



CITY COUNCIL MEETING AGENDA
REGULAR MEETING
TUESDAY, OCTOBER 25, 2016

CITY COUNCIL MEETING TIME: 7:30 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council minutes from the October 11, 2016 City Council Meeting.
 - b. Approval of City Council minutes from the October 5, 2016 City Council Workshop.
 - c. Approval of Accounts Payable; Checks numbered 16568-16576.
 - For Information - Checks numbered 16577-16599 are Payroll Checks.
 - d. Approval of Satisfaction of Hennepin County Repayment Agreement for the Hennepin County Rehabilitation Loan
 - e. Approval of MnDOT Master Partnership Contract for the Highway 12 Light Maintenance.
 - **RESOLUTION NO. 16-1025-02.**
5. Set Agenda – Anyone Not On The Agenda Can Be Placed Under Open/Misc.
 6. Reports of Boards and Committees by Council and Staff.
 7. Director Gary Kroells, West Hennepin Public Safety - Activity Report for the Month of September, 2016.
 8. Fee Schedule Update:
 - a. **RESOLUTION NO. 16-1025-01** – Considering an update to the City’s Fee Schedule.

9. Sewer Rate Study Discussion:

a. Set Public Meeting Dates.

10. Open/Misc.

11. Adjourn.

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, OCTOBER 11, 2016, -7:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 7:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Spencer, Grotting and McCoy

ABSENT: None

STAFF: City Planner & City Administrator Mark Kaltsas, City Administrative Assistant Horner

VISITORS: Lynda & Jim Franklin, Sarah Borchers, Tom Stringer, Donna Hendley, Jay Fogelson

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council minutes from the September 27, 2016 City Council Meeting
- b. Approval of Accounts Payable; Checks numbered 16540-16567.
 - For Information - Checks numbered 16534-16539 are Payroll Checks.

Motion by Betts, second by McCoy to approve the Consent Agenda. Ayes: Johnson, Grotting, Spencer, Betts and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

McCoy requested to add 2 items to the agenda:

- a. Hwy 12 & 92 North east- bound lane concerns-it's rough and canted toward the road ditch.
- b. The Hwy 12 viaduct

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- MnDOT Workshop Meeting October 5.

Grotting attended the following meetings:

- MnDOT Workshop Meeting October 5

McCoy attended the following meetings:

- MnDOT Workshop Meeting October 5

- Paul Stinson Flag Retirement Ceremony
- Maple Plain Fire Department Open House & Steak Fry
- West Hennepin Chamber of Council

Betts attended the following meetings:

- MnDOT Workshop Meeting October 5
- West Hennepin Chamber of Commerce Meeting
- Police Commission Meeting

Johnson attended the following meetings:

- Community Action Partnership Suburban Hennepin County Board Meeting
- MnDOT Workshop Budget Meeting October 5
- Maple Plain Fire Department Open House
- Retired Mound Westonka Superintendent spoke on the history of the Country Schools
- Police Commission Meeting
- Conference Call Emergency Management
- Orono Healthy Youth
- West Hennepin Chamber of Commerce

Horner attended the following meetings:

- MnDOT Workshop Meeting October 5
- Hosted an Election Equipment Testing Meeting
- West Hennepin Chamber of Commerce

Kaltsas attended the following meetings:

- MnDOT Workshop Meeting October 5

7. ORONO SCHOOLS REFERENDUM: PRESENTATION BY SARAH BORCHERS AND TOM STRINGER

Sarah Borchers, a School Board Member, gave a Power Point Presentation on the proposed Orono Schools Referendum. Among the things mentioned were the mission, the financial future, and there has been a decrease in funding. Education funding has dropped by more than \$600 per student from 2003 to 2016 when adjusted for inflation and pupil weighting changes. If this Referendum were to pass, the cost per student would be \$13.50 per month with the ability to offer more activities. Funding increases have not kept pace with inflation. Many Special Ed mandates remain unfunded by the state and federal governments, requiring districts to make up the difference with General Fund dollars. This costs us for just this school year \$1.4 million. The District would face a \$900,000 deficit without this funding. We need to add additional revenue in order to maintain the excellence as it is today. This leads to the 1st question which would increase our operating levy by \$400 per pupil. The cost is less than \$13.50 per month. Generate an additional \$1.25 million annually to maintain current levels.

We are growing in activities, serving 2800 kids. 85% of most middle school and high school students are involved in at least one activity. That impact amounts to a loss of \$1.8 million for us in 2016-17. We have the fewest numbers of full-sized gyms in our conference which makes it difficult to organize activities. The second question on the ballot proposes to construct an 80,000 square-foot indoor activities center attached to Orono High School.

