

City Council Meeting Date: June 15, 2009
Consent
ITEM: 1
Motion

ITEM: Reviewing Disbursements

ACTION REQUESTED:

Proposed Motion For Consideration: _____ **Motion** _____ **Second**

The City Council of the City of Northfield hereby reviews disbursements totaling \$780,710.94 (May 29, 2009, and June 5, 2009 – including Payroll Transfer of \$170,463.71) as presented to the City Council.

SUMMARY

The City Council is being asked to review disbursements for \$780,710.94. They are within the limitations of the approved budget and resources available.

SUBMITTED BY: *Julie Nordmeier, Accountant*

ATTACHMENTS:

1. Disbursement Lists

ITEM: Award the construction contract for the expansion and remodeling of Northfield Hospital & Clinics' Center for Sports Medicine and Rehabilitation

ACTION REQUESTED:

The City Council is asked to pass Resolution 2009-049 - awarding the construction contract for the expansion and remodeling of Northfield Hospital & Clinics' Center for Sports Medicine and Rehabilitation to RJ Ryan Construction in the amount of \$1,449,390 and to authorize Ken Bank, NHC President, to execute the required contract documents.

SUMMARY:

The Center for Sports Medicine and Rehabilitation (CSMR), which is owned and operated by Northfield Hospital & Clinics (NHC), is one of the largest and most comprehensive outpatient rehabilitation services in Minnesota. Its main facility is located at 1381 Jefferson Avenue; but due to space shortages, its pediatric therapy and Work Systems programs have been relocated into leased space located on Professional Drive.

On February 2, 2009, the City Council approved a proposal to expand the main CSMR facility by adding approximately 6,400 square feet designed to house the physical therapy department and allow expansion of the reception/waiting area. In addition to the expansion, approval was given to renovate/refurbish approximately 6,700 square feet of existing space to be used by occupational therapy and to house the pediatric therapy and Work Systems programs. The total cost of the project was estimated to be approximately \$2.2 million, of which approximately \$1.74 million was for the actual construction work.

Following Council approval, NHC proceeded with the project design process and then conducted a public bid process. Eighteen general contractors submitted bid proposals that included pricing for two add alternates and five deduct alternates in addition to the base bid. The range of base bids was \$1,435,000 to \$1,708,000. Analysis by NHC's project team led to a decision to accept add alternate #5 and to reject all other alternates. On this basis, RJ Ryan Construction was the low qualified bidder with a base bid of \$1,435,000 and a bid of \$14,390 for add alternate #5.

On May 28, 2008, NHC's Board of Directors approved a proposal (copy attached) to recommend Council approval to award the construction contract to RJ Ryan Construction and to authorize Ken Bank, NHC President, to execute the required contract documents. The total amount of the contract will be \$1,449,390, including \$1,435,000 for the base bid and \$14,390 for add alternate #5. The revised estimate for total project cost will be \$1.96 million. Council approval is needed because of Charter and Ordinance provisions stating that while the Hospital Board controls

operations and management of the Hospital and its facilities, the Council retains authority over construction of and additions to the Hospital and related facilities.

ATTACHMENT: Hospital & Clinics Board Proposal

REQUESTED BY: Northfield Hospital & Clinics, 2000 North Avenue

SUBMITTED BY: Ken Bank, Hospital & Clinics President

IN CONSULTATION WITH: Hospital & Clinics Board of Directors
Maren Swanson, City Attorney

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-049

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA, APPROVING AWARD OF THE CONSTRUCTION CONTRACT FOR THE EXPANSION AND REMODELING OF THE CENTER FOR SPORTS MEDICINE AND REHABILITATION

WHEREAS, Northfield Hospital & Clinics' Center for Sports Medicine and Rehabilitation (CSMR) is one of the largest and most comprehensive outpatient rehabilitation services in Minnesota; and,

WHEREAS, CSMR's continued growth has stretched this facility to the limits of its capacity to treat patients and has made it necessary to disperse certain rehabilitation programs to other locations; and,

WHEREAS, This situation has made it difficult to schedule patients, the reception/waiting area is inadequate, treatment is frequently delayed due to lack of enough treatment rooms, the gym is too small to accommodate needed equipment, and the quality of the environment is not up to the standard of the Hospital's other facilities; and,

WHEREAS, At its meeting on February 2, 2009, the City Council approved an expansion/remodeling project for CSMR at an expected total cost of \$2.2 million; and

WHEREAS, A public bid opening was conducted on May 18, 2009, that resulted in bids being submitted by eighteen general contractors with RJ Ryan being the low qualified bidder; and,

WHEREAS, The Hospital & Clinic's Board of Directors held its regular meeting on May 28, 2009 and recommended to the City Council the award of a construction contract to RJ Ryan Construction in the amount of \$1,435,000 for the base bid and \$14,390 for Add Alternate #5.

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the City of Northfield hereby awards the construction contract for the expansion/remodeling of Northfield Hospital & Clinics' Center for Sports Medicine and Rehabilitation to RJ Ryan Construction in the total amount of \$1,449,390 and authorizes Hospital & Clinics' President Ken Bank to execute the required contract documents.

PASSED by the City Council of the City of Northfield on this 15th day of June 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ BUCKHEIT ___ DENISON ___ POKORNEY
 ___ POWNELL ___ ROSSING ___ VOHS ___ ZWEIFEL

PROPOSAL

ISSUE: Recommendation to the Northfield City Council to award the contract for expansion/renovation of the Center for Sports Medicine & Rehabilitation (CSMR) in Northfield.

DISCUSSION: In March of 2009, the Board approved a project to expand the current CSMR facility by adding approximately 6,700 square feet that will house the physical therapy department and allow expansion of the reception/waiting area. In addition to the expansion, approximately 6,800 square feet of existing space will be renovated/refurbished for use by occupational therapy, by the relocated pediatric therapy program and by work systems.

The proposed expansion and update is essential to allow CSMR to continue to grow. It will provide patients with more immediate appointments, allow staff adequate workspace to be efficient and improve patient and staff satisfaction with the facility and equipment. In an already competitive environment for staff, the ability to recruit, hire and sustain skilled therapists will also be greatly improved.

Following the completion of the public bid process, bids were opened on Monday, May 11, 2009. Eighteen general contractors submitted bid proposals that conformed to all required specifications, which included pricing for two add alternates and five deduct alternates in addition to the base bid. The range of base bids was \$1,435,000 to \$1,708,000.

Analysis by our project team led to a decision to accept add alternate #5 and to reject all other alternates. On this basis, RJ Ryan Construction was the low bidder with a base bid of \$1,435,000 and a bid of \$14,390 for add alternate #5. A summary of the three low bids is shown below.

RECOMMENDATION: The Board is asked to recommend that the City Council award the contract for expansion/renovation of the Center for Sports Medicine & Rehabilitation to RJ Ryan Construction and authorize Ken Bank, Hospital President, to execute the required contract documents. The total amount of the contract will be \$1,449,390, including \$1,435,000 for the base bid and \$14,390 for add alternate #5.

Summary of Low Bids

<u>Firm</u>	<u>Base Bid</u>	<u>Add Alternate #5</u>	<u>Total</u>
RJ Ryan Construction	\$1,435,000	\$14,390	\$1,449,390
Greystone Construction	\$1,481,000	\$ 9,450	\$1,490,450
ProCon Construction.	\$1,518,400	\$ 9,104	\$1,527,504

ITEM: Approve concessions license for Cocoa Bean

PROPOSED MOTION FOR CONSIDERATION: Motion: _____ **Second:**

The City Council of the City of Northfield hereby approves the miscellaneous/concessions license for the Cocoa Bean to sell concessions on City property subject to the following conditions:

- *Applicant shall provide the City of Northfield with copies of current Minnesota Department of Health or other State Licenses as applicable*
- *Applicant is responsible for picking up and proper disposal of trash*
- *Applicant is responsible to ensure compliance with all local and state regulations*
- *Non-compliance with conditions will result in the license being revoked*

SUMMARY:

The City Council is being asked to approve a miscellaneous concessions license for the Cocoa Bean to sell concessions on City property. Section 14-1 of the Northfield Ordinance Code states that it is unlawful for any person to operate a business on any property owned or controlled by the city without a license issued by the city council. The Cocoa Bean will be selling concessions at the Amerman Pavilion at the soccer fields as well as at various other locations within the City in conjunction with Books and Stars events. The concessions license fee is \$100. This fee covers the cost of reviewing and processing the license. Past practice has been to issue exclusive concession rights to an area for non-profit organizations, such as the Northfield Youth Baseball Association, Northfield Hockey Association, Northfield Senior Citizens, etc. These entities in turn are allowed to subcontract with a vendor or vendors of their choice. The City has not offered exclusive use of City property to for profit businesses unless it is through a contract with the City. Other vendors would be allowed to sell concessions at these same locations if they are approved by the City Council and licensed. Staff has reviewed the request and recommends approval with the conditions noted above.

