CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING
City Council Goal Session, Monday, July 29, 2019
Governors' Room, Community Center – 3:00 p.m.

I. WELCOME

II. GOALS AND RULES FOR THE DAY

III. LEGACY/MISSION ISSUE GAME

IV. GOAL SESSION REPORT FROM APRIL 2019

V. DEEP DIVE DISCUSSIONS
A. How Is Your Community Changing?
B. Items of Vital Importance
C. Big 5 Funding Discussion
D. Fire Hall Update
E. Tax Increment Financing Districts – Traverse Green/Washington Terrace
F. Initial General Fund Budget Process Review
G. Housing
H. Arts Center Partnership
I. Green Steps
J. Organizational Health
K. Purchasing Policy
L. Ward and Precincts

VI. QUICK HIT DISCUSSIONS
A. Advisory Board Commission Terms
B. HRA and Establishment
C. Hospital Project Update
D. Citizen Academy
E. Website Update
F. Goal Session/Agenda/Purpose/Goals
G. Electric Car Charging Stations Update
H. Refuse Update and Food Waste Composting
I. Chamber/Tourism/City Agreement
J. Legitimacy In Governance
K. Cooperative Efforts (White Sheets)
L. Council Vacancy
M. Others
N. Takeaways and Priorities

VII. ADJOURNMENT

Office of the City Administrator
Todd Praefke
I. WELCOME

II. GOALS AND RULES FOR THE DAY

Typically the Council will take a few moments to review the brainstorming rules. We might also delve into "Hurling Day" https://www.youtube.com/watch?v=C0yxxELdaUY and its inner deeper secret meaning © and generally visit about how your time will be spent together.

III. LEGACY/MISSION ISSUE GAME

You all know how I feel about games and how they can help your communication and decision processes.

IV. GOAL SESSION REPORT OF APRIL, 2019

We will take a few minutes to review the discussion at the April, 2019 goal session.

VII. DEEP DIVE DISCUSSIONS

A. HOW IS YOUR COMMUNITY CHANGING?

1. Do we need to respond to those changes?
2. What changes need to be responded to?
3. How or in what way?
4. The big question is, what do we need to have to create a place where people want to be, and is that answer supported by data?

B. ITEMS OF VITAL IMPORTANCE

A review of this ongoing list. This is a great time to talk about our common understanding, impacts and if modifications are wanted.

C. BIG FIVE FUNDING UPDATE

I know this says "update" but maybe more of a recap. Making sure direction is correct and that process is understood not to mention a review of the priorities and funding sources.

D. FIRE HALL UPDATE

An update on this project and a reminder of the process and funding issues.
E. **TAX INCREMENT FINANCING DISTRICTS – TRAVERSE GREEN/WASHINGTON TERRACE**

A review of funding issues related to the Tax Increment Financing districts and our plan to ensure no new tax levy is needed for the projects.

F. **INITIAL GENERAL FUND BUDGET PROCESS REVIEW**

An initial review of where your staff is related to the General Fund budget. We will stay out of the weeds but we will talk about our timeline for you with a more detailed review and maybe a couple of items that we think need your attention.

G. **HOUSING**

A facilitated discussion on housing in our community and where to go next or maybe we just stand pat. Let's talk and review a bit of the data.

H. **ARTS CENTER PARTNERSHIP**

A review of our meeting with them and a bit of a brainstorming discussion on where we might go from here.

I. **GREEN STEPS PROGRAM**

An introduction to our Masters level Intern and a short presentation on the start of his work. I think you will be amazed that you have done and are doing more in this area than you may recall or think.

J. **ORGANIZATIONAL HEALTH**

Your regular review of, in my best Brooklyn accent... How ya doin? How's we doin? Are we going to have to go to the mattresses you's guys? (all references to The Godfather movies). This is that time when we discuss our relationships, our ability to work within a group consensus model, where we talk about how we treat each other and also about pure organizational structure issues that lie outside of the Council/Staff, Council/Council relationship.

K. **PURCHASING POLICY**

A review of your policy and the State laws. Frankly, it's been a long time since you made any changes. The laws have changed and maybe you should consider a few changes that are strategic and help the flow of your business. A few key ones may be bidding level versus proposal levels and authority to spend levels.
L. WARD AND PRECINCTS

Another opportunity to think into the future about these issues including elections, election costs and some changes that may be of value to your community, while not to mention but to mention even and odd year elections.

VIII. QUICK HIT DISCUSSIONS

A. ADVISORY BOARD AND COMMISSION TERMS

A quick review of these to follow-up on your last goal session. This might also be a little bit more of a discussion on how to help make these volunteer positions fillable.

B. HOUSING AND REDEVELOPMENT AUTHORITY AND ESTABLISHMENT

Trying to put to rest some questions about who, what, and who's in charge that have been hanging around for the last three decades or so.

C. HOSPITAL PROJECT UPDATE

River's Edge Hospital CEO George Rohrich will stop by and give an update on the expansion project, Hospital strategic plan and a little of this and a little of that.

D. CITIZEN ACADEMY

An update on the plan and how sign up is going so far. Looking for a few suggestions based on the overall goals of give folks opportunity to know more about City operations and providing that insight related to service as either an elected official or an Commission/Board member.

E. WEBSITE UPDATE

A short update on what is going on and some of the priorities.

F. GOAL SESSION AGENDAS/PURPOSE/GOALS

An opportunity to prioritize and maybe also talk about the relative value of Goal Sessions and if you want to experiment with different ways for the information to flow in your meeting cycles. We don't have to do Goal Session/Workshop/Business meetings, there are other ways.
G. ELECTRIC CAR CHARGING STATIONS UPDATE

An update as to plan, SMMPA and where we see this going. Soliciting your thoughts as to whether this is moving in the right direction and at a pace that seems about right.

H. REFUSE UPDATE AND FOOD WASTE COMPOSTING

A short discussion on a few of the issues we see related to our food waste/recycle/refuse system including initial numbers on the food waste program, recycling and refuse numbers and those newly evolving challenges with recycling materials, quality and costs.

I. CHAMBER/TOURISM AGREEMENT

A bit of history and a look forward on this important agreement and a potential change in revenues and costs.

J. LEGITIMACY IN GOVERNANCE

A review of this theory based on the short take the Council had at your last Goal Session.

K. COOPERATIVE EFFORTS (WHITE SHEETS)

A review of the White Sheets where I hope you focus on who, what and how to enhance our relationships that benefit the community either through realizing cost efficiencies or enhancement to services.

L. COUNCIL VACANCY

Time for a review of the options related to the recent Council vacancy.

M. OTHERS

An opportunity for new things to be added by you. After all it is your meeting!

N. TAKE AWAY AND PRIORITIES

An effort to make sure we leave with the same ideas about priorities for work to be completed and so I can write the report for your Council meeting and make sure we are going in the direction you have collectively set.

IX. ADJOURN

Office of the City Administrator
Todd Prafke
TO: Honorable Mayor Zieman
       Members of the City Council
FROM: Todd Prafke
       City Administrator
RE: Goal Session Report and Takeaways

ACTION/RECOMMENDATION
None needed. For your information and review.

BACKGROUND

The goal of this memo is to provide a basic outline of the principal discussion points and priorities as the Council provided direction as a part of its' Goal Session on April 29, 2019. In writing this memo it is not my objective to provide a complete or full review of the discussion held by the Council, but rather it is to list, with some explanatory information, the priorities for efforts and big thoughts of the meeting. The listing is done based on topics within the body of the meeting. These are not in prioritized order.

List of vital things – No changes were made to this list that is used as a lens to assist the Council and Staff in prioritization and decision making.

How is Your Community Changing? – Members did not discuss this item but did discuss attendance plans for State Demographer Susan Brewer’s visit later in the week.

Hospital Update/Finance Audit Report – Hospital CEO George Rohrich and Finance Director Lori Zook presented information on trends and provided a summary of the River’s Edge Hospital and Clinic audit with a look forward over the next year related to the completion of the expansion project.

Big Picture Finance – Finance Director Vogel and City Administrator Prafke introduced the new and evolving financial tool that is intended to help the Council better understand and measure reserves and the levels at which they should be set and, maybe more importantly, to assist in a better, data driven decision process.

Latest Review of Sales Tax, Land, Other Issues – This was a discussion on the impact of sales tax for the proposed Fire Hall project, updates on partial locations and timelines that are needed to continue to move towards a final design, plan, bidding and legislative sales tax approval process.

REF Issues and Stormwater- Data was provided related to two questions posed by the Council which where:
• Is the system we use readable, outdated, used by others and/or able to be administered reasonably?
• Is there major disparity among the 6 classes, and if so, at what level?

The Council discussed that data presented by Public Works Director Moulton and Finance Director Vogel and discussed future needs, activities and the additional timeline for discussion which is a part of a budget update in the next next budget cycle in the fall of 2020. They also discussed and continued to agree that use of fees is good for operational maintenance, but that assessment would likely be needed in new development and in areas where additional capital infrastructure is needed.

Weed Ordinance – Council discussed and directed staff to work towards a modified ordinance focusing on the term “cultivate” and either its additional definition or modification that provides for use of front yards with purposeful growth greater than six inches in height. Members also had additional discussion on use of the right-of-way and asked for proposed changes to that section of the ordinance as well as with the clear definition that the City is not responsible for plantings of any type if disturbed in the right-of-way.

Term Limits – Boards, Commissions, and Elected Officials – Discussion on the State law and use of current opportunities to encourage community participation on these boards and use as “feeders” for those who might be interested in serving in an elected capacity. The impact of term limits, challenges with getting volunteers, and the ebb and flow of popularity of certain Boards and Commissions was also discussed relative to the need for members and terms lengths.

HPC Handicap Friendly – Members discussed the want for a program funded by EDA revolving loan fund interest to provide additional incentive through grants to make businesses more handicap accessible. Staff was directed to put a draft program together and to ask the EDA for input and consideration. The program would also utilize the Historic Preservation Commission to review changes to buildings.

Electric Generation Interconnection Policy – Public Works Director Moulton provided an update of the needed changes to the interconnection policy that applies to Distributed Generation such as solar panels and other potential generation methods.

Legitimacy In Governance – The Council discussed the theory of governance.

Organizational Health – Council reviewed how all work together and that process that helps that. They asked for discussion on organizational structure, employees, management methods and important programs.

Third Street Improvements – Staff reviewed and plan to work towards some type of solution for either street enhancement along North Third Street north of St. Julien or to take measures to make the street more maintainable. A series of discussion and both small and large group meetings will be planned with the neighborhood property owners to further discuss a scaled back scope of projects and milling and grading of North Third Street.