There would also additional parking. The lost fields would be relocated. The Community Ed offices would be relocated. Five-sport multi-purpose courts along with track plus 2multi-use classrooms. There would be additional bleachers. The upper level would have a walking track with fitness area room. This would be available for community members during the day as well. Truly multi-purpose as there would be curtains between-batting cages, volleyball, tennis, basketball are just some of the options. There would be discounted rates for those who live in the district. Enrollment would not be increased. Revenue generator since we'd be able to host events. Because more options can be offered after school kids wouldn't need to be at school so late at night and can spend the time with their families. There'd be a dedicated wrestling space as well, which would free up space at the middle school. Cost structure management was shown. Total cost would be \$27 million which is \$346 per sq. foot. There would be no classroom dollars spent on this. Construction timeline-November 8 if passed then a group of 25 members of the district will get together to finalize with architects and engineering plans. Construction could begin summer/fall of 2017, with work going on during school time. Occupancy could be late summer/early fall of 2018.

In summary, question 1 is to increase the operating levy to maintain current activity levels. Question #2 is an indoor activity center for our community members and students with a total tax impact of less than \$17.50/ month for the median home value.

Jim Franklin asked about the Day Distributing building and if that was considered as an option. Borchers was not aware of that building but noted other options were considered but they want to keep it on one campus.

8. JAY FOGELSON (APPLICANT/OWNER) REQUESTS THAT THE CITY CONSIDER THE FOLLOWING ACTION FOR THE PROPERTY LOCATED AT 4618 SOUTH LAKE SARAH DRIVE, INDEPENDENCE, MN (PID NO. 02-118-24-21-0005):

- a. **RESOLUTION NO. 16-1011-01** – Considering approval of a variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition.

Kaltsas said in May of this year the applicant initially requested a 1'-2" setback on the east property line to allow for home and garage expansion. Planning Commissioners reviewed the request and did not find that it met the criteria for granting a variance. Planning Commissioners recommended that the applicant consider an alternative layout that increased the side yard setback. Commissioners were concerned that the minimum setback would not allow for access to the rear (lakeside) of the property as well as maintenance of the structure itself. In June, the applicant brought back a revised plan with a proposed setback of five (5) feet from the east property line. Commissioners reviewed the request and again found that the 5 feet was not adequate to accommodate access and maintenance of the property and structure. In August, the applicant again revised the plan and proposed an eight (8) foot setback along the east property line and a one (1) foot setback along the west property line. Commissioners were going to recommend denial of the requested variance. The applicant asked to have the item tabled again to review the plans and increase the requested setbacks.

The applicant has now revised the proposed plans and is seeking consideration of a fifteen (15) foot setback along the east property line and a 3.3 foot setback on the west property line. The City had previously granted the applicant a variance to allow a 3.3 foot setback along the east property line to construct a second story and deck using the historic house setback of 3.3 feet. The applicant is proposing to keep the driveway that provides access to the existing detached garage in the same location, one foot off of the east property line. The existing garage would be razed as a part of the proposed home expansion. The proposed expansion of the

existing home towards the street will have a potential impact on the property to the west; however, the addition would align with the existing home and provide/allow access to the rear or lake side of the property as recommended by the City.

Kaltsas said the City will have to consider if the revised plans adequately address the issues that were previously discussed. Several additional considerations that could be considered are as follows:

1. There have been several recent examples where the City granted a variance for a reduced side yard setback for properties in the shoreland district. The City previously granted a 14.7 foot variance to allow a 3.3 foot setback along the west property line. In many instances the City has provided or granted relief on one side of a property, but then maintained the requisite or near requisite setback on the opposite side of the property.
2. The adjacent property to the west received a variance to allow an addition (attached garage and bonus room) that has an 8 foot setback (10 foot variance) from the side yard setback. This property complies with applicable setbacks (18 feet) on the opposite side yard.
3. The property to the east meets the requisite side yard setback of 18 feet.
4. The building code requires a minimum of a 5 foot separation between a building and a property line (without making more onerous fire preventive building improvements).
5. The City could consider allowing a continuation of the reduced setback along the west side of the property to maintain an increased setback and access along the east side of the property.
6. The existing detached garage is located approximately 1'-10" from the east property line and can remain in its current location. The applicant could connect the existing detached garage to the existing home as long as all applicable setbacks are maintained. It appears that this connection would be possible without any variances. If this were to occur, the access to the back (lakeshore) property would be restricted.
7. The applicant will need to provide the City with an actual impervious surface calculation.
8. The applicant will need to provide the City with an engineered grading plan that depicts how the property will be graded so that no water is discharged onto the neighboring properties.
9. The home is connected to City sewer.