Y	N	Checklist
X		Does this project fit within the identified Council goals, objectives, and priorities? Fits with Council Goal #2 to build a vibrant community and the identified value of building community.
X		Does the project fit within the estimated budget & resource parameters? The concession license fee covers the cost of review and processing the license itself. It does not address any other costs that may be incurred such as use of electricity, etc. This will be addressed in the future though Public Works use agreements when groups are using city facilities for selling concessions.

		Is the public process identified consistent with the scope and implications of the project? N/A
		Have the pertinent boards and commissions been identified for providing review, recommendations, or input? N/A
		Is this decision consistent with current city plans (Comprehensive Plan, Transportation Plan, Park Plan, etc)? N/A
		Have the future costs to city operations been calculated and identified? N/A
		Are there measurable criteria to aid with the decision-making and have they been identified? N/A
		Have the suitable timelines and schedules been identified? N/A

Submitted by: Deborah Little, City Clerk
 Brian Erickson, Public Works Operations Engineer

City Council Meeting Date: June 15, 2009

CONSENT

Item: 4

Resolution 2009-050

ITEM: Approve application for exempt gambling permit for Northfield Ducks Unlimited to conduct raffles at the Northfield Golf Club on July 23, 2009

ACTION REQUESTED & SUMMARY:

The City Council is being asked to approve Resolution 2009-050 for an exempt gambling permit for Northfield Ducks Unlimited to conduct raffles at the Northfield Golf Club on July 23, 2009.

Pursuant to Gambling Control Board processing procedures, the City of Northfield must acknowledge and sign the application. Staff recommends approving the application. A copy of the resolution submitted for council action must be sent to the Gambling Control Board.

Attachment: Resolution 2009-050

Submitted by: *Deborah A. Little, City Clerk*

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-050

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA APPROVING EXEMPT GAMBLING PERMIT APPLICATION FOR NORTHFIELD DUCKS UNLIMITED TO CONDUCT RAFFLES AT THE NORTHFIELD GOLF CLUB ON JULY 23, 2009

WHEREAS, Northfield Ducks Unlimited is applying to the Gambling Control Board for an Exempt Gambling Permit to conduct raffles at Northfield Golf Club, 707 Prairie St, on July 23, 2009; and

WHEREAS, the City must consider approval or denial of such applications; and

WHEREAS, staff has reviewed the request for application for exempt permit and recommends approval.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

The City Council of the City of Northfield hereby approves the application for an Exempt Gambling Permit for Northfield Ducks Unlimited to conduct raffles at Northfield Golf Club, 707 Prairie St, on July 23, 2009.

PASSED by the City Council of the City of Northfield on this 15th day of June 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ ROSSING ___ POWNELL ___ DENISON ___ ZWEIFEL
 ___ BUCKHEIT ___ POKORNEY ___ VOHS

City Council Meeting Date: June 15, 2009

Consent

ITEM: 5 a., b. and c.

Resolution 2009-051

Resolution 2009-052

Resolution 2009-053

ITEM: Consider Approval of Interfund Loans and Related Year-End Actions

ACTION REQUESTED:

The City Council is being asked to approve the attached resolutions approving interfund loans to cover fund deficits and to designate a portion of the fund balance in the Park Fund for pool-related expenses. Council authorization is required for interfund loans and fund balance designations.

SUMMARY

Interfund loans are being requested to cover the deficits in the Hiley Neff Tax Increment Debt Service Fund and the Insurance Fund. The fund deficits and need for interfund loans were discussed with the Council at the work session on April 13th. A summary of each fund's status follows:

Hiley Neff has an approximate deficit of \$(179,000) as a result of accounting shifts of property sales revenue to the HRA Fund when the Hiley Neff Fund was created and financial activity removed from the HRA Fund. Annual tax increment revenue averages just over \$14,000 / year and debt service on the bonds averages just under \$10,000. With housing values depressed, it is not anticipated that tax increment income will increase any year soon. The district's required decertification date is 12/31/2028.

A logical source for the interfund loan would be the HRA Fund, but a loan of this amount would wipe out the HRA's ability to initiate special programs right now such as the purchase / rehabilitation of foreclosed properties. At this point, using the major operating funds – General, Water and Sewer, etc. makes more sense. For the future (after 2020), there may be potential to use surplus increments from the Presidential Commons Tax Increment Bonds Debt Service Fund to cure the deficit.

The Insurance Fund was established several years ago in order to build up reserves to allow the City to move toward a higher deductible for property and liability insurance. Ultimately the fund was also going to be used for employee benefits and provide a source for payment of compensated absences upon an employee's retirement or termination (a current significant "unfunded liability" of over half a million dollars). However the extraordinary loss of investments with Rate Search has shifted the focus of the fund for the time being.

It was decided to isolate the investment loss to the Insurance Fund and develop a deficit elimination plan – rather than taking the write-off immediately to all funds (based upon their

proportional share of investments). As of the end of 2008, the approximate deficit to cover is \$1.324 million. As with Hiley Neff, the major operating funds will provide the interfund loans to cover the deficit.

For both of the funds, the interfund loan and repayment plans will be updated annually to reflect the past year's activity and any new sources of money that may become available to reduce the deficits.

The loan amounts needed and provided by fund are shown below:

Hiley Neff Fund - loan amount needed		179,000.00
Insurance Fund - loan amount needed		1,324,000.00
General Fund - loan amount provided	473,000.00	
Presidential Commons TIF Fund - loan amount provided	30,000.00	
Capital Reserve Fund - loan amount provided	100,000.00	
Water Fund - loan amount provided	400,000.00	
Sewer Fund - loan amount provided	400,000.00	
Garbage Fund - loan amount provided	100,000.00	
	1,503,000.00	1,503,000.00

Designation of fund balance in Park Fund for pool-related expenses is directly related to the closeout of the Pool Construction Fund. The Pool Construction Fund was established with the sale of the lease revenue bonds in 2007. In order to close the fund, pool-related expenditures made to the Park Fund were transferred to the construction fund to use up the remaining bond proceeds. A total of \$51,116.40 was transferred.

Because of the transfer out of the Park Fund, staff is requesting Council to designate \$51,116.40 of fund balance to pool-related programs / costs as of December 31, 2008. This designation will create a dedicated source of funding future pool improvements for the next several years. With the redirection of the Park Fund tax levy to General Fund operations for the foreseeable future, this set-aside will represent the only monies available for pool-related capital outlay.

ATTACHMENTS:

1. Resolution 2009-051
2. Resolution 2009-052
3. Resolution 2009-053

SUBMITTED BY: *Kathleen McBride, Finance Director*

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-051

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA TO APPROVE INTERFUND LOANS TO COVER THE DEFICIT IN THE HILEY-NEFF TAX INCREMENT DEBT SERVICE FUND

WHEREAS, the Hiley-Neff Tax Increment Debt Service Fund has a fund deficit of \$179,000 as of December 31, 2008; and,

WHEREAS, the deficit must be covered from loans from other funds; and,

WHEREAS, the City Council must formally approve such interfund loans and a corresponding repayment plan;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

A loan of \$30,000 from the Presidential Commons Tax Increment Debt Service Fund and \$149,000 from the General Fund are approved to cover the deficit in the Hiley-Neff Tax Increment Debt Service Fund effective December 31, 2008.