Cooperative Efforts – Members discussed the “White Sheets” and City partnerships with the majority of the time focused on partnerships with the School District, the Arts Center, and the County; each then focusing on specific projects including, but not limited to, School Resource Officer, arts programing and westerly watershed activities.
**Budget Process** – A review of what additional processes or information staff could provide in all budget processes. No significant changes were directed.

**Sculpture Garden Updates** – A short update on this project and ongoing work by City staff and other partners.

**Fire Hall Update and Options** – This issue was discussed with the latest review of sales tax, land use and other issues.

**Fire Hall Building Committee** – Discussion by members on a process through which recommendation would be made to the Council on retaining a Construction Manager (CM), building schematic design, change orders or alternates, and bidding. Staff was directed to work towards establishing a committee of two Councilmember and two Fire Department members that will assist the City Administrator in making recommendation on the CM, budget, design and bidding of the project. Establishment of the Committee will take place on May 13th and membership determined on May 27th.

**Big Five Updates** – Review of the big 5 Projects and continued discussion on the priorities for project and triggers for additional activity on each project. Members also discussed participation.

**Others** – No others were discussed.

**Take away and priorities** – Review of the City Administrator’s list of takeaways to help ensure all were on the same page including potential agenda items for the next Goal Session which will include ongoing work on the fire hall and asking for sales tax approval; additional work in partnership with the Arts Center, School and County in the areas described above; and development of an EDA “a handicap friendly” grant program using EDA and HCP. Next goal session to include discussion of commission terms in greater detail and making sure to play the new game.

**Wrap Up:** The Council discussed location, next meeting date, and that outside facilitation is not needed. The next Goal Session will be on July 29, 2019. No food was provided for the April meeting, however food for the next meeting will be provided.

Please feel free to contact me if you have any questions or concerns about this report.

TP/bal
COUNCIL’S LISTS OF ITEMS OF VITAL IMPORTANCE

- Community that treats all people like neighbors
- Proactive housing solutions
- Availability of quality health care
- Thriving business community
- Action on the changes in our demographics
- Aesthetically distinctive
- Improved Sustainability
- Available early childhood care and educational opportunities and exceptional schools
Big 5

- The Big 5 are:
  - Pavilion
  - Fire Hall
  - City Hall
  - Additional Park Facilities
  - Cooperative indoor recreation facilities
- Others?
- Think about Funding
City of Saint Peter, Minnesota  
Preliminary Tax Impact Analysis - Fire Station

Amount Financed: $8,800,000.00 
Term: 30 years 
Interest Rate: 3.70% 
CIP Debt Service Levy: $490,531.84 
2018 Tax Levy $2,701,655.00 
Projected Levy $3,192,186.84 
Pay 2018 Net Tax Capacity 5,399,208 
2018 Tax Rate 50.04% 
Projected Rate 59.12%

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City of Saint Peter, Minnesota  
Preliminary Tax Impact Analysis - Fire Station

Amount Financed: $8,800,000.00  
Term: 30 years  
Interest Rate: 3.70%  

CIP Debt Service Levy (LESS Sales Tax): $230,531.84
2018 Tax Levy $2,701,655.00  
Projected Levy $2,932,186.84  
Pay 2018 Net Tax Capacity 5,399,208
2018 Tax Rate 50.04%  
Projected Rate 54.31%

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## Preliminary Tax Impact Analysis - Fire Station

### Amount Financed:

| Amount Financed: | $6,750,000.00 |

### Term:

| Term: | 30 years |

### Interest Rate:

| Interest Rate: | 3.70% |

## CIP Debt Service Levy:

| CIP Debt Service Levy: | $376,260.22 |

### 2018 Tax Levy:

| 2018 Tax Levy: | $2,701,655.00 |

### Projected Levy:

| Projected Levy: | $3,077,915.22 |

### Pay 2018 Net Tax Capacity:

| Pay 2018 Net Tax Capacity: | 5.399,208 |

### 2018 Tax Rate:

| 2018 Tax Rate: | 50.04% |

### Projected Rate:

| Projected Rate: | 57.01% |

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City of Saint Peter, Minnesota
Preliminary Tax Impact Analysis - Fire Station

Amount Financed: $6,750,000.00
Term: 30 years
Interest Rate: 3.70%

CIP Debt Service Levy (LESS Sales Tax): $116,260.22
2018 Tax Levy $2,701,655.00
Projected Levy $2,817,915.22
Pay 2018 Net Tax Capacity 5,399,208
2018 Tax Rate 50.04%
Projected Rate 52.19%

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July 23, 2019

City of Saint Peter
Attn: Sally Vogel, Director of Finance
227 South Front Street
Saint Peter, MN 56082

RE: Washington Terrace TIF District 1-15

Honorable Mayor, Councilmembers, Administrator Praeke, and Director Vogel:

Washington Terrace Tax Increment Financing District (TIF) 1-15 was created in 2003 for the purpose of applying new captured property taxes from the Washington Terrace Project to debt payments for bonds that were issued to fund infrastructure for that project. The net result was that lots for single-family development could be offered at more affordable prices. That TIF District can continue to capture tax increments from the Washington Terrace Project through 2031.

The Washington Terrace TIF District presently captures about $154,000 in tax increments per year which are used to make debt payments on bonds that will be paid off on February 1, 2020. The City Council can modify the TIF Plan for the Washington Terrace TIF District to pledge increments for the 2016A Bonds that were issued to fund improvements for the Traverse Green Project as both projects were developed under similar income restrictions and guidelines. Debt payments on the 2016A Bonds average about $140,000 per year. The Traverse Green Project is not projected to generate enough increment in the near term to be self-supporting.

I will be available at the July 29, 2018 goal setting session to discuss the process for amending the TIF Plan for the Washington Terrace TIF District 1-15. Please feel free to contact if I can be of any assistance in answering questions regarding this information in advance of the meeting.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.
Memorandum

TO: Todd Praefke
City Administrator

DATE: 07/18/2019

FROM: Kayode Adiatu
Economic and Community Development Intern

RE: GreenStep Cities Certification in Saint Peter

ACTION/RECOMMENDATION

None needed. For Council discussion and input only.

BACKGROUND

During fall 2007, Minnesota's Clean Energy Resource Teams (CERTs) held regional listening sessions around the state to discuss community-based energy opportunities and the State's Next Generation Energy Act of 2007. The idea was raised of creating a sustainable cities program, free to cities that would challenge, assist and recognize cities that were "green stars." This idea was taken up by the 2008 Legislature, which directed the MPCA, the Division of Energy Resources at the Minnesota Department of Commerce, and CERTs to recommend actions cities could take on a voluntary basis.

Representatives from dozens of cities, non-profit organizations, businesses and state government agencies provided the outline for what has been developed as the Minnesota GreenStep Cities program, which began in June 2010. As a non-regulatory program, GreenStep learns from Minnesota cities and assistance providers, and continually refines the best practice actions and the resources for taking action.

Greenstep Cities is a free assistance program for all Minnesota cities that support and recognize implementation of 29 sustainability best practices. The best practices focus on cost savings, quality of life and energy use reductions that encourage a culture of innovation. Over 100 large and small cities (including some tribes), encompassing over 40% of the state's population, have joined and become Step One cities in this voluntary program, which was launched by the League of Minnesota Cities at their June 2010 conference. In order to make work easier, these 29 best practices have been grouped under five major categories:

i. Building and Lighting
ii. Land Use
iii. Transportation
iv. Environmental Management and
v. Economic and Community Development
Benefits of joining the GreenStep Cities

- Is a continuous improvement pathway for cities to "go green," becoming more sustainable and resilient.

- Will save staff time in researching proven, cost-effective actions for cutting energy use, decreasing the City’s carbon footprint, and accomplishing other sustainability goals that exceed regulatory requirements. Information on and an advisor for how to complete 170 actions – in the best practice groups of buildings, land use, transportation, environment, and economic/community development – is continuously updated with Minnesota-specific information.

- Will save cities money and deliver a stream of multiple environmental, social and financial benefits; will help cities explore how to spend the same amount of money smarter.

- Is a home-grown, independent program tailored to Minnesota cities and provides maximum flexibility and choice in how to implement a proven best practice.

- Provides over 3,000 reports on how Minnesota cities are taking action, making it easy to learn from and contact peer cities so as to jump-start actions in your own city.

- Opens up special opportunities for funding and technical assistance, available mostly to GreenStep cities because the GreenStep program focuses on existing GreenStep cities.

- Positions a city to more easily apply for competitive grant and assistance programs.

- Maps out how to follow-through on the various commitments cities may have made, such as the U.S. Mayors Climate Protection Agreement, signed by over 40 Minnesota cities, and on the Minnesota Legislature’s aggressive Next Generation Energy Act.

- Provides leadership and action roles for community members, businesses and institutions so as to stretch limited city funds and strengthen a civic culture of engagement and innovation. We encourage cities to use student interns to help enter best practice action reports on the GreenStep web site, and have an intern manual to make this easier.

- Continuously prompts program participants – like an exercise coach would! – to maximize opportunities to accelerate sustainability actions.

- Provides public recognition of the good work being done by Minnesota cities.

Upon accepting the offer to work for the City of Saint Peter as an Intern, I have been asked to spearhead the City’s effort to obtain certification from the Minnesota GreenStep program. However, five major steps are to be achieved during the certification process:

Step 1. Resolution: Besides building community knowledge and interest and post initial background information on the GreenStep website, committing to local sustainability is key and this would be achieved by adopting a City Council resolution.
Step 2. Milestone: Demonstrating local commitment through actions, i.e., documenting the previous implementation of, and/newly implemented 4, 6, or 8 best practices depending on a city’s GreenStep category designation.

Step 3. Achievements: Meeting state-wide sustainability action standard by implementing 8, 12, or 16 best practices and complete a handful of specific high-impact actions, depending on a city’s GreenStep category designation.

Step 4. Quantification: Measuring community-wide impact of actions. i.e., measure and report a minimum number of core and optional metrics for the previous calendar year.

Step 5. Improvement: Demonstrating community-wide success of actions. i.e., Improve three eligible city performance metrics measured in Step 4.

With this enlightenment, I hereby present the GreenStep project before the Council for consideration and possible resolution in order to complete the Step 1 objective and also to continue with the rest of this sustainable development project.

/KA
The GreenStep 29 best practices

The GreenStep 29 best practices

- Make planning and tracking easier download this spreadsheet that lists all unique actions – approximately 175 – for all 29 best practices.
- Cities that implement a minimum number of best practices organized into these five topical areas will be recognized as Step Two and Step Three GreenStep Cities. See What are Step Two and Three Recognition Minimums?
- Cities should claim credit for best practices already implemented. Adding best practices over time will garner additional recognition.
- For each best practice, and depending on city category (A, B or C), a city needs to complete one or more actions from a list associated with the best practice. See What category is my city in?