The Planning Commission recommended approval of the requested building addition and variances. The proposed expansion of the house and garage will provide access to the lakeshore side of the property. Historically, the City has considered granting variances which reduce the setbacks on one side of a property while maintaining the requisite setbacks on the opposite side. The existing lot is one of a handful of narrow lots in the City. The ability to improve these properties for the purpose of constructing a modern home typically requires some relief from the City's zoning ordinances. The City will need to determine if there is a hardship that warrants the requested variance and determine if it meets the criteria for granting the requested variance.

Jay and Rebecca Fogelson (Applicant) request that the City consider the following action for the property located at 4618 Lake Sarah Drive South (PID No.02-118-24-21-0005):

- a. A variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition.
- b. The subject property is located at 4618 South Lake Sarah Drive. The property is a legal non-conforming property that does not meet the current lot and setback requirements. There is an existing home and detached garage on the subject property.

Kaltsas said the City granted a variance for this property in 2008 to allow the expansion of the existing home on the property. The variance that was previously granted, allowed the expansion of the home along the west property line, utilizing the existing 3.3 foot setback. The variance allowed the upwards expansion of the home, allowing a second story, and out (to the north) for additional space. Those improvements were made to the home in 2014 and now the applicant would like to expand the home again.

The applicant would like the City to consider granting two variances to the property. The variances requested would allow the expansion of the house and garage towards the east and west property lines. The applicant would like to expand the house and replace the existing garage. The applicant is proposing to expand the house and garage by constructing a connected garage and home addition. The applicant is proposing to setback the proposed addition 15' from the east property line and 14.7' from the west property line. The current detached garage is setback approximately 1'-10" from the east property line.

The subject property is considered a substandard lot of record in accordance with the City's Shoreland Ordinance Section 505.15.

505.15. Substandard lots. Lots of record in the office of the county register of deeds or registrar of titles prior to December 1, 1982, which do not meet the requirements of this section 505, may be allowed as building sites provided:

(a) such use is permitted in the zoning district;

(b) the lot of record is in separate ownership from abutting lands, and can meet or exceed 60% of the lot area and setback requirements of this section; and

(c) all requirements of section 705 of this code regarding individual sewage treatment systems are complied with.

Front Yard Setback:

Required: 85 feet from centerline or 50 feet from the ROW (@ 60% = 30 feet from right of way)

Proposed: 44 feet from the right of way

Side Yard Setback (as it relates to proposed addition):

Required: 30 feet (@ 60% = 18 feet)

Provided (West): 3.3" (variance of 14.7')

Provided (East): 15' (variance of 3')

Lakeshore Setback (East Side):

Required: 100 feet from Ordinary High Water Mark (@ 60% = 60 feet)

Proposed: 100+ feet

In addition to the setback requirements, properties located in the shoreland district can have a maximum impervious surface coverage of 25%. This property can have a maximum coverage of 5,757.75 square feet. The applicant will need to provide the City with an impervious surface calculation for the proposed house and impervious site improvements to verify that it does exceed 25%. Should the proposed impervious exceed 25%; the applicant will need to reduce the width of the driveway or utilize impervious pavement options in lieu of traditional paving methods.

There are several factors to consider relating to granting a variance. The City's ordinance has established criteria for consideration in granting a variance.

520.21. Standards for granting variances. Subdivision 1. The City Council may grant a variance from the terms of this zoning code, including restrictions placed on nonconformities, in cases where: 1) the variance is in harmony with the general purposes and intent of this zoning code; 2) the variance is consistent with the comprehensive plan; and 3) the applicant establishes that there are practical difficulties in complying with the zoning code (Amended, Ord. 2011-08)

Subd. 2. An applicant for a variance must demonstrate that there are practical difficulties in complying with the zoning code. For such purposes, "practical difficulties" means:

- (a) The property owner proposes to use the property in a reasonable manner not permitted by the zoning code;
- (b) the plight of the property owner is due to circumstances unique to the property not created by the landowner;
- (c) the variance, if granted, will not alter the essential character of the locality.

