be considered for the Sub-Region IV seat. Nominations are due by December 13, 2016.

FINANCIAL IMPLICATIONS

There are no financial implications to nominate a council member to serve on the NJPA Board of Directors.

STAFF RECOMMENDATIONS

If the council is interested in nominating a council member to the Sub-Region IV seat, staff recommends the council confirm the nomination with a motion.

COUNCIL ACTION REQUESTED

The council would need to nominate a council member by making a motion.

Attachment:

1. NJPA Memo

October 24, 2016

To: NJPA Member Chief Executive Officers

From: Dr. Chad Coauette, NJPA

Re: 2016 Elections

It is time for the NJPA Annual Board Election Nominations. As you know, the NJPA Membership is divided into four sub-regions. Sub-Regions I, II, and III are made up of school districts and Sub-Region IV is made up of cities, counties, and other government agencies. Each Sub-Region elects two of its elected officials to serve on the NJPA Board of Directors.

There are two (2) seats available: one (1) four year term from Sub-Region III
one (1) four year term from Sub-Region IV

Terms of office which expire on December 31, 2016 are presently held by:

Sub-Region II Colleen Seelen, Pierz Schools

Sub-Region III John Poston, Region 5 Development Commission

Please take the enclosed information to your next Board meeting and ask your Board to consider nominating one of your members to serve for the terms indicated. Then complete the nomination form and return it **no later than December 13, 2016**.

Thank you for your help. Look for the ballots soon after December 14, 2016.

Enc: NJPA Board of Directors Nomination Form
NJPA Board Member Job Description
NJPA Full Voting Sub-Regional Membership for 2016

Position Description & Expectations

202 12th Street NE
P.O. Box 219
Staples, MN 56479

Position Title: Board Member

Immediate Supervisor's Position Title: Minnesota State Legislature and Governor

A. Essential Duties and Powers of the Board are defined in the NJPA By-Laws, Article III, Subd.F.,

1. Submit an Annual Evaluation Report and an Annual Plan to the Membership.
2. Provide adequate office, service center and administrative facilities.
3. Employ staff and other personnel as necessary to provide and support the agreed upon programs and services.
4. Appoint special advisory committees as needed.
5. Employ licensed staff pursuant to licensure and certification standards.
6. Enter into contracts with school boards of local education agencies, including school districts outside NJPA's area.
7. Enter into contracts with other public and private agencies and institutions.
8. Be governed by the NJPA By-Laws and applicable laws of the state.
9. Establish cooperative, working relationships and partnerships with post-secondary educational institutions, other public agencies, business, and industry.
10. Appoint an Executive Director and other such necessary personnel and fix their salary and conditions of employment.
11. Meet at the call of the Chair or any three (3) members of the Board.
 - a. Expected to attend monthly Board meetings. Supper is served.
 - b. Expected to attend an Annual Board Retreat in the Spring; usually running from the evening of the first day through the early afternoon of the following day. This event is typically held at a local Hotel.
 - c. Invited to attend one National Convention each FY at the expense of the NJPA.
12. May select advisory councils or committees to give advice and counsel to the board.

2015 NJPA Board of Directors Compensation

- \$30.00 per hour portal to portal for attending meetings, no daily maximum
- Mileage reimbursement at the IRS mileage rate (currently \$0.575 per mile)
- Meal per diem while traveling or attending conferences
 - \$30 per meal out of state
 - \$20 per meal in state
- Attendance at one national conference per year of your choice
 - ASBO (Association of School Business Officials)
 - AESA (Association of Educational Service Agencies)
 - AASA (The School Superintendents Association)
 - NSBA (National School Boards Association)
 - NAEP (National Association of Educational Procurement)
 - NIGP (National Institute of Governmental Purchasing)
- Attendance at the Annual Minnesota Service Cooperatives Summer Board Conference