Buildings and Lighting

1. Efficient Existing Public Buildings
Benchmark energy and water usage, identify savings opportunities in consultation with state programs, utilities and others to implement cost-effective energy and sustainability improvements.

2. Efficient Existing Private Buildings
Provide incentives for energy, water and sustainability improvements in existing buildings/building sites.

3. New Green Buildings
Construct new buildings to meet or qualify under a green building framework.

4. Efficient Outdoor Lighting and Signals
Improve the efficiency and quality of street lighting, traffic signals and outdoor public lighting.

5. Building Redevelopment
Create economic and regulatory incentives for redevelopment and repurposing of existing buildings.

6. Comprehensive, Climate and Energy Plans
Build public support and legal validity to long-term infrastructural and regulatory strategy.

7. Resilient City Growth
Increase financial and environmental sustainability by enabling and encouraging walkable housing and retail land use.

8. Mixed Uses
Develop efficient land patterns that generate community health and wealth.

9. Efficient Highway- and Auto-Oriented Development
Adopt commercial development and design standards for auto-oriented development corridors and clusters.

10. Design for Natural Resource Conservation
Adopt development ordinances or processes that protect natural systems and valued community assets.
Transportation

11. Living Streets
Create a network of green complete streets that improves city quality of life and adds value to surrounding properties.

12. Mobility Options
Increase active transportation and alternatives to single-occupancy car travel.

13. Efficient City Fleets
Implement a city fleet investment, operations and maintenance plan.

14. Demand-Side Travel Planning
Implement Travel Demand Management and Transit-Oriented Design in service of a more walkable city.

Environmental Management

15. Sustainable Purchasing
Adopt environmentally preferable purchasing policies and practices to improve health and environmental outcomes.

16. Urban Forests and Soils
Add city tree and plant cover that conserves topsoils and increases community health, wealth, quality of life.

17. Stormwater Management
Minimize the volume of and pollutants in rainwater runoff by maximizing green infrastructure.

18. Parks and Trails
Increase active lifestyles and property values by enhancing the city's green infrastructure.

19. Surface Water
Improve local water bodies to sustain their long-term ecological function and
community benefits.

20. Efficient Water and Wastewater Systems
Assess and improve city drinking water and wastewater systems and related facilities.

21. Septic Systems
Implement an environmentally sound management program for decentralized wastewater treatment systems.

22. Sustainable Consumption and Waste
Increase waste prevention, reuse and recycling, moving to a lower-consumption, more cyclical, biological approach to materials management.

23. Local Air Quality
Prevent generation of local air contaminants so as to improve community health.

Resilient Economic and Community Development

24. Benchmarks and Community Engagement
Adopt outcome measures for GreenStep and other city sustainability efforts, and engage community members in ongoing education, dialogue, and campaigns.

25. Green Business Development
Expand a greener, more resilient business sector.

26. Renewable Energy
Remove barriers to and encourage installation of renewable energy generation capacity.

27. Local Food
Strengthen local food and fiber production and access.

28. Business Synergies and EcoDistricts
Network/cluster businesses and design neighborhoods and developments to achieve better energy, social, economic and environmental outcomes in service of a more circular economy.

29. Climate Adaptation and Community Resilience
Plan and prepare for extreme weather, adapt to changing climatic conditions, and
foster stronger community connectedness and social and economic vitality.
CITY OF SAINT PETER

PURCHASING POLICY

General Provisions

The purchasing policies of the City are established by the City Council through the City Administrator.

The purpose of this policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by the City of Saint Peter, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity. This policy describes processes for both budgeted and unbudgeted items; however, non-budgeted expenditures must be approved as a part of a separate Council action and will not be included as part of the consent agenda.

This policy applies to the procurement of materials, supplies, services, and construction. It shall apply to every expenditure of municipal funds, irrespective of their source. When the procurement involves the expenditure of Federal or State assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory Federal or State laws and regulations which are not reflected in this policy. Nothing in this policy shall prevent the City of Saint Peter from complying with the terms and conditions of any grant, gift, or bequest which are otherwise consistent with law.

To facilitate a sound and cost-effective purchasing operation, all purchases shall be of a quality to suit the intended purpose at the lowest possible cost.

The City Administrator shall be the designated purchasing agent of the City of Saint Peter. Purchases for the requirements of the City are made for each department through the City Administrator's office or his/her designee. The success of the purchasing function and the mutual benefits derived are contingent upon the cooperation of all City departments.

Purchase authorization should be sought far enough in advance to allow for delivery prior to actual need. Ideally, similar purchases by various departments should be aggregated on one purchase order to allow for better unit prices and lower delivery costs. Purchases shall not be split in order to circumvent any provision of this policy or applicable Minnesota State Statutes.

DISCRETIONARY AUTHORITY

Competitive purchases shall not be made on the sole basis of low quotation. Said purchases shall be based upon factors such as life-cycle costs, quality, delivery period, and availability of goods and maintenance service, as determined by discretion herein given.

GENERAL INFORMATION

Whenever possible and as outlined below, competitive prices shall be obtained for the purchase of materials, equipment or services. Generally, the greater the value of the purchase, the more formal the method used.

Adopted: 06252018 Res 2018-101
The following procurement methods shall be used and in all cases, a written record shall be made and preserved by the City Administrator’s Office.

<table>
<thead>
<tr>
<th>Level of Purchase</th>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 to $1,000</td>
<td>Direct purchase</td>
</tr>
<tr>
<td>$1,001 to $2,500</td>
<td>Verbal Quotations</td>
</tr>
<tr>
<td>$2,501 to $10,000</td>
<td>Three Written Quotations (requested verbally)</td>
</tr>
<tr>
<td>$10,001 to $50,000</td>
<td>Formal Written Proposals (requested in writing*)</td>
</tr>
<tr>
<td>Exceeding $50,000</td>
<td>Formal Bids</td>
</tr>
</tbody>
</table>

*Written requests for proposals should be provided to three or more vendors or service providers. The information must also be included on the “public notices” section of the City website. The request must require the vendor/provider to submit their proposal in writing with the signature of the vendor or service provider included.

For purchases up to and including $50,000 the City Administrator shall have discretion as to whether a Performance Bond is required and/or the amount of that Bond.

Opportunity to do business with the City shall be provided to all responsible vendors. To this end, the City Administrator’s office shall develop and maintain a directory of potential vendors for various types of supplies, equipment and services. Any responsible vendor may be included in the directory upon written request. The directory shall be used to develop a mailing list for distribution of purchase specifications and invitations to bid.

In the event local and non-local proposals for goods and services of like amount, quality and availability exist at the same price, the local proposal shall be accepted. Local vendors are hereby defined as those business establishments that have a significant portion of their physical plant located within the corporate boundaries of the City of Saint Peter.

**PURCHASES OVER $50,000**

**FORMAL BIDS M.S. 471.345 SUBD. 4 PROCEDURE**

**Notice to Bidders** - Notice inviting sealed competitive bids shall be published in the official newspaper of the City at least ten (10) days before the final date for submitting bids thereon. Such notice shall cite the specifications on the supplies, materials, equipment or construction project or other matter to be contracted for and shall state the amount of bond or other security, if any is to be required, to be given with the bid and the amount of bond or security to be given with the contract. The notice shall state the time limit, the place of filing and the time of opening bids and shall also state that the right is reserved to reject any or all bids. Any consideration or award of the contract shall also be stated in general terms.

**Solicitation and Posting** - The purchasing agent shall also solicit bids from such qualified prospective vendors that are reasonably known to the purchasing agent.

**Bid Security Deposit** - This deposit shall be in the form of a certified or cashiers check or a bond written by a surety company authorized to do business in the State of Minnesota. The amount of such security shall be expressed in terms of percentage of the bid submitted. Unless fixed by the City Council, the City Administrator shall prescribe the amount of any security to be deposited with any bid. The City Administrator shall be authorized to waive the bid security requirement for purchase of materials under $100,000.

Adopted: 06252018 Res 2018-101
Bid Opening - Bids shall be opened in public at the time and place designated in the notice requesting bids. Original bid documents shall be referred to the Office of the City Administrator to be examined and tabulated and shall be reported to the City Council with a recommendation. After opening, all bids shall be available for inspection and kept on file by the City Administrator's office.

Award of Bid - Provided that the City Council shall find any of the bids satisfactory, the Council shall award the contract to the lowest responsible bidder unless the Council shall determine that the public interest will be better served by accepting a higher bid. The Council shall have the right to reject any or all bids and to waive irregularities in bidding and to accept bids which do not conform in every respect to the bidding requirements. Upon satisfying itself that the conditions have been met, the Council may award the contract by resolution.

Written Contract - All formal bid awards shall be made the subject of written contract. A purchase order alone shall be a sufficient written contract only in cases where the expenditure is in the usual and ordinary course of the City's affairs. In no case shall a purchase order be sufficient for the construction of Public Works or the contracting for supplies or services over any period of time or where the quality of the goods or materials or the scope of the services bargained for is not wholly standardized.

Bidder's Security - All bid bonds or certified or cashiers checks may be retained by the City Administrator's Office until the contract is awarded and executed. If any successful bidder fails or refuses to enter into the contract awarded to him/her in the time specified after the same has been awarded, or file any bond required within the same time, the deposit accompanying his bid shall be forfeited to the City, and the City Council at its discretion may award the contract to the next lowest competent bidder unless the Council shall determine that the public interest will be better served by accepting a higher bid, or said contract may be re-advertised.

Performance Bond - At the time a contract is executed the contractor shall file a bond executed by a surety company authorized to do business in the State of Minnesota, to the City, conditioned upon the performance of said contract and saving the City harmless from all losses or damages caused to any person or property by reason of any carelessness or negligence by the contract and from all expense of inspection, engineering, and otherwise, caused by the delay in the completion of any improvement. The bond shall further be conditioned to pay all laborers, mechanics, subcontractors and material suppliers as well as all just debts and demands incurred in the performance of such work. Unless fixed by the City Council, the City Administrator shall prescribe the amount of the performance bond and in the case of construction contracts, the amount of the labor and materials bond to be required of the successful bidders. For purchases up to and including $100,000 the City Administrator shall have the discretion as to whether a Performance Bond is required and the amount of that Bond. For purchases or contracts over $100,000, the regulations contained in Minnesota Statutes shall apply as those regulations relate to publication, bonding, and bid security.