Repayment of the loans shall be made as funds become available in the Hiley-Neff Tax Increment Debt Service Fund and shall include interest based upon the City's average investment rate of return for each year.

The Finance Director shall provide annual updates of the status of the loan to the City Council.

PASSED by the City Council of the City of Northfield on this 15h day of June, 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ ROSSING ___ POWNELL ___ DENISON ___ ZWEIFEL
 ___ BUCKHEIT ___ POKORNEY ___ VOHS

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-052

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA TO APPROVE INTERFUND LOANS TO COVER THE DEFICIT IN THE INSURANCE FUND

WHEREAS, the Insurance Fund has a fund deficit of \$1,324,000 as of December 31, 2008; and,

WHEREAS, the deficit must be covered from loans from other funds; and,

WHEREAS, the City Council must formally approve such interfund loans and a corresponding repayment plan;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

A loan of \$324,000 from the General Fund, \$100,000 from the Capital Reserve Fund, \$400,000 from the Water Utility Fund, \$400,000 from the Sewer Utility Fund and \$100,000 from the Garbage Fund are approved to cover the deficit in the Insurance Fund effective December 31, 2008.

Repayment of the loans shall be made as funds become available in the Insurance Fund and shall include interest based upon the City's average investment rate of return for each year.

The Finance Director shall provide annual updates of the status of the loan to the City Council.

PASSED by the City Council of the City of Northfield on this 15h day of June 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ ROSSING ___ POWNELL ___ DENISON ___ ZWEIFEL
 ___ BUCKHEIT ___ POKORNEY ___ VOHS

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-053

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA TO APPROVE INTERFUND LOANS TO COVER THE DEFICIT IN THE INSURANCE FUND

WHEREAS, certain pool-related capital outlay costs of \$51,116.40 were transferred out of the Park Fund in 2008 and applied against the bond proceeds issued to construct pool construction fund in order to facilitate the closure of the pool construction fund; and

WHEREAS, the transfer of costs reduces pool-related capital outlay costs in the Park Fund in 2008; and,

WHEREAS, future financing of pool-related capital improvements will be limited with the reduction in the Park Fund property tax levy;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

A total of \$51,116.40 of the Park Fund's fund balance is designated for pool-related costs as of December 31, 2008 and shall be shown as such on the year-end financial statements.

The Finance Director shall provide annual updates of the status of these designated funds to the City Council.

PASSED by the City Council of the City of Northfield on this 15h day of June 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ ROSSING ___ POWNELL ___ DENISON ___ ZWEIFEL
 ___ BUCKHEIT ___ POKORNEY ___ VOHS

ITEM: Mayor's Taskforce on Youth Alcohol and Drug Use

ACTION REQUESTED:

Proposed Motion For Consideration: _____ **Motion** _____ **Second**

The City Council of the City of Northfield hereby approves the following Mayor's Taskforce on Youth Alcohol and Drug Use 2009 appointments: Curt Benson, Katherine Cooper, Patty Gallivan, Judy Harper-Malecha, Sharon Henry, Joan Janusz, Kristine Matson, Mary Nelson and Susan Sanderson.

SUMMARY AND ACTION REQUESTED:

The City Council is being asked approve the Mayor's appointment of the Mayor's Taskforce on Youth Alcohol and Drug Use members. The appointees listed above are submitted for consideration and approval. Each of the incoming members of this group submitted letters of interest in being reappointed. There are also three new members being appointed who completed applications and have been regular attendees at the meetings of the taskforce. New members are Curt Benson, Judi Harper-Malecha, and Kristine Matson.

The Mayor's Taskforce on Youth Alcohol and Drug Use was first formed by Resolution of the City Council in 2006 to focus on the following objectives:

- To raise community awareness about youth alcohol and drug use;
- To support and encourage efforts to increase community education about youth alcohol and drug use;
- To provide a citizen voice in community efforts to reduce youth alcohol and drug use;
- To examine existing policies and practices in the community around youth alcohol and drug use; and
- To develop and implement the recommendations of the Mayor's Task Force on youth alcohol and Drug use.

The Mayor recommends and appoints applicants based on their interests, willingness to serve and background. The goal of the Mayor is to have members on the various boards and commissions who represent all segments of the community.

SUBMITTED BY: *Mayor Mary Rossing*
Jennifer Nash, Assistant to the Administrator

ITEM: Mayor's Youth Council Appointments

ACTION REQUESTED:

Proposed Motion For Consideration: _____ **Motion** _____ **Second**

The City Council of the City of Northfield hereby approves the following Mayor's Youth Council 2009-2010 appointments:

Seniors

Emma Kleese

Raena Mueller-Dahl

Tom Murray

Katherine Peterson

Lucas Rohr

Jaime Rossow

Liv Thompson

Juniors

Bette Benson

Soren Carlson-Donohoe

Josh Corbin

Martha Dompierre

Josef Hines

Brenda Kell

Briseiry Lazaro

Otto Pfefferle

SUMMARY AND ACTION REQUESTED:

The City Council is being asked approve the Mayor's appointment of Mayor's Youth Council members. The Youth Council was first formed by Resolution of the City Council in 2006 to focus on the following objectives:

- To assist with the identification of issues important to Northfield young people
- To work with community partners and other youth initiatives to help design and implement solutions to address opportunities and areas of concern
- To provide youth perspectives on relevant issues to the Mayor, council members and other local groups
- To assure a voice in civic affairs

There were 30 applications received from incoming Juniors and Seniors interested in serving on the Mayor's Youth Council. The previous Youth Council met and reviewed all of the applications. The review of the applications began with individual scoring of applications without names of applicants, then the top scoring applications were reviewed with names and the Youth Council chose their recommendations. In discussing applicants the group would recommend, the Youth Council's goal is to assure that there is a diverse group of young people that are selected – diverse in the groups they associate with, in their backgrounds, in the schools they attend, etc. The Youth Council has recommended the above list of students to serve as the 2009-2010 group. The Mayor is submitting these appointments for approval by the Council.

SUBMITTED BY: *Mayor Mary Rossing*
Jennifer Nash, Assistant to the Administrator

ITEM: Award Bids for Seal Coat

ACTION REQUESTED:

The City Council is being asked to consider awarding the contract for 2009 Seal Coat Project.

INFORMATION ON BID TABULATIONS, SPECIFIC INFORMATION ON THE CONTRACT AWARD, AND A SUGGESTED MOTION WILL BE PRESENTED AS A GREEN SHEET ITEM ON JUNE 15, 2009.

SUMMARY:

The City Council is being asked to consider award of the contract for 2009 Seal Coat Project. A bid tabulation and recommendation on award of the contract will be provided as a green sheet item.

This project will seal coat approximately 3 miles of roads that were crack sealed in the southern portion of the City as well as 4 public parking lots. Estimated cost for this project is approximately \$95,000. This is the second project of an annual seal coat program to perform regular maintenance.

Due to the routine maintenance that this project represents there will be no assessments on any of the property owners along these streets. The funding for this project is part of the 2009 Streets Budget and payment for this project will come from said budget. Additionally, later this summer a crack seal project will be performed in the northwest portion of the City. It is anticipated that this budget will continue to fund both crack seal and seal coat in an ongoing manner.

The last seal coat project was performed in 2008. By continuing a regular maintenance program the City will realize longer life spans and higher quality overall for the existing pavements. These maintenance efforts will revolve around two primary types of work, crack sealing and seal coating. It is anticipated that over the life cycle of a pavement it will be crack sealed and seal coated several times. Also a review of the sidewalks and trails in the areas of the City being seal coated will be performed and any maintenance required will be performed. The anticipated maintenance cycle will rotate through out the City on a 4-6 year basis. A major result of this maintenance cycle is a more predictable and focused maintenance plan that can properly allocate the maintenance budget.