National Joint Powers Alliance®

FULL VOTING SUB-REGIONAL MEMBERSHIP FOR 2015

Sub-Region I	ADM's	Member Number
Bertha-Hewitt	409	1315
Browerville	399	1579
Eagle Valley	266	45502
Freshwater Education District	105	14322 (Staples) 59952 (Wadena)
Long Prairie/Grey Eagle	877	5078
Menahga	955	5414
Sebeka	472	7157
Staples/Motley	1,165	7753
Verndale	520	33164
Wadena/Deer Creek	968	10634
Total: Sub-Region I	6,136	
Sub-Region II		
Cass Lake/Bena	1,164	11260
Crosby/Ironton	1,069	2855
Northland Community	346	6067
Pequot Lakes	1,610	6449
Pillager	959	6503
Pillager Area Charter School	45	6502
Pine River/Backus	902	6526
Walker/Hackensack/Akeley	712	8791
Total: Sub-Region II	6,807	
Sub-Region III		
Brainerd	6,427	15688
Little Falls	2,490	5043
Mid-State Education District-Little Falls	35	40599
Pierz	1139	6492
Royalton	909	6980
Swanville	321	11398
Upsala	376	33156
Total: Sub-Region III	11,697	
Sub-Region IV		
City of Baxter - 34965	City of Pierz - 89851	Region 5 RDC - 40600
City of Brainerd - 18227	City of Pine River - 33248	
City of Breezy Point - 84933	City of Royalton - 92001	MN State Comm. & Tech College - 5559
City of Browerville - 36435	City of Sebeka - 40598	
City of Clarissa - 2161	City of Staples - 33244	
City of Crosslake - 16521	City of Verndale - 83290	
City of Emily - 50069	City of Wadena - 19960	
City of Little Falls - 490		
City of Long Prairie - 2306	Cass County - 1784	
City of Menahga - 40597	Crow Wing County - 2876	
City of Nisswa - 30664	Wadena County - 8774	

**NJPA Board of Directors
Nomination Form**

**Please return to:
NJPA - Attn: Deb Cervantez
PO Box 219
202 12th Street NE
Staples, MN 56479**

NO LATER THAN December 13, 2016

_____ would like to place in nomination the following
(Government Agency Name)

person who is presently serving on our governing board, council, or commission to serve for a four-year term representing Sub-Region IV on the National Joint Powers Alliance® (NJPA) Board of Directors:

Term Expires December 31, 2020

Person Nominated

Phone Number of Nominee

Email of Nominee

Date

Signature of Government Official

For each person nominated, a brief biographical sketch should be included in the space below which illustrates information on the candidate that would be of value to governmental agency board members in your Sub-Region to consider as a part of the election process.

REQUEST FOR COUNCIL ACTION

12.06.2016

Department Origination:
Public Works/ Finance Department

Agenda Section:
Other Business

Agenda Item: Roadside Tractor Mower Purchase

Approval Required: Simple Majority Vote of the Council

BACKGROUND

The tractor/mower used in the city's Storm Water Department for street ditch mowing is in need of major repairs totaling in excess of \$13,600. The tractor was originally scheduled for replacement in 2018, but was moved to the 2017 budget due to the repair concerns. Staff is recommending purchasing the tractor in December of 2016 in order to have the tractor up and operating in time for the 2017 roadside mowing season.

FINANCIAL IMPLICATIONS

See attached Finance Director's memo dated December 2, 2016 outlining the financial implications to the proposed 2017 Storm Water Enterprise Budget with adjustments.

STAFF RECOMMENDATION

Staff is recommending the purchase of the Roadside Tractor Mower in December 2016 and to make the recommended changes to the proposed 2017 Storm Water Enterprise budget as recommended in the Finance Director's memo dated December 2, 2016.

COUNCIL ACTION REQUESTED

MOTION to approve the early purchase of the Roadside Tractor Mower and make the recommended changes to the proposed 2017 Storm Water Enterprise budget as recommend in the Finance Director's memo dated December 2, 2016.

Attached: Finance Director Memo dated December 2, 2016



MEMO

TO: City Council
Interim Administrator Steele

FROM: Finance Director Vacinek

DATE: 12.02.16

RE: Tractor/Mower Replacement

I understand the tractor/mower used in the city's storm water enterprise for street ditch mowing is in need of major repairs totaling in excess of \$13,600. The tractor was originally scheduled for replacement in 2018, but was moved to the 2017 budget due to the repair concerns. A revised cost to purchase the tractor was recently placed at \$108,785, or \$2,285 higher than the estimate for budget purposes earlier this year. With the repairs identified, the trade-in of the existing tractor was reduced to \$21,500, or \$5,500 less than originally estimated. The trade-in value difference is still more than the \$13,600 in estimated repairs as the vendor is able to absorb some of the labor and parts mark-up costs.

As shown in the table below, the net cost to the city has increased to \$87,285 or \$7,785 more than originally estimated.

	Original	Revised	
	2017 Budget	Cost	Variance
Tractor/Mower Purchase Expense	106,500	108,785	(2,285)
less Trade-In Revenue	(27,000)	(21,500)	(5,500)
Net Cost	79,500	87,285	(7,785)

Public Works is requesting to order the new tractor in December for delivery by spring 2017. To account for the transaction financially should the council concur with the acquisition, the 2016 budget would be amended to account for the new expense in 2016 and trade-in revenue received. To accommodate the approximate \$7,800 anticipated overage for the tractor purchase and provide some stability to the enterprise fund's cash flow, I'd recommend reducing the Storm Water fund's structure repairs budget from \$65,000 to \$57,200 in the 2017 budget.