PURCHASE ORDERS

Approval for purchases shall be granted following the submission of a purchase order and shall be processed in accordance with administrative procedures. The purchase order serves to define the approximate quantity and intended use of requested materials, supplies and services and to provide better control over financial resources. The purchase order also serves to inform the Finance Department of pending financial obligations.

Adopted: 06252018 Res 2018-101
Purchase authorization should be sought far enough in advance to allow for delivery prior to actual need. Ideally, similar purchases by various departments should be aggregated on one purchase order to allow for better unit prices and lower delivery costs. Purchases shall not be split in order to circumvent any provision of this policy or applicable Minnesota State Statutes.

Purchase orders shall be prepared on four-part forms in ascending numerical order. The yellow copy shall be retained by the department initiating the purchase order. The Finance Department (Accountant) shall retain the blue copy in a numerical file. The pink and white copies will be returned to the department initiating the purchase order. The white copy shall be forwarded to the vendor and the pink copy shall be attached to all properly reconciled invoices when received and forwarded to the Finance Department for payment.

In all cases, purchase orders for items exceeding the budget shall be signed by the below named individuals.

**Purchases $1 to $1,000** - All budgeted purchases may be initiated without a purchase order subject to Foreman or Department Superintendent verbal approval.

**Purchases $1,001 to $2,500** - All budgeted purchases may be initiated without a purchase order subject to Department Superintendent or Department Director verbal approval.

**Purchases $2,501 to $10,000** - All budgeted purchases shall be initiated by a purchase order signed by the requisitioner, Department Director, Finance Director, and City Administrator prior to the purchase of any items.

**Purchases $10,001 to $50,000** - All budgeted purchases shall be initiated by a purchase order signed by the requisitioner, Department Director, Finance Director, and City Administrator and presented to the City Council on the Consent Agenda for approval prior to the issuance of a purchase order. Documentation shall include unit costs, names of all vendors supplying quotes, names of all vendors contacted to provide quotes, costs including shipping and taxes.

**Purchases over $50,000** shall be initiated as a formal bid request and staff shall follow the procedure for receipt of bids outlined in this document.

**BLANKET PURCHASE ORDER**

To avoid excessive paperwork and administrative delays, frequently used vendors may be issued a blanket purchase order with a designated spending limit not to exceed twelve (12) months of normal purchases. Departments may then purchase various supplies on a daily basis within the designated spending limit. However, no one item purchased via a blanket purchase order may exceed $2,500.

Blanket purchase orders may be issued only upon receipt of a properly executed purchase order that identifies the designated spending limit. Department Directors shall provide the vendor with a list of employees authorized to purchase via the blanket purchase order. It shall be the Department Director and vendor’s responsibility to abide by the designated spending limit.

**RECEIPT/RETURN OF MATERIALS**

Adopted: 06252018 Res 2018-101
All vendor issued packing slips or other pertinent documentation shall be given to the Finance Department and attached to the appropriate purchase order for future reference.

A returned materials report identifies items returned to a vendor due to damage or other valid reason of non-acceptance. Issuance of a returned materials report should be acknowledged by the vendor by a credit memorandum.

**INVOICES**

An invoice is the means by which a vendor informs the City of its financial obligation. Invoices should contain an itemization of quantities and charges for supplies, materials, or services furnished to the City as well as special conditions such as discounts and due dates.

Upon receipt of an invoice, the Finance Department shall reconcile the purchase order, packing slips, returned materials reports and credit memorandums to the invoice. Any and all discrepancies in quantities and costs must be reconciled by the Department Director before an invoice is forwarded to the Finance Department for payment.

At appropriate intervals, the Finance Department shall prepare a schedule of invoices payable for Council review and approval. Payment shall be made following Council approval except that the Finance Department is hereby granted authority to make prior payment to take advantage of allowable discounts or for other necessary reasons as determined by the Finance Director.

**PETTY CASH**

It is the City's policy to hold petty cash purchases to a minimum. No employee may make such a purchase without prior authorization of his/her Department Supervisor or Department Director. Such purchases are generally paid for by the employee who then secures reimbursement from the petty cash fund. The number and size of petty cash funds shall be designated by the Finance Director. The Department Director of any Department maintaining a petty cash fund shall be responsible for the administration of such fund.

Each petty cash fund shall be maintained on an "imprest" system which requires that each disbursement must be supported by proper documentation. Replenishment of petty cash funds will be made by submitting a report of disbursements along with supporting documentation to the Finance Department for payment processing. Each petty cash fund will be audited by the Finance Department periodically.

Petty cash purchases are to be held under forty dollars ($40) whenever practical. Expenses for travel, schools, luncheons, etc. should not normally be reimbursed by the petty cash fund, but rather submitted on an Expense Reimbursement Form.

**EMERGENCY PURCHASES**

Emergency purchases are to be made only when normal operations of a department would be hampered significantly by delays resulting from the submission of a purchase order or when property, equipment, or lives are endangered through unexpected circumstances.

In the case of an emergency, a Department Director may purchase directly any budgeted supplies, materials, or services necessary to alleviate the emergency. Every effort shall be made to contact the City Administrator or Finance Director if emergency expenditures exceed...
the budget or are unbudgeted, whether the emergency occurs during normal working hours or not. The emergency, following its abatement, shall be explained on a purchase order and submitted to the City Administrator.

GRATUITIES AND KICKBACKS

It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the rendering of advice, investigation, auditing or any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor.

EMPLOYEE CONFLICT OF INTEREST

It shall be unethical for any employee to participate directly or indirectly in a procurement when the employee knows that:

(a) the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement; or

(b) any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

An employee or any member of the employee's immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matter pertaining to that financial interest. No purchase shall be made which would violate Minnesota State Statutes pertaining to elected officials' conflict of interest.
INFORMATION MEMO

Competitive Bidding Requirements in Cities

Learn what types of contracts are subject to competitive bidding requirements; the methods of best value and joint contracting; and the exemptions, exceptions, and alternatives to competitive bidding. Learn about preparing bid specifications and advertising, opening, and investigating bids. Find out about permitted changes after bid award and when a city needs to require performance and payment bonds. Contains sample bid advertisement and sample outline for a request for proposals (RFP).

RELEVANT LINKS:
Minn. Stat. § 471.345.
Minn. Stat. § 412.311.
Home rule charter cities generally have a charter provision requiring that a contract that must be competitively bid must be awarded to the lowest responsible bidder or other similar term.

Minn. Stat. § 471.345, subd. 6.

Minn. Stat. § 429.041, subd. 1.
See LMC information memo, Special Assessment Toolkit.

R.E. Short Co. v. City of Minneapolis, 269 N.W.2d 331 (Minn. 1978).

I. Competitive bidding law

The uniform municipal contracting law (competitive bidding law) requires cities to use the competitive bidding process for certain contracts estimated to exceed a dollar threshold. Typically, this involves the solicitation of sealed bids and the award of the contract to the “lowest responsible bidder.” The law makes no distinction based on the funds from which payments will be made. For example, a contract that will be paid from municipal liquor store revenues must be competitively bid if the estimated cost is expected to exceed the bidding threshold.

The competitive bidding law generally supersedes all inconsistent laws and charter provisions. A city may, however, need to comply with additional statutory requirements. For example, the competitive bidding process for local improvement projects that are paid for with special assessments has additional requirements. It is important to review any additional requirements that apply to a particular type of contract before beginning the competitive bidding process.

A. Purpose

The competitive bidding law serves three general purposes. First, it is intended to ensure city taxpayers receive the benefit of the lowest obtainable price from a responsible contractor. Second, competitive bidding provides contractors a level playing field on which to compete for city contracts. Third, it limits the discretion of contract-making officials in situations that are susceptible to fraud, favoritism, or other similar abuses.

B. Contracts subject to competitive bidding

When this memo uses the term “contract,” it is only describing agreements subject to the competitive bidding law.
There are two elements that determine if the competitive bidding law applies to a particular contract: the type of contract and its estimated price.

1. **Types of 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.

2. **Estimated price**
   The estimated price of the contract also determines if the competitive bidding process is required.

   a. **Contracts over $175,000**
      City contracts entered into on or after Aug. 1, 2018 exceeding the estimated price of $175,000 must use the competitive bidding process.

   b. **Contracts exceeding $25,000 but not $175,000**
      For city contracts entered into on or after Aug. 1, 2018, competitive bidding is not required on contracts that exceed $25,000 but do not exceed $175,000. However, competitive bidding on contracts in this price range is allowed. So, the city has the option of either using the competitive bidding process or making the contract by direct negotiation. If the city chooses to use the competitive bidding process, it must likely comply with the requirements of this process even though it was not originally required. If direct negotiation is used, the city must get at least two quotations when possible and keep them on file for at least one year.

   c. **Contracts $25,000 or less**
      If the price of the contract is estimated to be $25,000 or less, the city has discretion to make the contract by obtaining quotations or it may simply buy or sell the item on the “open market.” If the city chooses to use quotations for the contract, it shall be based, as far as practicable, on at least two quotations which shall be kept on file for at least one year.
d. Calculating estimated contract price

Because the competitive bidding law applies to the estimated contract price, it can sometimes be difficult to determine whether a specific contract is subject to the law.

(1) Splitting contracts

Generally, the competitive bidding process may not be avoided by splitting a contract into several smaller contracts, each of which is under the competitive bidding threshold. A court will probably find a contract to be void if it is split for the purpose of avoiding the competitive bidding process.

It may be appropriate, however, to enter into two separate contracts for materials or work if they involve separate transactions. An example of this might be when the services of different specialty contractors are necessary to complete a particular project. In such a case, there appears to be no reason why the work or material may not be contracted for without advertising for bids if each of the contracts does not exceed the competitive bidding threshold.

Another example might be two separate contracts for different sidewalk improvements, each involving less than the competitive bidding threshold. In this situation, it appears the contracts could be let without advertising for bids if the two contracts involve separate improvements on two different streets. It will usually be more advantageous, however, to combine like improvements in a single contract, and this will probably result in the total contract amount being large enough to require competitive bidding.

Similar considerations apply in determining whether it is possible to purchase materials and contract for labor separately. The Minnesota Supreme Court has not considered this question. Whether facts support splitting a contract in a given situation must be determined on a case-by-case basis after consulting the city attorney.

(2) Used equipment and trade-in value

Bids must be solicited if the contract’s cost is estimated to exceed the competitive bidding threshold even when used items are being purchased. The competitive bidding law does not distinguish between new and used supplies, material, or equipment.