Y	N	Checklist
Y		Does this project fit within the identified Council goals, objectives, and priorities?
Y		Does the project fit within the estimated budget & resource parameters?

Y		Is the public process identified consistent with the scope and implications of the project?
NA		Have the pertinent boards and commissions been identified for providing review, recommendations, or input?
NA		Is this decision consistent with current city plans (Comp Plan, Transportation Plan, Park Plan, etc)?
Y		Have the future costs to city operations been calculated and identified?
Y		Are there measurable criteria to aid with the decision-making and have they been identified?
Y		Have the suitable timelines and schedules been identified?

ADDITIONAL INFORMATION

The remaining project schedule is identified below:

Award Project
Project Complete
Project Accepted
Final Payment

June 15, 2009
September 1, 2009
September 15, 2009
September 30, 2009

SUBMITTED BY: *Brian Erickson, Public Works Operations Engineer*

ITEM: Approve RFP for City Attorney Services

PROPOSED MOTION FOR CONSIDERATION: Motion: _____ **Second:**

The City Council of the City of Northfield hereby approves the attached request for proposals for City Attorney services to provide civil legal services and criminal prosecutorial services and hereby appoints _____ to serve on the interview panel.

SUMMARY:

The City Council is being asked to approve soliciting of proposals from qualified law firms to represent the City and to appoint Mayor Mary Rossing or a City Council Member to serve on the interview panel. The RFP provides a detailed description of the services to be provided, as well as an outline of the proposal requirements, proposed timeline and review process. The city will consider proposals for providing civil legal services, criminal prosecutorial services or both. Preference will be given to those submittals demonstrating experience in those areas of municipal law. The successful applicant(s) are required to possess sufficient resources to ensure that the demands for the City’s legal needs will be met on a timely basis. The relationship would be on a consulting or contractual basis, as opposed to a staff position. The proposal is for a three-year contract, with two one-year renewal options for these services.

Firms will be requested to submit fee information for two options. The first option includes a retainer plus hourly fees and the second option is for hourly fees for all work without a retainer. The City intends to award a contract to the respondent(s) best qualified to perform the work for the City and which furthers the best interest of the City. Staff is developing scoring criteria to be used to evaluate the proposals and firms.

The proposed timeline for the process is as follows:

Action	Date
City Council Approval of RFP	June 15, 2009
Advertisement of RFP begins	June 18, 2009
Deadline for RFP	July 13, 2009 – 4:30 p.m.
Interviews	July 20-24, 2009 *
Consideration of approval of selected firm and award of contract by the City Council	August 17, 2009 *
New contract begins	January 1, 2010

* Proposed dates

Staff will provide notice of availability of the RFP as follows:

- A letter will be sent to all law firms in Northfield
- Advertisement in the Northfield News
- Advertisement with the League of Minnesota Cities
- Notice posted on the City's website

The proposed interview panel will include:

- Mayor or City Council Member
- City Administrator
- City Clerk
- Police Chief
- Other staff members to be determined

CONTRACTING LAWS AND POLICIES

There are two elements a city must consider to determine if the competitive-bidding law applies to a particular contract: the type of contract and its estimated price.

Under the competitive-bidding law, the definition of the term "contract" is broad, but it does not include all contracts. The competitive-bidding law applies to:

- Contracts for the sale, purchase or rental of supplies, materials or equipment.
- Contracts for the construction, alteration, repair or maintenance of real or personal property.

Professional services, such as those provided by engineers, lawyers, architects, accountants, and other services requiring technical, scientific or professional training are exempt from competitive bidding requirements.

HISTORY:

The City of Northfield currently uses the following firms/individuals for legal services:

- Maren Swanson, City Attorney & Tim Morisette, City Prosecuting Attorney, Lampe Law Group
- Mary Dyrseth, Briggs & Morgan - Bond Counsel
- Steve Bubul, Kennedy & Graven - Tax Increment Financing
- Roger Knutson, Campbell Knutson and Frank Madden, Frank Madden & Associates, for labor relations and employment law

It is anticipated that the City will continue to use outside legal services for specialized areas such as bond counsel, tax increment financing and labor relations and employment law.

The City of Northfield solicited proposals for legal services three times since 1995. There were 3 proposals received in 1995, 4 proposals received in 1999, and only one proposal received in 2001. Maren Swanson has served as the City Attorney since 1988 and also served as the

Assistant City Attorney from 1986-1988. Tim Morisette has served as the City's Prosecuting Attorney since 1988.

Y	N	Checklist
X		Does this project fit within the identified Council goals, objectives, and priorities? Goal #2
		Does the project fit within the estimated budget & resource parameters?
		Is the public process identified consistent with the scope and implications of the project? N/A
		Have the pertinent boards and commissions been identified for providing review, recommendations, or input? N/A
		Is this decision consistent with current city plans (Comprehensive Plan, Transportation Plan, Park Plan, etc)? N/A
		Have the future costs to city operations been calculated and identified?
		Are there measurable criteria to aid with the decision-making and have they been identified? N/A
X		Have the suitable timelines and schedules been identified?

Attachments:

- Request for Proposals for Attorney Services

Submitted by: Joel Walinski, City Administrator
Deborah Little, City Clerk

ITEM: First Reading of Ordinance No. 896 Amending Northfield Code, Chapter 66, Special Assessments.

ACTION REQUESTED:

The City Council is being asked to approve the first reading of Ordinance No. 896.

SUMMARY:

The council is being asked to approve the first reading of the final draft of the new special assessment ordinance. The ordinance will replace the entire existing special assessment ordinance found in Chapter 66 of the City Code.

The council initially began discussions on the updated ordinance in April 2008 as staff began to review and develop changes to the assessment policy. Staff has presented information on the new policy and had discussions with the council on more of the policy level questions at two work sessions this spring. Based on these discussions the final draft was prepared and reviewed with the City Attorney.

Background Information:

Current Policy:

- For a complete infrastructure project there is a maximum assessment amount of \$7,768 per single lot owner (2008). This amount includes both a utility and street component.
- For a street project (no utilities) the assessment is based on a percentage of the cost with a maximum assessment of \$2,174 per single lot owner (2008).
- Covers street reconstruction projects, overlays, and utility improvements.
- Special assessment policy for burial of electric lines and private utility improvements.
- No area wide assessment language.

Problems:

- Justification or defensible value of the “special benefit” to assigned property.
- Cost cap makes it difficult to attain 20% cost share which is required for 429 Street Reconstruction Financing, preferred financing method. The 5th Reconstruction Assessment was 20.59% of the total project costs; the Lincoln Parkway Assessment was 9.69% of the total project costs.
- Language of the current ordinance have made implementation difficult, especially as it relates to corner lots.

General items to note:

1. In general the language of the ordinance has been updated to better reflect the processes used for assessments that is in line with state statute 429, which governs the use of special assessments by municipalities.
2. Article III – The new policy uses a method that determines the special benefit for each project individually. This is accomplished by the use of an appraisal report prepared by a certified appraiser. The appraisal report suggests a per linear foot value. This value is multiplied by the front footage for each lot adjacent to the project to arrive at the assessment value for the property. A corner parcel will pay 10% of the assessment rate on the long side of the property.
3. A guide has been developed to aid staff and the council in determining a fair assessment rate for irregular lots. The council will be asked to adopt this guide at the same time as the second reading of the ordinance.