Economic considerations alone do not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems. (Amended, Ord. 2011-08)

Subd. 3. The City Council shall not grant a variance to permit a use that is not allowed under the zoning code based on the zoning classification of the affected property. (Amended, Ord. 2011-08)

520.23. Conditions and restrictions. The board of adjustments may recommend and the City Council may impose conditions on a variance. Conditions must be directly related to and must bear a rough proportionality to the impact created by the variance. (Amended, Ord. 2011-08)

Consideration of the criteria for granting a variance:

- a. Residential use of the property is consistent with the Rural Residential District. The applicants are seeking a variance that exceeds the typical setback granted for properties in this area.
- b. Each property in this area is non-conforming and typically requires relief from certain setbacks. The City will need to determine if the requested variance is unique to this property.
- c. The character of the surrounding area is residential. The proposed single family home is in keeping with the City's comprehensive plan.

Commissioners have reviewed this request on several occasions. Planning Commissioners were concerned about the initial request due to the potential impacts to the adjacent property, lack of access to the lake and inability of the applicant to maintain the proposed building expansion. Commissioners recommended that the applicant maintain access to the lakeshore side of the property. Commissioners asked questions pertaining to the proposed three foot setback and staff noted that it may require additional building/fire separation related enhancements due to the close proximity to the property line (less than five feet). Commissioners discussed that the current proposal allows access to the lakeshore side of the property and maintains relative consistency with past approvals where the City allowed a reduction on one side of a property while maintaining the required setback on the opposite side. Ultimately commissioners recommended approval of the requested variances due to the unique characteristics of the property and the existing home.

The City received comments from the neighboring property owner to the east. He stated that he was concerned with the proximity of proposed addition. He recommended that the City consider an increased setback from the east property line. The applicant stated that he has spoken with the property owner to the west and that he did not object to the requested variance.

The Planning Commission recommended approval of the request for a variance with the following findings and conditions:

1. The proposed Variance request meets all applicable conditions and restrictions stated in Chapter V, Section 520.19, Procedures on variances, in the City of Independence Zoning Ordinance.
2. The total impervious surface coverage for this property will not exceed 25% of the total lot area. The applicant shall submit an impervious surface calculation to the City at the time of building permit application. The calculation shall be prepared by a surveyor and shown on a site survey.
3. The applicant shall submit a drainage plan to the City at the time of building permit application. The drainage plan will be reviewed by the City to ensure that the proposed improvements do not adversely impact any of the surrounding properties relating to grading and drainage.
4. The Applicant shall pay for all costs associated with the City's review of the requested variance.
5. Any future improvements made to this property will need to be in compliance with all applicable standards relating to the Rural Residential and Shoreland Overlay zoning districts. No expansion of the home or impervious areas will be permitted without an additional variance request.

Motion by Spencer, second by Betts to approve RESOLUTION NO. 16-1011-01: Considering approval of a variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. Jim and Lynda Franklin (Applicants/Owners) request that the City consider the following action for the property located at 6615 Franklin Hills Road, Independence, MN (PID No. 15-118-24-12-0011):

- a. **RESOLUTION NO. 16-1011-02** – Considering approval of a Conditional Use Permit to allow an accessory dwelling unit on the subject property.

Kaltsas said several years ago, the City adopted an ordinance permitting accessory dwelling units as a conditional use in both Rural Residential and Agriculture zoning districts. The intent of the ordinance was to allow for “mother-in-law” type units to be located within the principle structure or a detached accessory building. The applicant is seeking a conditional use permit to allow a detached accessory dwelling unit to be constructed on the property. The detached accessory structure would be a standalone structure located on the property. The proposed accessory structure would be used a true “mother in law” unit allowing the homesteaded owners of the property a secondary living quarters for their use on the property.

The subject property has an existing principle home and several small accessory buildings on the property. The proposed accessory dwelling unit is comprised of one bedroom, a bathroom, a kitchen, dining and family room area. In order to allow an accessory dwelling unit, the applicant will need to demonstrate how they meet all applicable criteria for granting a conditional use permit. The City has criteria broadly relating to Conditional Use Permits and then more focused criteria relating specifically to accessory dwelling units.

An accessory dwelling unit must meet the following criteria:

Subd. 2. "Accessory Dwelling Unit." A secondary dwelling unit that is:

- (a) *Physically attached to or within a single family dwelling unit or within a detached^a accessory building that has a principal structure on the parcel; and*

The applicant is proposing to construct the accessory dwelling unit within a new detached accessory structure.

- (b) *Subordinate in size to the single family dwelling unit; and*

The proposed accessory dwelling unit would be subordinate in size to the single family dwelling unit.

- (c) *Fully separated from the single family dwelling unit by means of a wall or floor, with or without a door; and*

The proposed accessory dwelling unit would be separated from the single family home.