If the city will be trading in old equipment when purchasing replacement equipment, the trade-in value should not be subtracted when calculating the contract price to determine whether competitive bidding is required. In short, the contract price will be the total cash value of the new item, not the total that is paid after the trade-in is made.
(3) Sales tax

Cities should probably include the cost of sales tax when estimating the amount of a construction contract. This will result in a closer estimate of the total cost of a construction project.

Sales tax on materials, as well as withholdings for the contractor’s workers, will be included by the bidder in the total amount for a construction contract.

Although it is unclear whether sales tax should also be included when estimating the cost of a contract to purchase equipment, cities may wish to include this amount. For example, suppose a city is going to purchase office equipment priced at exactly $175,000 without sales tax and the city opts not to use the competitive bidding process because the amount does not exceed $175,000. The addition of the sales tax, however, brings the amount to more than $175,000. It is possible someone could argue that the contract should have been let using the competitive bidding process.

C. Joint contracting

Governmental entities may jointly contract to undertake projects and purchase services or equipment when competitive bidding is required.

1. The Joint Powers Act

Under the Joint Powers Act, any city may enter into an agreement with one or more governmental units to exercise powers common to all parties. Under such an agreement, one governmental entity may solicit bids on behalf of itself and other governmental units that are parties to the agreement.

Joint purchasing agreements should be made using a formal council action, such as a resolution. Ideally, cities wishing to make purchases under one set of bids or quotations should agree to do so before the request for bids or quotations is made. This allows bidders to know how many purchases are likely to be made.

The attorney general has advised that the competitive bidding requirements apply to the total amount of a joint contract, not to an individual participant’s share. Thus, if the total amount of the contract is more than the competitive bidding threshold, and it is the type of contract that is subject to the competitive bidding law, sealed bids must be sought even if the city’s share of the contract is less than the competitive bidding threshold.

2. Cooperative purchasing programs

Many cities purchase a variety of supplies and equipment through cooperative programs.
The Department of Administration operates a cooperative purchasing program (Minnesota's Cooperative Purchasing Venture (CPV)) that all cities can join. Cities that participate in this program are allowed to purchase equipment under state contracts that the state has already competitively bid.

In fact, for contracts estimated to exceed $25,000, a city must consider the availability, price, and quality of supplies, materials, or equipment available through the CPV before buying through another source.

Cities also have authority to engage in joint purchasing for contracts for the purchase of supplies, materials, or equipment through a national municipal association’s purchasing alliance or cooperative. The alliance or cooperative must have been created by a joint powers agreement and must purchase items from more than one source based on competitive bids or competitive quotations.

D. Best value contracting

Best value contracting provides an alternative to the competitive bidding process for certain contracts. While competitively bid contracts generally must be awarded to the “lowest responsible bidder,” cities may use best value contracting to award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the “best value.” With best value contracting, cities are authorized to consider performance factors in addition to price when awarding contracts for construction projects.

Performance criteria may include, but are not limited to:

- Quality of performance on previous projects.
- Timeliness of performance on previous projects.
- Level of customer satisfaction on previous projects.
- Record of performing projects on budget and ability to minimize cost overruns.
- Ability to minimize change orders.
- Ability to prepare appropriate project plans.
- Technical capabilities.
- Qualification of key personnel.
- Ability to assess and minimize risks.

Any staff or consultants who wish to bid out a construction project through best value contracting must first receive training in the request for proposals (RFP) process for best value contracting. The commissioner of the Department of Administration has authority to establish a training program for state and local government officials.
The law does not specify the content or amount of training required, and the training may be conducted by entities other than the Department of Administration.

The criteria used to evaluate best value contracting proposals must be included in the RFP. The RFP must also state the relative weight of price and other selection criteria. If an interview of the vendor or contractor’s personnel is a factor in the selection criteria, the relative weight of the interview must be stated in the RFP and applied accordingly.

It appears that cities are limited to using best value contracting for either one project annually or 20 percent of their projects, whichever is greater for the first three fiscal years in which best value contracting is used.

E. Exemptions, exceptions, and alternatives

While the types of contracts subject to competitive bidding are broadly defined, a number of city contracts, purchases, or related agreements are not subject to the competitive bidding law. The following are some of the most common exemptions, exceptions, or alternatives to competitive bidding:

- **Non-contracts.** An agreement that does not meet the definition of a contract under the competitive bidding law is exempt from the competitive bidding requirements. For example, an agreement in which a company supplied a special scoreboard system in exchange for the right to sell or lease advertising space on it was found to be exempt because it was not only a contract for “materials, supplies, or equipment.” Likewise, contracts for refuse hauling and janitorial services were also found to be exempt from the competitive bidding requirements.

- **Contracts below the competitive bidding threshold, but above $25,000.** As an alternative to competitive bidding, contracts that are estimated to cost more than $25,000, but not more than $175,000, may be made by direct negotiation. If direct negotiation is used, the council must seek at least two quotations when possible and keep them on file for at least one year after receipt.

- **Contracts of $25,000 or less.** If a contract is estimated to be $25,000 or less, the city has the choice of making the contract upon quotation or in the “open market.” If the city makes the contract upon quotation, it shall be based, as far as practicable, on at least two quotations which shall be kept on file for at least one year after their receipt.
Electronic purchases through reverse auctions. Cities may, regardless of costs, contract for the purchase of supplies, materials, and equipment through an electronic reverse auction process. Vendors compete to provide the requested supplies, materials, or equipment at the lowest selling price in an open and interactive electronic environment.

Electronic sales of surplus supplies, materials, and equipment. Cities may, regardless of value, sell surplus, obsolete, or unused supplies, materials, and equipment using an electronic process in which purchasers compete to offer the highest purchase price in an open and interactive environment.

Best value contracting. Under certain circumstances, cities may use best value contracting for construction projects. Best value contracting authorizes cities to consider performance criteria in addition to price in the selection process.

Shared hospital or ambulance service contracts. Certain hospital or ambulance purchases and leases are exempt from competitive bidding if made through a shared service purchasing agreement.

Some fuel contracts. Fuel purchased by municipal power plants for the generation of power may be made using either direct quotations or competitive bidding.

Guaranteed energy-savings contracts. Contracts for energy conservation measures that will reduce energy consumption or operating costs are not subject to competitive bidding. There are additional procedural requirements that must be considered and satisfied.

Intergovernmental contracts. Cities do not need to follow the competitive bidding requirements when contracting for the sale, lease, or purchase of real or personal property with another government entity (federal, state, or political subdivisions).

Real estate contracts. The purchase or sale of real property is generally not required to be competitively bid. However, a home rule charter may require a competitive bidding process for the purchase or sale of real estate.

Professional services contracts. Cities are not required to follow the competitive bidding process when contracting for professional services such as those provided by doctors, engineers, lawyers, architects, accountants, as well as other services requiring technical, scientific, or professional training.
• **Insurance contracts.** Cities are not required to follow competitive bidding requirements for insurance contracts. However, group insurance coverage for 25 or more employees must be solicited through a request for proposals. The request for proposals must be in writing and must include the coverage to be provided, the criteria for evaluation of carrier proposals, and the aggregate-claims records for the appropriate period. The request for proposals must be published in a newspaper or trade journal for at least 21 days before the final day for submitting proposals.

• **Emergency contracts.** The Emergency Management Act gives cities the ability to declare an emergency for a limited period of time. During an emergency ("an unforeseen combination of circumstances that calls for immediate action to prevent a disaster from developing or occurring") or disaster ("a situation that creates an actual or imminent serious threat to the health and safety of persons"), cities are not required to use mandated contracting procedures. If the facts of the situation do not indicate that a true emergency existed, such a contract would likely be considered void.

• **Some intergovernmental construction contracts.** Competitive bidding is not required for a cooperative agreement to construct a project with the state or with another political subdivision of the state when the other unit does the construction. This applies only where there is an agreement prior to the initial advertising for bids on the project.

• **Some municipal electric power construction contracts.** A city may contract for the planning, acquisition, construction, reconstruction, operation, maintenance, repair, extension, and improvement of generation and transmission facilities without advertising for bids. The facilities must be located outside of the city’s corporate limits.

• **Some municipal gas construction contracts.** A city may contract for the planning, acquisition, construction, reconstruction, operation, maintenance, repair, extension, and improvement of generation and transmission facilities outside of its corporate limits or those of its members without advertising for bids.

• **Water tank service contracts.** Multi-year contracts for water tower tank maintenance work used to be an exception to competitive bidding such that professional water tank services could be negotiated on the open market. Effective for agreements entered into on or after September 1, 2018, the portion of any water tank maintenance work that includes “sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property” must go through competitive bidding or best value contracting.
• Public safety equipment. A city may acquire by purchase or lease used public safety equipment without competitive bids or proposals if the equipment is clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation. “Public safety equipment” is defined as vehicles and specialized equipment used by a fire department in firefighting, ambulance, and emergency medical treatment services, rescue, and hazardous materials response.

• HRA exceptions. Under certain circumstances, a housing and redevelopment authority does not need to comply with competitive bidding requirements.

• Public improvements made by a subdivider. The construction and installation of public improvements made by a subdivider or a subdivider’s contractor do not need to comply with competitive bidding requirements.

II. Procedure

The competitive bidding process generally includes the following steps:

• Preparation of bid specifications.
• Publication of bid advertisement.
• Opening and tabulation of bids.
• Investigation of bids.
• Disposition of bids.

Cities may have additional requirements to follow, depending upon city policies, charter provisions, or the specific nature of the contract. In addition, city officials should be aware of how the information they receive is classified under the Minnesota Government Data Practices Act (MGDPA).

A. Preparation of bid specifications

Before seeking bids, the city must prepare plans and specifications. The specifications should provide bidders a basis on which to bid that attracts as many bidders as possible and treats all of them fairly. Cities should keep the following general rules in mind when preparing specifications:

• The specifications must be sufficiently definite to give prospective bidders a “reasonable basis” on which to bid. Whether specifications are sufficiently definite is determined on a case-by-case basis.
Learn about state laws regulating disbursement of public funds, such as competitive bidding requirements, best value and emergency contracting, construction contracts, contracting with other governmental entities, and purchasing consultant services. Get guidance on the city official prohibition against having a personal financial interest in city contracts.

RELEVANT LINKS:
LMC information memo, Public Purpose Expenditures.

I. Expenditures
Cities may spend money only for authorized purposes. Since councilmembers may have personal liability for the unauthorized disbursement of city funds, they should consult their city attorney whenever they doubt the legality of the expenditure.

A. Legal expenditures
Any city expenditure must satisfy the following to be considered lawful:

- Public purpose. There must be a public purpose for the expenditure.
- Authority. There must be specific or implied authority for the expenditure in state statute or the city’s charter.
- Procedure. The council must properly approve the expenditure.