Council Input:

Staff sought input from the council on the following issues:

1. Some City's are going to a system that incorporates a monthly fee in the utility enterprise that funds utility replacement. Does the City want to incorporate a fee to cover replacement costs or maintain the current practice of assessing these charges? *Staff maintained the use of the benefit analysis for the entire project, which does not incorporate a separate utility assessment.*
2. Some City's are going to an insurance system to fund replacement of service lines. Does the City want to consider this type of system or continue to use assessments to help residents fund service line connections? *Staff will be exploring this option as part of the Utility Enterprise Funds Evaluation. The current practice of offering to assess service repairs is maintained at this time.*
3. The burial of electric lines is always a question on street reconstruction projects. In general the electric company charges the City for the cost to underground their lines and the City in turn passes these costs to the benefiting property owners. This requires buy in from the benefiting owners that has led to little to no projects. Does the City want to maintain the current policy or consider another policy and funding mechanism to accomplish undergrounding of utility lines? *The Council asked for additional evaluation of this topic. Staff feels that this item could take time to fully explore which could potentially delay the passage of this policy for a number of months. At this time staff recommends leaving the policy as is and making changes to the ordinance upon fully exploring the options.*
4. Some Cities assess residents differently that live on higher functionally classified roads. Should streets of different functional classification be assessed at different percentages? *Staff did not make provisions for different functionally classed streets. All road projects will be assessed based on the benefit analysis.*
5. The City currently takes responsibility to replace or repair hazardous sidewalk panels with the use of a modest budget. Many cities make sidewalk maintenance, repair, and replacement the responsibility of the adjacent property owner. Does the City want to reconsider the current policy. *The council indicated to maintain the current policy. Staff incorporated this into the ordinance update.*

6. Corner Lot Policy – The new policy requires a corner lot to pay a full assessment for the short side of the parcel and 10% of the assessment for the long side of the parcel. *Staff presented figures showing the impact of the corner lot policy on the 1st Street Project. Please refer to the information from the April 13, 2009 Work Session.*
7. Hardship – A few residents have expressed concern with the assessments for the 1st Street project due to the current economic climate. *Staff has revised the language of the existing policy to provide more flexibility of the council for using deferred assessments while meeting the state statute. In general a provision was added to allow the council to defer assessments for short periods of time for anyone meeting the hardship guidelines (HUD income levels used for many low income programs).*

Schedule:

Proposed timeline for ordinance amendment:

- June 5, 2009 1st reading of ordinance
- July 6, 2009 2nd reading of ordinance
- July 11, 2009 Publication of ordinance
- August 10, 2009 Effective date of ordinance

Once the ordinance becomes effective staff will begin the process for finalizing the assessments on the following projects:

1. 5th Street and Water Street Improvements
2. 1st Street Reconstruction

The following is a proposed schedule based on the schedule for the ordinance passage above:

August 17, 2009	Assessment hearing
September 14, 2009	Adoption of Assessments
	Prepayment of assessments
November 15, 2009	Assessments certified to the county

ATTACHMENT:

Ordinance No. 896

SUBMITTED BY: *Katy Gehler-Hess, P.E., City Engineer*

ORDINANCE NO. 896

AN ORDINANCE OF THE CITY OF NORTHFIELD, MINNESOTA, REPEALING EXISTING CODE CHAPTER 66, SPECIAL ASSESSMENTS, AND ADOPTING NEW CHAPTER 66, SPECIAL ASSESSMENTS.

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN AS FOLLOWS:

That existing Northfield Code Chapter 66, Special Assessments, is hereby repealed; and

That the following new Chapter 66, Special Assessments, is hereby adopted:

Chapter 66

SPECIAL ASSESSMENTS

Article I. General

Sec. 66-1. Purpose and intent.

The purpose and intent of this chapter is to serve as a guide for the making of public improvements and the levying of special assessments within the city. The city shall follow the procedures and requirements of Minn. Stat. Ch. 429. Specifically but not by way of limitation, the cost of any public improvement may be assessed upon property benefited thereby, whether or not the property abuts on the improvement and whether or not any part of the cost is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund. Where this chapter may be inconsistent with the laws of the state, particularly but not limited to Minn. Stat. Ch. 429, such laws shall prevail over this chapter, provided that, to the greatest extent possible, this chapter shall be interpreted and applied in a way that is in harmony with the laws of the state. Where a project includes unusual or extraordinary circumstances or conditions, the council may, in its discretion, vary from the standards of this chapter in order to accommodate such circumstances or conditions in a fair and reasonable manner.

Sec. 66-2. Definitions.

Definitions adopted in Minn. Stat. § 429.011 shall be used under this chapter and, in addition, the following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- (a) *City engineer* may be a city engineer who is an employee of the city or a consulting engineer who is acting as city engineer for the city on a particular project.
- (b) *Developer* means any and all persons or entities having an ownership interest in or any other right to develop a project on a particular property.
- (c) *Extended area* means any area beyond the immediate project area, which will or may in the future be benefited by a project.

- (d) *Major street* means a major arterial, minor arterial, parkway or collector street as described in sec. 34-623(c) of this code.
- (e) *Project* means construction of public improvements in a particular project area, whether the project involves reconstruction or replacement of existing improvements or construction of new improvements or both.
- (f) *Project area* means the real property included in a new development which involves the construction of public improvements, or real property abutting on or otherwise immediately benefited by any other public improvement project.
- (g) *Public improvements* means all improvements authorized by Minn. Stat. Sec. 429.021, including but not limited to public street, curb and gutter, sidewalk, storm sewer, sanitary sewer, water, street lighting and other improvements.
- (h) *Trunk utilities* include the following public utilities which are intended to serve an extended area:
 - (1) *Trunk sanitary sewer* means a sanitary sewer pipe ten inches in diameter or greater. A sanitary sewer pipe of less than ten inches in diameter shall be considered a trunk sanitary sewer if, in order to serve an extended area, it is required to be placed at greater depth than it would be if it were meant to serve only the project area. Lift stations, force mains, and metering stations shall be considered to be part of the trunk sanitary sewer system only if they are intended to be permanent as indicated by the city's comprehensive sewer plan.
 - (2) *Trunk storm sewer* means storm sewer piping and/or ponding areas which serve an area outside of the tributary drainage area of which the project is part. Storm sewer piping that is installed at greater depth than would be necessary to serve a project area shall be considered trunk storm sewer.
 - (3) *Trunk water* means a water main greater than eight inches in diameter which is meant to deliver high volumes of water to the city's water main system, and the valves, boxes, manholes and fire hydrants associated with the trunk water system. An eight-inch water main shall not be considered part of the trunk water system even if such water serves an extended area.

Sec. 66-3. Improvement costs eligible for special assessment.

All costs related to public improvements are eligible for special assessment against real property in the city to the greatest extent authorized by Minn. Stat. Ch. 429 and other state and local laws and regulations. Costs may include, but are not limited to, the cost of all necessary site preparation, construction, and restoration work, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property.

Sec. 66-4. Service life of public improvements.

The city shall design public improvements to last for a definite period as stated in this section, or, if different, shall be as stated in the resolution ordering the improvement. Repair or replacement of public improvements within their designated service life generally will not be assessed to benefited properties, except that resurfacing or replacement of streets within 30 years of initial construction generally will be assessed to benefited properties.

- (a) Sidewalks – 20 years.
- (b) Street reconstruction, including sub-base, surfacing and curb and gutter – 30 years.
- (c) Street surfacing including mill and overlay and reclamation projects – 15 years.
- (d) Ornamental street lighting – 20 years.
- (e) Water mains, sanitary sewer and storm sewer – 30 years.

Sec. 66-5. Unpaid special service charges.

Any charges for special services (“special charges”) of the types enumerated in Minn. Stat. Sec. 429.101 or as otherwise authorized by law, if not paid when due, may be collected by special assessment against the property benefited. Any special assessment for unpaid special charges shall be payable in a single installment or by up to ten equal annual installments, as the council may provide. With this exception, sections 429.061, 429.071 and 429.081 shall apply to assessments made under this section.

Sec. 66-6 through 66-14. Reserved.

Article II. Public Improvement and Assessment Procedures

Sec. 66-15. Two track process.

Under Minn. Stat. Ch. 429, there are two legal processes (tracks) related to public improvement projects, one for the initiation and approval of the project itself and one for adoption of assessments to recover all or part of the cost of the improvements, as outlined in this article. If allowed by law and if desirable in order to facilitate the prompt and economical completion of a project, the two tracks may overlap in time.

Sec. 66-16. Public improvement track.