1. Public purpose
The Minnesota Constitution requires that taxes further a public purpose. However, the meaning of “public purpose” constantly evolves through court decisions. The Minnesota Supreme Court has followed a rather liberal approach, generally concluding that a “public purpose” exists when an activity meets all the following standards:

- Benefits the community as a body.
- Is directly related to functions of government.
- Does not have as its primary objective the benefit of a private interest.

The League information memo, Public Purpose Expenditures, provides a more detailed discussion of lawful expenditures, including specific references to common lawful public purpose expenditures.
2. Authority

Determining whether a statute or a city charter provides express authority for an expenditure is relatively easy. In contrast, determining whether a statute or charter provision implicitly provides authority for an expenditure proves more difficult. Cities should consult with their city attorney if they are unsure of the authority related to specific expenditures.

3. Proper procedure

If an expenditure has valid authority and furthers a public purpose, the council must follow the proper procedure to make the expenditure. Minnesota statutes set forth the procedures statutory cities must use to pay claims and disburse city funds.

B. Invalid expenditures

Cities may face the following issues if they end up approving an invalid expenditure:

- Taxpayer lawsuits. The city bears the responsibility for the expenses incurred while defending itself in a taxpayer lawsuit. In some situations, individual councilmembers may incur personal liability as well.
- Non-compliance finding by the state auditor. This could result in future special audits and embarrassment for the city.
- Public mistrust. The council could lose the trust of the community.
- Law changes. If the violation is substantial, the event could prompt the Legislature to adopt more explicit restrictions on expenditures that would impact all local governments.

C. Limitation on city expenditures

If either express or implicit authorization exists and the expenditure furthers a public purpose, then the state law generally does not limit city disbursements. In general, there are no requirements compelling voter authorization of expenditures either as to purpose or amount. Although isolated examples of both kinds of restrictions can be found in the statutes, they generally apply only to specific projects. Statutes imposing limitations on tax levies, for example, do not usually impose a limitation on the amount a city can spend, but rather how much money the city can collect through a tax levy. Debt limits impose further restrictions by limiting the amount of money a city can obtain through borrowing.
II. Procedure for paying claims

Standard Plan and Plan A cities follow the same procedure to pay city bills, including the officials involved. The process for Plan B statutory cities varies slightly. When the city owes money to a particular individual or business, that person or business has a "claim" against the city depository (the bank account in which the city deposits its money).

Generally, cities follow three steps when paying any claim. This process can vary slightly depending on the nature of the claim and the authorization required for issuing the order. For example, some types of claims may require prior council approval, and, in some instances, council may delegate authority to pay certain types of claims. Generally, however, the following basic process applies:

- Filing the claim. The claim or bill must go to the clerk for filing.
- Approval of claim. The council must audit the claim or bill.
- Issuance of order. City officials sign and issue the check or order.

After the approval or disapproval of the claim by the council, the clerk shall endorse on each claim the word "disallowed" (if that is the case), or "allowed in the sum of $..........." if approved in whole or in part, specifying in the latter case the items rejected. The mayor or the clerk can submit approved claims, called an order, to the treasurer. Once signed by the treasurer, that order becomes a check on the city depository. This process does not apply to payment of judgments, salaries, and wages previously fixed by the council or by statute; principal and interest on obligations, rent and other fixed charges (the exact amount of which has been previously determined by contract authorized by the council); and for other instances provided by state law.

As mentioned above, Standard Plan and Plan A statutory cities follow this basic process. For a Plan B statutory city, the city manager acts as the chief purchasing agent and may exercise some purchasing independence, subject to any procedural requirements established by the council. For example, city managers can make contracts for purchases in the amount of $20,000 or less.

Home rule charter cities may have different procedures for paying claims outlined in their charters. In addition to the charter, Minnesota statutes specifies certain requirements for second, third, and fourth-class home rule charter cities apply. These requirements mirror the requirements for statutory cities. Additionally, a charter city also may choose to generally apply the procedures and exercise authority found in the statutory city code if their charter does not address situations that arise.
For example, if a city’s charter is silent on the matter of delegating authority to pay certain claims to an administrative official, then that city could still make such a delegation in the manner described above for statutory cities. However, in these instances, the city could amend its charter or local ordinance to reflect the practice and to avoid future procedural confusion.

A. Filing a declaration of claim

With some exceptions, generally, the person claiming payment (or the person’s representative) must provide the city with an itemized list in writing or in an electronic transaction records. The act of filing the claim for payment means that the claimant is declaring that the claim is just and correct and that no part of the claim has been paid. The council may, in its discretion, allow the clerk to prepare a claim prior to the claimant filing the claim, if the order-check issued to pay the claim contains a specific declaration statement above the endorsement for the person making the claim to sign. This declaration states:

The undersigned payee, in endorsing this order-check, declares that the same is received in payment of a just and correct claim against the city of ____, and that no part of the claim has heretofore been paid."

When signed by the person seeking payment, the statement operates as a sufficient declaration of the claim.

Some exceptions to the general requirement of presenting claims in writing include:

- Salaries and wages fixed by law or by the council.
- Settlements of lawsuits and judgments against the city.
- Principal and interest payments on obligations of the city.
- Rent and other fixed charges (as set by contract and previously authorized by council).
- Claims arising from the city’s failure to perform a statutory duty.

B. Payroll

For city employees paid on an hourly or daily basis, the clerk must keep a payroll indicating the name of each employee and the number of hours or days worked. The timekeeper, supervisor, or other city officer or employee having knowledge of the facts must then sign a declaration attesting to the payroll as recorded. This declaration should be substantially in the following form:
"I declare under the penalties of perjury that to the best of my information and belief the items of this payroll are correct."

____________________
Signature

____________________
Date

When the city pays the wages, the employee also must sign a declaration that substantially follows the below form:

"I declare under the penalties of perjury that I have received the wages stated on this payroll opposite my name and have done the work for which the wages were paid."

____________________
Signature

____________________
Date

This declaration may be made a part of the payroll.

Notwithstanding the procedures described above, a city may choose to use an electronic time recording system if the city council adopts policies to ensure the accuracy and reliability of the timekeeping and payroll methods.

C. Audits and allowances

In most cases, a city official or employee cannot issue an order for disbursement of city funds until the council has audited and allowed the claim. The council passes a motion or resolution for the approval of claims. The clerk then must endorse each claim with the word "disallowed", if the council did not approve it, or "allowed in the sum of $______", if the council approved all or part of it. In the case of a claim the council approved in part, the clerk must specify the items rejected by the council. An order then is drawn by the mayor and clerk upon the treasurer.

While each member of the council does not need to sign the claims to show approval, the state auditor has suggested that all the members of the council fully review each claim for appropriateness and accuracy. It also is important for the meeting minutes to identify the claims approved and how each member voted.
204B.135 REDISTRICTING OF ELECTION DISTRICTS.

Subd. 1. Cities with wards. Except as provided in this subdivision, a city that elects its council members by wards may not redistrict those wards before the legislature has been redistricted. The wards must be redistricted within 60 days after the legislature has been redistricted or at least 19 weeks before the state primary election in the year ending in two, whichever is first.

In a city of the first class electing council members by wards in a year ending in one, the ward boundaries may be reestablished no later than 14 days before the first day to file affidavits of candidacy for city council members. The ward boundaries may be modified after the legislature has been redistricted for the purpose of establishing precinct boundaries as provided in section 204B.14, subdivision 3.

Subd. 2. Other election districts. For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district. Local government election districts, other than city wards covered by subdivision 1, may not be redistricted until precinct boundaries are reestablished under section 204B.14, subdivision 3, paragraph (c). Election districts covered by this subdivision must be redistricted within 80 days of the time when the legislature has been redistricted or at least 15 weeks before the state primary election in the year ending in two, whichever comes first.

Subd. 3. Voters rights. (a) An eligible voter may apply to the district court for either a writ of mandamus requiring the redistricting of wards or local government election districts or to revise any plan adopted by the governing body responsible for redistricting of wards or local government election districts.

(b) If a city adopts a ward redistricting plan at least 19 weeks before the primary in a year ending in two, an application for revision of the plan that seeks to affect elections held in the year ending in two must be filed with the district court within three weeks but no later than 18 weeks before the state primary election in the year ending in two, notwithstanding any charter provision. If a city adopts a ward redistricting plan less than 19 weeks before either the municipal primary in a year ending in one or before the state primary in a year ending in two, an application for revision of the plan that seeks to affect elections held in that year must be filed with the district court no later than one week after the plan has been adopted, notwithstanding any charter provision.

(c) If a plan for redistricting of a local government election district is adopted at least 15 weeks before the state primary election in a year ending in two, an application for revision of the plan that seeks to affect elections held in the year ending in two must be filed with the district court within three weeks but no later than 14 weeks before the state primary election in the year ending in two. If a plan for redistricting of a local government election district is adopted less than 15 weeks before the state primary election in a year ending in two, an application for revision of the plan that seeks to affect elections held in the year ending in two must be filed with the district court no later than one week after the plan has been adopted.

Subd. 4. Special elections; limitations. No municipality or school district may conduct a special election during the 19 weeks before the state primary election in the year ending in two. A school district special election required by any other law may be deferred until the date of the next school district general election, the state primary election, or the state general election.

Subd. 5. Redistricting expenses. The county board may levy a tax not to exceed $1 per capita in the year ending in "0" to pay costs incurred in the year ending in "1" or "2" that are reasonably related to the redistricting of election districts, establishment of precinct boundaries, designation of polling places, and the updating of voter records in the statewide registration system. The county auditor shall distribute to each municipality in the county on a per capita basis 25 percent of the amount levied as provided in this subdivision,
based on the population of the municipality in the most recent census. This levy is not subject to statutory levy limits.

**History:** 1987 c 297 s 1; 1991 c 349 s 30; 1999 c 243 art 6 s 1; 2010 c 201 s 23; 2010 c 313 s 1,2; 2011 c 18 s 1
205.07 CITY GENERAL ELECTION.

Subdivision 1. **Date of election.** The municipal general election in each city shall be held on the first Tuesday after the first Monday in November in every even-numbered year. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a city may, by ordinance passed at a regular meeting held at least 180 calendar days before the first day to file for candidacy in the next municipal election, decide to hold the election on the first Tuesday after the first Monday in November in either an even- or odd-numbered year. A city may hold elections in either the even-numbered year or the odd-numbered year, but not both. When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election. The term of office for the mayor may be either two or four years. The term of office of council members is four years. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made. A municipal general election scheduled to be held in an odd-numbered year may be postponed for inclement weather as provided in section 205.105.