Except as otherwise allowed by state law and approved by the city council, the general procedure for approval and construction of public improvement projects which will be paid for in whole or in part by special assessments shall be as follows.

- (a) *Initiation of project.* A public improvement project may be initiated either by a petition from affected property owners or on the city council’s own initiative. The council will review any petition and pass and publish a resolution determining whether the petition is legally sufficient or not. Any person directly affected by the resolution may challenge the council’s determination as provided by Minn. Stat. Sec. 429.036. If the petition is legally sufficient, the council will determine whether it wishes to proceed with study of the proposed improvement. The council is not required to do so.
- (b) *Planning commission review.* The council will refer the proposed improvement to the planning commission for review under Minn. Stat. Sec. 462.356, Subd. 2, unless the council determines by a two-thirds vote of all members that the proposed improvement has no relationship to the comprehensive plan.

- (c) *Feasibility report.* If the council chooses to proceed with a public improvement pursuant to a petition, or if the council has acted on its own initiative in proposing a public improvement, the council will order preparation of a feasibility report.
- (d) *Public hearing.* If a public hearing is required prior to ordering the improvement, the council will order a public hearing. Notice of the public hearing will be published and mailed and the public hearing will be conducted as required by Minn. Stat. Sec. 429.031.
- (e) *Ordering improvement and plans and specifications.* A resolution ordering the improvement may be adopted at any time within six months after the date of the improvement hearing, subject to the voting requirements of Minn. Stat. Sec. 429.031. At the same time as an improvement is ordered, the council will authorize preparation of plans and specifications for the project.
- (f) *Advertising for bids.* When the council has approved the plans and specifications for the project, city staff will advertise for bids as provided by Minn. Stat. § 429.041.
- (g) *Award of contract.* Staff will review bids and make a recommendation to the council for award of a contract for construction of the project. The council may reject all bids or may award a contract based on the bids received within one year of adoption of the resolution ordering the project, unless a different time is stated in the resolution ordering the project. Contracts will comply with all requirements of state public contracting law including performance and payment bond requirements.
- (h) *Performance of contract.* City staff will supervise construction of the project and oversee payments to the contractor, withholding proper retainages, and will make a recommendation to the council as to final payment when all prerequisites are met.

Sec. 66-17. Special assessment track.

Except as otherwise allowed by state law and approved by the city council, the general procedure for adoption of special assessments to pay all or part of the cost of public improvement projects shall be as follows.

- (a) *Determination how cost of project will be paid.* At any time after the expense incurred or to be incurred for a public improvement has been calculated, the council will determine by resolution the amount the city will pay, other than the amount the city will pay as a property owner, if any, and the amount to be assessed.
- (b) *Preparation of assessment roll.* City staff will prepare the proposed assessment roll, based upon the benefits received by each parcel as a result of the project, as determined by a preliminary benefits appraisal prepared by a licensed certified general real property appraiser.
- (c) *Assessment hearing.* The council will review the proposed assessment roll and order an assessment hearing. City staff will cause notice of the hearing to be published and mailed as required by Minn. Stat. Sec. 429.061. The council will conduct the assessment hearing and hear and pass upon any objections to the proposed assessments, whether presented orally or in writing. The council may amend the assessment roll as to any parcel. The council may adjourn the hearing from time to time.

- (d) *Adoption of assessment roll.* The council will adopt the assessment roll or amended assessment roll by resolution. If the amount adopted is different from the amount proposed, notice will be mailed to the affected property owner. The council will determine the interest rate on assessments, the number of years over which assessments may be paid, and any deferral of assessments which may be warranted.
- (e) *Certification of assessment roll.* The council will authorize certification of the assessment roll to the county auditor for collection with real property taxes and city staff will so certify the assessment roll.

Sec. 66-18 through 66-24. Reserved.

Article III. Determination of Benefit and Assessment Rates

Sec. 66-25. Determination of benefit.

The cost of any improvement, or any part thereof, may be assessed upon property benefited by the improvement, based upon the benefits received, whether or not the property abuts on the improvement and whether or not any part of the cost is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund. Unless another method is authorized by law and approved by the city council, the amount to be assessed to properties benefited by an improvement project shall be determined by the city engineer, subject to approval by the city council, based upon a preliminary benefits appraisal prepared by a licensed certified general real property appraiser.

Sec. 66-26. Assessment of project components.

Unless otherwise authorized by law and approved by the city council, the city will assess the following types of improvements in the following manner:

- (a) *Street repairs.* Street repairs including but not limited to reconstruction, reclamation, and overlays, shall be assessed to benefited properties based upon a preliminary benefits appraisal.
- (b) *Gravel streets.* Upgrades to an existing gravel street shall be considered new construction and assessed to benefited properties based upon a preliminary benefits appraisal.
- (c) *Seal coats.* Seal coat projects are funded by the city and not assessed.
- (d) *Frontage roads.* Frontage roads along highways and other arterial streets are deemed to be of benefit to commercial and industrial properties abutting on the frontage roads. The entire cost of any improvements to such frontage roads shall be assessed to the benefited properties, to the extent supported by the city's preliminary benefits appraisal, even if there are only properties abutting one side of such frontage roads.
- (e) *Alleys.* Upgrading existing gravel alleys by adding pavement and reconstructing existing paved alleys will be assessed to all lots abutting on the alley being improved based upon a preliminary benefits appraisal.
- (f) *Sidewalks.* New sidewalks not associated with a street project are funded by the city and not assessed. Reconstruction of existing sidewalks shall be completed by the city

- in accordance with the city's sidewalk replacement criteria. Property owners with sidewalk abutting their property may replace sidewalk at their own expense if they prefer an upgrade from what is allowed by the city's sidewalk replacement criteria, provided that the city shall review and approve the plans and specifications for such sidewalk replacement before any work begins thereon.
- (g) *Trails.* Bituminous trails in developed areas are funded by the city and are not assessed. Bituminous trails that are part of a new development will normally be a part of the developer's project cost unless the city council agrees otherwise.
 - (h) *Individual service laterals.* Repair and replacement of an individual service lateral is a private improvement which is the responsibility of the property owner. When a public improvement project requires new service laterals, or new service laterals are otherwise required by ordinance, the property owner is responsible for the work and the cost thereof. However, the city may offer to have service laterals constructed or replaced in association with a public improvement project undertaken by the city, or otherwise, and to assess the cost of the service lateral work to the property served. In this event, property owners shall sign a construction easement, agreement of assessment and waiver of appeal allowing construction of the service laterals and assessment of the entire cost thereof to the property, without possibility of appeal. The agreement of assessment and waiver of appeal will recite the estimated cost of the work, but the estimated cost shall not bar assessment of additional amounts reasonably incurred by the city in completing the work. Any construction of individual service laterals by the city and the levy of assessments for them are done as a convenience to property owners and are not subject to the same statutory requirements as public improvement projects and special assessments for public improvements.
 - (i) *Extensions.* To the extent that an improvement benefits non-abutting properties which may be served by the improvement when one or more later extensions or improvements are made but which are not initially assessed, the city may pay such cost and reimburse itself by adding all or any portion of the cost so paid to the assessments levied for any of such later extensions or improvements, provided that notice that such additional amount will be assessed is included in the notice of hearing on the making of such extensions or improvements. As an alternative, the city may assess these costs to the area of future benefit immediately, based upon availability of the subject improvements.
 - (j) *Burying electric lines.* The entire cost associated with burying electric lines shall be the responsibility of the benefiting properties.
 - (k) *New development projects.* The following provisions shall apply to new development projects.
 - (1) Except as otherwise approved by the city council, the developer shall be required to construct and pay the full cost of all public improvements within a new development project as provided by section 34-663 of this code.
 - (2) As provided by section 34-663, the developer may petition for construction of certain public improvements to be done by the city, which may be approved in the discretion of the city council.
 - (3) In any project which includes a major street or trunk utility, the developer must petition the city if the developer wants the city to construct such

- improvements pursuant to Minn. Stat. Ch. 429; the city will not undertake such construction simply by contractual arrangement with the developer.
- (4) The cost of any such improvements constructed by the city shall be assessed entirely to benefited properties within the project area except to the extent they benefit property outside the project area. Assessments to the project area will normally be allocated by the front foot method, as described below, however other methods may be utilized if conditions warrant as recommended by the city engineer. The developer may be required to sign an agreement of assessment and waiver of appeal rights pertaining to the cost of such improvements.
 - (5) As also provided in section 34-663 of this code, where the developer constructs and generally pays for the public improvements in a project, the city council may agree to pay part of the cost of the improvements where part of the cost is attributable to benefits outside the project area. The city's share of such costs shall come from any available source as designated by the council. Nothing in this article shall prevent the city from assessing such costs to other properties benefited by the subject improvements at some future time.
 - (6) The city retains the right to refuse financial participation in any public improvement project if, in the opinion of the city council, the project is not necessary, feasible and cost effective.

Sec. 66-27. Properties subject to assessment.

The cost of public improvements shall be assessed against all properties benefited thereby, based upon the benefits received.

- (a) *Assessable property.* All property receiving benefit from a public improvement project will be presumed to be assessable property.
- (b) *Publicly owned property.* The city may levy assessments against the property of a governmental unit benefited by an improvement to the same extent as if such property were privately owned, except no such assessments shall be levied against property used or to be used for public street or highway right-of-way. Private right-of-way shall be assessable.
- (c) *Corner lots.*
 - (1) For a corner lot with improvements being made along more than one side of the lot, the frontage subject to assessment shall be the entire length of the shorter frontage and 10% of the longer frontage of the lot. The city shall pay the remaining 90% of the assessment on the longer frontage of the corner lot.
 - (2) For a corner lot with improvements being made along the longer frontage only, the assessment shall be 10% of the abutting frontage with the city paying the assessment on the remaining 90% of the abutting frontage.
 - (3) For a corner lot with improvements being made along the shorter frontage only, the assessment shall be for the entire shorter frontage.
 - (4) For corner lots with two or more sides of equal length, the side on which the house fronts or will front shall be considered the shorter frontage.

Sec. 66-28 through 66-34. Reserved.

Article IV. Methods of Assessment.

Sec. 66-35. Unless otherwise determined by the city council, the city shall use one of two methods of calculating special assessments for public improvement projects, or a combination of those methods, depending on the circumstances of the project: the “front foot method” or the “per lot method.” The feasibility report for a project shall recommend one or a combination of these methods for the project, based upon what method or combination of methods will best reflect the special benefit of the project to the properties to be assessed. The city council will approve the selected method(s) of calculating assessments at the time the project is ordered. The front foot method and the per lot method are described as follows:

- (a) *Front foot method.* An assessment rate per front foot of the properties abutting on a public improvement is determined based upon a preliminary benefit appraisal provided to the city by a licensed certified general real property appraiser. Using comparable sales of land with and without public improvements of the type proposed to be built, the appraiser determines the value of one or more typical parcels in the project area before and after the subject improvement project. The difference in these values is the benefit of the project to the property. The benefit is divided by the length of the property’s frontage on the improvement project in order to obtain a per front foot value. Based on that appraisal, a total front foot value is assigned to each parcel within the project area using its actual or adjusted front footage abutting the project, as described below, to determine the special assessment against that property.

Because different parcels vary greatly in front footage, back and side footage, area, and configuration, and yet each similar property (for instance, each single family home) uses public improvements approximately equally, the city will adopt and employ a means of adjusting for these variations in size and configuration and arriving at an adjusted front footage, in order to render the allocation of assessments for public improvements reasonable, fair and equitable among all affected properties.

- (b) *Per lot method.* The per lot method of assessment is based on equal assessment of all lots or parcels within the benefited area. This method may be used upon recommendation of city staff and approval of the council when the circumstances of the project and/or the property benefited by the project warrant. The assessment per lot is the quotient of the total estimated special benefit of the project to the project area divided by the total number of assessable lots or parcels benefiting from the improvement.

Sec. 66-36 through 66-44. Reserved.

Article V. Financing and Payment

Sec. 66-45. Payment of assessments; prepayment.

Special assessment is one method by which the city finances the cost of public improvement projects which benefit certain properties. Assessments are levied against properties benefited by the project at the start of the project and property owners may pay the assessments back over a period of years (the assessment period). The assessment roll adopted by the council is certified to the county auditor, who collects the assessments, together with real estate taxes, over the assessment period. The city is able to issue bonds to pay for the project at the outset and then pay off the bonds with payments received from property owners over the assessment period.

Property owners may pay special assessments to the county with their real estate taxes over the assessment period. Such payments include equal installments of principal with interest on the declining principal balance.

Alternatively, property owners may prepay assessments using one of the following options:

- (a) They may pay all or part of the assessments to the city within 30 days after the council adopts the assessment roll, in which case the city will not charge any interest on the amount paid.
- (b) They may pay all or part of the assessments to the city after the 30 day period but before the assessment roll has been certified to the county auditor, in which case they must pay interest which has accrued on the amount paid, through the date of payment.
- (c) At any time after certification of the assessment roll to the county auditor, property owners may pay all or part (but not less than \$500.00) of the remaining principal balance of the assessments to the city. Any payment that is made before November 15 of any year will be reported to the county auditor by November 30 of that year and the county auditor will reduce the principal balance owing and recalculate the amount of principal and interest to be paid over the remainder of the assessment period.

Sec. 66-46. Interest.

The city will charge interest on special assessments at the rate specified in the resolution adopting the assessment roll. If bonds were sold to finance the improvement project, the interest rate will be two percent (2%) more than the average interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate will be two percent (2%) more than the average interest rate of the last bond issue sold by the city.

Sec. 66-47. Discretionary deferral of special assessments.

In certain limited circumstances, the council has discretion to defer special assessments for future collection. In these circumstances, assessments are adopted and certified to the county auditor but are not collected until a specified time or until the occurrence of a specified event. All deferred assessments constitute liens on the property assessed until the assessments are paid. The council shall determine, by ordinance or resolution, the amount of interest on deferred

assessments and (1) whether it must be paid annually during the period of deferment at the same times as the principal installments would have been payable if not deferred, or (2) whether interest for the period of deferment should be added to the principal amount of the assessment when it becomes payable, or (3) whether, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable will be forgiven.

There are two types of discretionary deferrals:

- (a) *Senior citizen, disability, active military service, and other hardship deferrals.* The council may defer special assessments for certain senior citizens, people with disabilities, and members of the military, as allowed by Minn. Stat. Sec. 435.193 to 435.195 and subject to the following rules.
 - (1) The council may, in its discretion, defer the payment of special assessments against any homestead property if:
 - (i) it is owned by a person 65 or older; or
 - (ii) it is owned by a person who is retired by virtue of a permanent and total disability; or
 - (iii) it is owned by a member of the Minnesota National Guard or other military reserves who has been ordered into active military service; or
 - (iv) there is a hardship on the basis of exceptional and unusual circumstances not covered by other standards and guidelines, where the determination is made in a nondiscriminatory manner and does not give the applicant an unreasonable preference or advantage over other applicants;

provided that, in each such case, the council has determined that it would be a hardship for the owner to make the payments. Under subsection (iv) above, the council may limit the deferment to one year or to a limited period of years, and may require regular verification by the applicant of the continuation of the exceptional and unusual circumstances that justify the deferment.

- (2) If an applicant for deferral falls into one of the foregoing categories, hardship shall be determined based upon the applicant meeting one or more of the following conditions:
 - (i) Gross household income is at or under United States Department of Housing and Urban Development (HUD) low income limits, adjusted for the year and household size.
 - (ii) Unusually high medical expenses relative to income.
 - (iii) Other conditions found by the council to justify deferment.