Subd. 1a. **City council members; expiration of terms.** The terms of all city council members of charter cities expire on the first Monday in January of the year in which they expire. All officers of charter cities chosen and qualified shall hold office until their successors qualify.

Subd. 2. [Repealed, 1976 c 44 s 70]

Subd. 3. **Effect of ordinance; referendum.** An ordinance changing the year of the municipal election is effective 240 days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held on a date authorized by section 205.10, subdivision 3a. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

**History:** 1959 c 675 art 6 s 7; 1973 c 123 art 3 s 4; 1974 c 337 s 3; 1976 c 44 s 5; 1981 c 29 art 7 s 38; 1983 c 62 s 3; 1986 c 444; 1991 c 227 s 19,20; 1994 c 646 s 6; 1995 c 8 s 5; 2010 c 201 s 58,59; 2014 c 264 s 22; 2017 c 92 art 1 s 23; art 2 s 9
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MEMORANDUM

TO: Todd Prafke
FROM: James W. Brandt
DATE: July 1, 2019
RE: St. Peter Housing and Redevelopment Authority

Please find attached copies of the following documents:

1. Abstract entry #8 – Warranty Deed to Housing and Redevelopment Authority of St. Peter, Minnesota;
2. City Resolutions establishing a house redevelopment authority in 1966;
3. Minnesota Statute §469.002 – Definitions;
4. Minnesota Statute §469.003, Subd. 6 – Appointment of Commissioners;
5. Minnesota Statute §469.012 – Public Body Powers, Duties, Programs; Taxes Limited;
6. Minnesota Statute §469.033 – Public Development Costs; Proceeds; Financing.

By abstract entry #8, the Warranty Deed was granted to the Housing and Redevelopment Authority of St. Peter, Minnesota in December, 1970.

The Housing and Redevelopment Authority of St. Peter, Minnesota was developed by a Resolution approved by City Council on June 27, 1966 together with the By-laws which are included as #2.

Under Minnesota law, housing redevelopment authorities, commonly referred to as HRA’s, are governed by Minnesota Statute §469.001 to §469.047.

Attached as #3, Minnesota Statutes provide definitions which applies to the HRA statute. I have highlighted Subdivision 2 – Definition of Authority, Subdivision 3 – Definition of City and Subdivision 5 – Governing Body.

Under these definitions, the “authority” means the Housing and Redevelopment Authority created under Minnesota Statute §469.001 - §469.047. Subdivision 3
provides that the City is a home rule charter or statutory city. Saint Peter is a statutory city.

Finally, the statutes refer to a “governing body” which, in our case, means the City Council.

Attached as #4 you will find a copy of Minnesota Statute §469.003. Under Subdivision 6, the commissioners to the HRA are appointed by the Mayor with the approval of the governing body or the City. The Mayor does have the option of appointing City Council members to the HRA, including appointment of City Council members to be the only commissioners to the HRA.

Attached as #5, you will find Minnesota Statute §469.012. This statute identifies the HRA as a “public body corporate and politic.” This is the same designation as the city. Further, it identifies the duties, powers and programs that the HRA may undertake.

Finally attached you will find Minnesota Statute §469.033, which allows the HRA to impose a tax on taxable property within the taxing district only upon consent of the City Council.

In summary, the HRA is a creature of statute which is its own separate entity and body corporate and politic. Once established by the City, it becomes its own separate entity with the powers as set forth in Minnesota Statute §469.012. While it is an entity separate and apart from the City, the City Council retains certain authority over the HRA. One authority is the fact that the Mayor, with consent of the Council, must nominate and appoint the HRA commissioners. As such, the Mayor could appoint Council members to fill each commission position.

Also, the Council controls whether or not the HRA can, in fact, develop a tax against the taxable property within the city.

Hopefully responds to the questions which you asked. If not, please contact me to discuss.
Rivers Edge Hospital Expansion and Renovation

Monthly Status Report #13 • 5-16-2019
Project Highlights:
South Patient Wing punch-list is in progress
East Patient Wing punch-list is in progress
Emergency Department framing is in progress
Emergency Department roofing is in progress
Pay Application number #12 has been submitted through May 31st.
Total billing for pay app #12 is $415,378

Total billed to date is $15,153,342 or 60%
CONSTRUCTION UPDATE

- Work Completed Last month
  - South Patient wing is complete, punch-list in progress
  - East Patient Wing is complete, punch-list in progress
  - Temporary hallways complete for Patient Wing, access to existing hospital.

- Upcoming Work
  - Exterior finishes at North addition
  - Sitework around Patient Wings
  - Demolition of existing Patient Rooms
  - Steel installation in Courtyard
KEY MILESTONE DATES:

- New Patient Wings Complete – May 2019
- New Patient Wings Move-In – June 2019
- Kitchen and Pharmacy Begins – June 2019
- OR-4 Begins – June 2019
- PACU Begins – June 2019
- Central Sterile Processing Begins – June 2019
- Front Dining/Waiting Begins – June 2019
- Decontamination Begins – June 2019
<table>
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<tr>
<th>Budget Code</th>
<th>Item</th>
<th>Approved GMP Bud</th>
<th>Working Budget</th>
<th>Cost To Date</th>
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<td>300</td>
<td>Professional Fees/Reimbs.</td>
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<td>400</td>
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<td>500</td>
<td>Equipment</td>
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<td>2,913,923</td>
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<td>600</td>
<td>Furnishings</td>
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<td>18,884</td>
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<tr>
<td>700</td>
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<td>800</td>
<td>Financing</td>
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<td>By Owner</td>
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<tr>
<td>900</td>
<td>Project Contingency</td>
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<td>399,978</td>
<td>-</td>
<td>(943,844)</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>33,376,456</td>
<td>33,800,000</td>
<td>17,645,070</td>
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Notes: Excludes Financing and Inflation
- % Design+Bid+Const Cont - 4.22% 4.3%
- New S.F. - 38,258 38,258
- Renovation S.F. - 39,458 39,458
- Gross Squar Footage - 77,716 77,716
- Bidg $ / GSF - 314.56 314.57
- Proj $ / GSF - 429.47 434.92
- Bid Date - 3/2/18 3/2/18
- Duration (Months) - 26.0 26.0
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<th>No.</th>
<th>Date</th>
<th>Alt / ASI</th>
<th>Description</th>
<th>Low  to High</th>
<th>Rec Appvl CO</th>
<th>Time</th>
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<tr>
<td>138</td>
<td>4/17/19</td>
<td>ASI-73</td>
<td>Move floor drain in Endo Decontam Room</td>
<td></td>
<td>3,834</td>
<td></td>
<td></td>
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<tr>
<td>142</td>
<td>4/26/19</td>
<td>ASI-73</td>
<td>Add sink &amp; air in Decontam</td>
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<td>19,442</td>
<td></td>
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<tr>
<td>143</td>
<td>4/26/19</td>
<td>ASI-73</td>
<td>Change soiled utility door hardware to classroom function</td>
<td></td>
<td>2,020</td>
<td></td>
<td></td>
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<tr>
<td>148</td>
<td>5/15/19</td>
<td>ASI-81</td>
<td>Thicken concrete sidewalk at emergency exit sidewalks</td>
<td></td>
<td>2,050</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>27,455</td>
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</table>
CITIZENS ACADEMY – The City Council is pleased to announce a new Citizens Academy program for residents. The five week program will begin on Wednesday, September 11th from 5:30 p.m. – 7:00 p.m. in the Governors' Room of the Community Center.

The program will provide members of our community with opportunity to get to know City staff and learn more about the City and how it operates. Each session would include meeting staff, getting to know some of the things that go into everyday activities of the City, and tours.

The Academy gives participants the opportunity to learn more about each City department, including Police, Fire, Administration, Community Development, Public Works (including the Utilities divisions), Building, and Recreation. Each session will be about an hour and a half in length.

Graduates, those attending four or more of the five sessions, will receive special recognition by the City Council in the HOT SHEET and at a Council meeting.

Advanced sign-up is required and a minimum of twelve participants will be required for the program (capped at 20 participants). First preference will be given to those living within the corporate limits of the City. If additional slots are available, others will be allowed to participate.

To sign up, please contact the City Administrator’s office by email at barbaral@saintpetermn.gov or by calling 507-934-0663. Applicants will need to provide their name, home address, phone number (both land and cell phone if available), and email address.
### CITY OF ST PETER RECYCLING TONNAGE

<table>
<thead>
<tr>
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<td>77.37</td>
<td>80.64</td>
<td>43.77</td>
<td>54.36</td>
<td>71.75</td>
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**TOTAL** | 390.70 | 634.44 | 679.8 | 689.20 | 680.6 | 718.84 | 761.6 | 747.1 | 777.1 | 762.1 | 699.4 | 625.57 | 679.07 | 656.09 | 682.21 | 807.43

**AVG/Mo** | 32.56 | 52.87 | 57.50 | 57.83 | 56.48 | 64.4  | 53.3  | 62.5  | 95    | 65.9  | 55.9  | 48.84 | 48.29 | 47.61 | 62.85 |

**Increase YOY** | 243.74 | 45.31 | 9.45  | -8.63 | 38.27 | 42.80 | -14.54 | 30.00 | -15.00 | -62.70 | -73.83 | 53.50 | -22.98 | 26.12 | 125.22 |

### CITY OF ST PETER REFUSE TONNAGE

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<tr>
<td>Mar</td>
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<td>171.82</td>
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<td>165.6</td>
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<tr>
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<tr>
<td>Jul</td>
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<td>183.89</td>
<td>191.4</td>
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<td>168.61</td>
<td>103.2</td>
<td>129.6</td>
<td>163.3</td>
</tr>
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</table>

**TOTAL** | 1955.53 | 2069.2 | 2099    | 2110    | 2143    |

**AVG/Mo** | 52.13 | 172.44 | 174.94 | 175.83 | 178.57 | 176.24

**Increase YOY** | 1955.53 | 113.71 | 30.00  | 10.71  | 32.9   | 5.8%  | 1.4%  | 0.5%  | 1.6%  | 18.4%
Good afternoon, Todd,

Here is the minutes report from the Tourism Board meeting on June 28 in regards to Tourism services. Thanks for your following up and shepherding this along.

-Ed

Tourism Office Stipend: The Tourism Board supported increasing the Tourism Office (also serves as Chamber office) annual stipend from $8,750 to $10,000. This will be a City Council decision as to whether or not to proceed with an increase. The City of St. Peter (City Council) contracts with the Chamber Board of Directors for the Chamber to provide tourism services, including serving as the community’s Tourism office. Additional Lodging Tax dollars are anticipated with the opening of the new 60-room motel in St. Peter. Discussions by City leaders are expected at the end of July.