- (3) Except as otherwise expressly determined by the council in the resolution approving deferment, a hardship deferment ends and all accumulated amounts (including applicable interest, if any) become due:
- (i) upon the death of the owner if the spouse is not otherwise eligible for deferment;
 - (ii) upon the sale, transfer or subdivision of any part of the property;
 - (iii) upon loss of homestead status; or
 - (iv) upon the council's determination that immediate or partial payment would impose no hardship.
- (b) *Unimproved property.* The council may, in its discretion, defer special assessments against unimproved property as allowed by Minn. Stat. Sec. 429.061, subdivision 2. Payment of the first installment of any assessment levied upon unimproved property may, in the council's discretion, be deferred until a designated future year or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. When such an assessment becomes payable, it must be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment.
- (c) *Review of application for deferral.* The city administrator or his/her designee shall review applications for deferral of special assessments to determine eligibility under this section and shall include his/her recommendation for approval or denial of the application in the context of and as reflected by the assessment roll.
- (d) *Appeal.* Property owners dissatisfied with the decision regarding deferral reflected by the assessment roll may appeal the decision to the city council, by written notice filed with the city clerk at least 5 business days prior to the assessment hearing. If there is an appeal, the city administrator or his/her designee shall inform the council of the basis of his/her decision prior to the assessment hearing, and the council shall review the matter and, in its sole discretion, either approve the assessment roll as proposed by staff or request further information regarding the application for deferral and adjourn the hearing relative to that assessment and postpone adoption of that assessment.

Sec. 66-48. "Green acres" deferral.

Special assessments will be deferred as against agricultural property meeting the requirements of Minn. Stat. Sec. 273.111 (the Minnesota Agricultural Property Tax Law or "green acres" law), and will become payable when and in the manner provided by that law.

ITEM: 800 MHz Recommendation to Rice County

ACTION REQUESTED:

The City Council is being asked to approve a resolution recommending an implementation option of the 800 MHz Radio Communication plan.

SUMMARY:

The Council is being asked to consider passing a resolution which recommends an 800 MHz implementation plan. The recommendation will be forwarded to Rice County Commissioners for consideration of how the County will implement the 800 MHz Radio System. The Rice County Commissioners requested that all Rice County City governments forward their recommendations to Rice County as part of the decision making process for implementing the 800 MHz system.

There are three alternatives for implementation:

1. Basic Hybrid - The complete change out of and replacement of VHF Radios to narrowband ready radios and replacement of the current dispatch radio console with a dual mode VHF/800 MHz.
2. Enhanced Hybrid - The complete change out of and replacement of VHF Radios to narrowband ready radios and replacement of the current dispatch radio console with a dual mode VHF/800 MHz. This option also includes the addition of a new trunking site (radio tower) in Northern Rice County.
3. 800 MHz Complete - change out of all radios and upgrade of system to 800 MHz and ARMER (Allied Radio Matrix for Emergency Response) compliant system.

		Total Project Costs	City of Northfield Costs	Comments
#1	Basic Hybrid	\$3,223,438	\$159,240	Upgrade of existing radios
#2	Enhanced Hybrid	\$4,179,428	\$159,240	Upgrade of existing radios
#3	800MHz Complete	\$7,709,600	\$304,800	New radios 800 MHz and ARMER compliant, some grant funding available for system upgrades under this option, \$1.39 M.

Much of the decision-making information is derived from the Rice-Steele Counties Public Safety Communications Recommendations Final Report, available on the City's Web site, the executive summary is Attachment #2 of this report. Additionally, Rice-Steele Counties sponsored a joint government work session for local elected officials on May 13, 2009. Many of the Northfield City Council members attended.

The need for upgrading and improving the radio communications network for Rice and Steele Counties is driven by two factors. In 2013, the Federal Communications Commission (FCC) will implement "narrow banding" which will require many of the VHF band radios currently in use by public safety officials to be upgraded to be compliant with the 800 MHz requirement. A significant amount of radios, primarily in Steele County will need to be replaced because they cannot be upgraded. Additionally, in an effort to establish a statewide interoperable public safety communications network, the Minnesota Department of Public Safety and the Minnesota Department of Transportation have initiated the development of ARMER (Allied Radio Matrix for Emergency Response). ARMER allows full communication between various public safety and emergency response departments from across the city, county, and state levels to communicate in times of emergency. Dakota, Scott, Goodhue, and Olmstead County have migrated or will be migrating to ARMER.

The staff recommendation is for the council to support Option #3 Upgrading to the full 800 MHz compliant system. This system brings the radio system into full 800 MHz compliance and the technical ability for full use of the ARMER system. The timeline for expenditures and implementation is estimated to be in the years 2011 and 2012.

BACKGROUND INFORMATION:

The Rice-Steele County Consolidated 9-1-1 Center Joint Powers Board commissioned PSC Alliance Inc. (PSC) to analyze the existing public safety radio systems.

The study undertaken looked at three operational concerns affecting radio communications between law enforcement, fire response, EMS, and public works. These were identified by the users responding to the surveys and questionnaires used as part of the study. The operational concerns identified included:

- Radio Coverage: In building radio coverage with the dispatch center was the most pressing concern although this concern also holds true between different work units.
- Congestion: There is only one primary county-wide law enforcement channel in each of the two counties.
- Interoperability: All of the law enforcement agencies reported a current practice of and an ongoing need to interoperate with other public safety agencies. All but one agency reported interoperability as "good". Moving forward the need is to maintain or improve this ability.

One other area of concern was the overall age of the individual mobile and portable radio inventory.

ATTACHMENTS:

1. Resolution 2009-054
2. Rice-Steele Consolidated 800 MHz Radio Plan Executive Summary

SUBMITTED BY: *J. Walinski, City Administrator*

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009 – 054

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA RECOMMENDING THE FULL IMPLEMENTATION OF THE 800 MHZ RADIO SYSTEM.

WHEREAS, all Minnesota communities benefit from a well maintained, technically efficient and adequately funded emergency radio communication system that allows for interoperability between agencies involved with emergency management; and

WHEREAS, the City of Northfield along with other Rice County Cities and the Rice County Government have joined together as members of the Rice-Steele County Consolidated 9-1-1 Center Joint Powers Board; and

WHEREAS, The Rice-Steele County Consolidated 9-1-1 Center Joint Powers Board commissioned PSC Alliance Inc. (PSC) to analyze the existing public safety radio systems; and

WHEREAS, the Rice-Steele Counties Public Safety Communications Recommendations Final Report identified the need to improve radio coverage, reduce radio congestion and maintain interoperability between agencies; and

WHEREAS, In 2013, the Federal Communications Commission (FCC) will implement “narrow banding” which will require many of the VHF band radios currently in use by public safety officials to be upgraded to be compliant with the 800 MHz requirement

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

The City of Northfield recommends the Rice County Government begin the change over to a complete 800 MHz radio system. This includes the change out of all radios and upgrade of the radio communications infrastructure to 800 MHz and ARMER (Allied Radio Matrix for Emergency Response) compliant system.

BE IT FURTHER RESOLVED, The City of Northfield encourages and supports the Rice County Government and other agencies to identify and apply for grants at the federal and state level to help offset the costs of improving the radio communications infrastructure and the purchase of 800 MHz radios.

PASSED by the City Council of the City of Northfield on this 15th day of June 2009.

ATTEST

City Clerk

Mayor

VOTE: ___ROSSING ___ZWEIFEL ___BUCKHEIT ___DENISON
 ___POWELL ___POKORNEY ___VOHS

City Council Meeting Date: June 15, 2009

Regular

ITEM: 12

Information

ITEM: Budget Outlook

ACTION REQUESTED:

Information only.

SUMMARY

It is our intent to present information for discussion on the budget at each Council meeting. At this time, we understand the details of the Governor's unallotment process will not be known until sometime next month. The Governor is taking this time to solicit public input on the State budget deficit. The City Administrator will be meeting with the State Finance Commissioner next week.

Staff is proceeding to develop budget strategies based upon his original proposal that reduces Local Government Aid by \$971,281. This represents a reduction of 33% from the 2009 certified total and 9% of the 2009 General Fund budget.

SUBMITTED BY: *Kathleen McBride, Finance Director*