Ed Lee
Executive Director
St. Peter Area Chamber of Commerce
101 S. Front Street
507-934-3400
www.stpeterchamber.com
CONTRACT FOR ADMINISTRATION OF TOURISM AND VISITORS BUREAU SERVICES BY
AND BETWEEN
THE CITY OF SAINT PETER
AND
SAINT PETER AREA CHAMBER OF COMMERCE

I. GENERAL DESCRIPTION. The work to be performed consists of serving as staff for the City of Saint Peter's Tourism and Visitor's Bureau including conducting meetings of the Bureau and financial administration of the Lodging Tax proceeds as distributed to the Chamber by the City and as outlined in the Saint Peter City Code.

II. DEFINITION OF TERMS. As used in the contract, the following terms shall have the following meanings:

A. "Administration Fee" means the fee established by the Saint Peter City Council to be provided to Chamber for its service as staff to Bureau.

C. "Bureau" means the City of Saint Peter's Tourism and Visitors Bureau, the members of which shall be appointed by the Saint Peter City Council.

B. "Chamber" or "Contractor" shall mean St. Peter Area Chamber of Commerce.

D. "City" shall mean the City of Saint Peter, Minnesota.

III. CHAMBER RESPONSIBILITIES: Chamber shall provide for the following actions:

1. Hold meetings on a regularly established date, time and location under the rules outlined in Minnesota law.

2. Prepare a Tourism and Visitors Bureau meeting agenda and packet for distribution to members, the City Administrator's Office and the public no later than 72 hours prior to the scheduled, special, or emergency meeting as required by the Minnesota Open Meeting Law.

3. By December 31 of each year, develop an annual budget for the following year for the Tourism and Visitors Bureau activities and provide a copy to the City Council as required by the City Code.

4. As outlined in the City Code, provide the City Council a quarterly financial report detailing all expenditures of the Lodging Tax Proceeds allocated by the City.

5. Develop grant application forms for distribution to applicants. The forms shall require detailed information in a manner sufficient for Bureau members to review and verify the applicant's request. Require grant recipients to provide a report on their use of funds including copies of documentation that verifies expenditures for the intended purpose.

6. Distribute grant funds to applicants for the sole purpose of marketing and promoting the City of Saint Peter as a tourist or convention center as authorized by State Statute M.S. 469.190.
7. Keep detailed minutes of all meetings of the Bureau in a manner prescribed by the City Administrator's Office and State law.
   A. Approve all meeting minutes at the next regularly scheduled Bureau meeting.
   B. A permanent copy of the minutes shall be printed and signed by the Bureau Chairperson and Chamber Executive Director as a permanent record of the Bureau's activity as required by City's record retention schedule and State Statute. A copy of approved minutes shall be placed on the Chamber's Web site or provided to the City in such a manner that will allow for placement on the City's Website.

8. Retain all documentation related to the activities of the Bureau as required by the City's Record Retention Schedule and State Statute.

9. Distribute grant funds in a manner as prescribed by the City of Saint Peter's Finance Director.

10. Keep detailed and accurate financial records of all Bureau actions and expenditures in such a manner that the records are accessible for public review and accepted by the City's auditors.

IV. CITY RESPONSIBILITIES: City shall provide for the following actions:

1. The City Council shall appoint members to the Tourism and Visitors Bureau and provide the member's contact information to the Chamber.

2. Distribute 95% of the Lodging Tax proceeds to Chamber for Tourism and Visitors Bureau use according to State Statute. The Chamber shall use $8,750 of the Lodging Tax distribution to pay for the services provided as articulated in this contract.

V. EMPLOYEES. All workers employed by CHAMBER shall be competent and skilled in the performance of tourism promotion work. CHAMBER shall be responsible for hiring, training, discipline, discharge, compensation and scheduling of its employees. All employees of CHAMBER shall be required to maintain confidentiality as needed and required under the Minnesota Data Practices Act. All employees of CHAMBER shall be required to follow the City's record retention schedule for all actions related to BUREAU.

VI. INSURANCE.

A. Liability Insurance. The Contractor shall provide and maintain in full force and effect during the entire term of this contract, public liability insurance naming the City as an additional insured. Existence of the insurance required herein shall be established by furnishing certificates of insurance issued by the insurers duly licensed in the State of Minnesota, in force on the date of commencement of any performance under this contract, and continuing for a policy period of at least one year and providing the following coverages: public liability insurance, including general liability, and automobile liability.
1. Bodily injury liability in the amount of at least $1,500,000 for injury or death of any one person in any one occurrence.

2. Bodily injury liability in the amount of at least $1,500,000 for injuries or death arising out of any one occurrence.

3. Property damage liability in the amount of at least $1,500,000 for any one occurrence.

Such general liability and automobile liability insurance policy or policies shall provide contractual liability insurance, specifically referring to and covering the obligation of CHAMBER to defend, indemnify, and save harmless the City, its officers, agents, and employees from alleged claims or causes of action of bodily injury or property damage for liability because of this contract.

Said policy of insurance shall contain a stipulation certifying that the insurance coverage herein required will not be cancelled, nor any material change effected without giving 30 days written notice to the City. Contractor shall, on each anniversary date of this agreement, furnish the City with proper evidence of the continuance of such insurance, signed by an authorized representative of the insurance carrier. Prior to the effective date of this contract, the Contractor shall file a copy of such policies with the City Administrator.

B. Worker's Compensation. Contractor shall provide worker's compensation insurance covering all his employees pursuant to Minnesota Statutes. The contractor may be required to produce evidence of compliance.

VII. ADDITIONAL SERVICES AND CONDITIONS

A. Office: The contractor shall be required to maintain an office and telephone with a Saint Peter telephone number or toll free number and such attendance as may be necessary to address the business of BUREAU during regular business hours, Monday through Friday (except holidays).

B. Public Information: CHAMBER shall reply to requests for public information related to BUREAU activities in a prompt manner and inform the City Administrator's Office of any Data Practices requests.

C. Default. For the purpose of this agreement the contractor shall not be deemed to be in default where its inability to perform any or all of the agreement is a result of conditions beyond the control of the contractor, including but not limited to civil disorders, acts of God, inclement weather severe enough that collection is excused by the City, provided, however, the contractor shall notify the City and exhaust every possible remedy to correct the conditions resulting in its non-performance.

D. Remedy. The exercise by the City of any of the rights contained herein shall not restrict the City from pursuing other remedies, either legal or equitable, available to it. The reservation by the City of any rights expressed in this agreement shall not constitute the only remedy of the City in the event of contractor's breach of any of the agreements set forth in this contract.
E. **Severance.** It is understood and agreed that this agreement is governed in all respects by the laws of the State of Minnesota.

F. **Term.** – Either party may terminate this agreement upon ninety (90) days written notice to the other party. Upon termination of the agreement, any and all materials and funds associated with the Bureau shall be immediately turned over to City.

G. **Notice.** All notices to be given with respect to this Agreement shall be in writing at the following addresses.

City of Saint Peter
City Administrator’s Office
227 South Front Street
Saint Peter, MN 56082

Saint Peter Area Chamber of Commerce
Attn: President
101 South Front Street
Saint Peter MN 56082

In witness whereof, the parties have hereunto set their hands this ______ day of __________, 2017.

CITY OF SAINT PETER

Charles Zieman
Mayor

Todd Prafke
City Administrator

ST. PETER AREA
CHAMBER OF COMMERCE

Ed Lee
Chamber President

Signed before me this _____ day of __________, 2017 by Mayor Charles Zieman and City Administrator Todd Prafke

Signed before me this _____ day of __________, 2007 by Chamber President Ed Lee and ____________________.

Notary Public

Notary Public
TO: Honorable Mayor Zieman
      Members of the City Council
FROM: Todd Prafke
      City Administrator
RE: Legitimacy in Governance

ACTION/RECOMMENDATION

None needed. For Council discussion and review only.

BACKGROUND

The principle shown below is included for discussion as part of the April 29th Council goal session:

The Principle of Legitimacy in Governance is based on three things:

1. People who are asked to obey authority have to feel like they have a voice – that if they speak up they will be heard.
2. The law or rules have to be predictable. There has to be reasonable expectation that the rules tomorrow are going to be roughly the same as the rules are today.
3. The authority has to be fair. It can't treat one group differently from another.

The decisions to obey are not a function of rational calculation of risks vs. benefits. It is based on legitimacy.

TP/bal
COOPERATIVE EFFORTS (White Sheet)

SCHOOL DISTRICT
- Activity connection Senior Citizens recreation, transit
- Facilities long term planning
  o Athletic, Other Facilities, Drama, performance, arts
- Budgets
  o Levy
  o Pay
  o Others
- Athletic Association goals
- Early Childhood 95% coverage might be a goal
- After School Activities
- City/School strategy with GAC
- Child Care
- Long Range Community Planning
- Studies (Housing, Demo Others)
- Cultural Literacy

NICOLLET COUNTY
- Compost funds
- Library
- Land use 1/4 - 1/4 good zone
- Criminal Justice Committee
- Law enforcement share dispatch
- Emergency Planning
- 361 Co 51 Roundabout
- Stormwater/Ditches
- Cultural Literacy

MRVT
- Effort with LS
- Work with Tru
- Focus on Service to those in need

GUSTAVUS ADOLPHUS COLLEGE
- Parking
- Performance space
- Recreational facilities
- Off-campus behavior
- Cultural Literacy
- Child Care
- Transit use
- Employees live in City
- Solar and Wind
- Diversity

REGIONAL TREATMENT CENTER/STATE OF MN DEPT OF HEALTH
- Utilities distribution
- Future program/land/facilities
  o Parks
- Arts Association
- Security

BANKS
Work cooperatively on Housing Rehab program
Green Seam with GMG

REALTORS
- BFF
- Promotion of opportunities for young families
- Traverse Green
- Others

COMMUNITY ORGANIZATIONS
- St. Peter Arts Center
- Nicollet County Historical Society

CHAMBER OF COMMERCE
- Promotion of Community
- Community events
- Communication efforts
- Operation of Tourism and Visitors

GREATER MANKATO GROWTH
- REDA industrial Development
- ICLV InterCity Leadership Visit
- MSA issues
- Promote Housing as an issue

Modified 01/22/2019
COUNCILMEMBER CARLIN ASSIGNMENTS:

Minnesota River Valley Transit Board
   Meets 2:30 on alternating months
   September 10th is next meeting

Parks and Recreation Advisory Board
   Meets on the third Monday of each month at 7:00 p.m. at Public Works

Library Board
   Meets on alternating months at 6:00 p.m. at the Library
   Next meeting is September 10th -