- (d) *Architecturally compatible with the principal structure (using materials, finishes, style and colors similar to the principal structure); and*

The proposed accessory structure has been designed to be architecturally similar to the principal structure. The structure has siding and architectural features that complement the principle home on the property.

- (e) *The lesser of 33% of the above ground living area of the principal structure or 1,200 square feet, and no less than 400 square feet; and*

The principal structure has 2,425 square feet of above ground space not including the basement. 33% of 2,425 square feet equals 800 square feet. The applicant is proposing to construct an

accessory structure which will total 800 square feet. The proposed square footage would be equal to the permitted maximum of 800 square feet.

- (f) *Not in excess of the maximum square footage for accessory structures as permitted in this code; and*

The maximum accessory structure size for properties zoned Agriculture is 2% of the buildable (upland) lot area up to 10 acres and then it is no longer restricted. The applicant has 17 acres and therefore would comply with applicable standards.

- (g) *Has permanent provisions for cooking, living and sanitation; and*

The applicant is proposing to construct permanent provisions for cooking; living and sanitation (see attached depiction).

- (h) *Has no more than 2 bedrooms; and*

The applicant is proposing to have one bedroom within the accessory dwelling unit.

- (i) *Limited to relatives of the homesteaded owner occupants or the homesteaded owners of the principal structure. The total number of individuals that reside in both the principal dwelling unit and accessory dwelling unit may not exceed the number that is allowed by the building code; and*

The applicant is proposing that the accessory dwelling unit be occupied solely by family members.

- (j) *Uses the existing on-site septic system^b or an approved holding tank; and*

The property has an existing septic system as well as an approved holding tank. The applicant is considering using the approved holding tank initially and then possibly installing a new on-site septic for the proposed accessory dwelling unit. Any use of the existing holding tank is subject to the City's review and approval. Holding tanks also require an annual renewal and maintenance permit.

- (k) *Respectful of the future subdivision of the property and the primary and secondary septic sites. The City may require a sketch of the proposed future subdivision of a property; and*

Based on the proposed location to the east of the existing home, it appears that the proposed accessory structure will not impede the ability to subdivide the property or locate the secondary septic site.

- (l) *In compliance with the adopted building code relating to all aspects of the dwelling unit.*

The proposed accessory structure will meet all applicable building codes and will be required to obtain requisite permits.

^a *On lots less than 2.5 acres, the accessory dwelling unit must be attached to the principal dwelling unit or located/constructed within an existing detached accessory structure that meets all criteria of this section.*

^b The existing on-site septic system will be required to be inspected by the City to ensure compliance with all applicable standards. Any system that does not meet all applicable standards shall be brought into compliance as a part of the approval of the accessory dwelling unit.

Kaltsas noted that the overall property is heavily wooded which will essentially mitigate potential visual impacts of the proposed accessory structure. The applicant is proposing to locate the structure in an existing opening in the wooded portion of the property (see below). The proposed location would meet all applicable setbacks. The proposed building would be 89 feet from the closest property line to the north. The required setback is 15 feet. The subject property is part of a larger overall development which has been incrementally developed by the owner of this property. This would blend in well.

The Planning Commission reviewed this request, and felt that this request meets the criteria for granting approval of an accessory structure ordinance and for granting a conditional use permit. There were no comments from the public hearing. The Commissioners recommended approval to the City Council with the conditions on this resolution.

Motion by McCoy, second by Spencer to approve RESOLUTION 16-1011-02: Considering approval of a Conditional Use Permit to allow an accessory dwelling unit. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. Donna Hendley (Applicant/Owner) requests that the City consider the following actions for the property located at 4150 Lake Sarah Drive South, Independence, MN (PID No. 02-118-24-43-0003):

a. RESOLUTION NO. 16-1011-03 - Considering approval of a Final Plat for a five lot subdivision of the subject property.

Kaltsas stated that before, it was the approval of the Preliminary Plat, and this is more like a formality to approve the Final Plat. Still to come is the Development Agreement. This is identical to the Preliminary Plat. We were waiting for finalization and approval of the wetland delineation, which we received. We were also waiting for finalization on final public sewer plan, which we also got.

The proposed subdivision would create four new lots along with the existing lot. The applicant has worked to develop the property in a manner that would respect the natural topography and wetlands, capture the best building site locations and limit construction of additional public infrastructure. The 4 new lots would be similar in size and configuration to the recently subdivided 5 acre lot (4850 County Road 11) with access to County Road 11. The applicant is proposing to maintain a larger, approximately 32 acre parcel, with the existing home and barns in order to continue to accommodate the use of the barn for horses. There are approximately 30 stalls in the existing barn. Based on the City's animal unit provisions, this property would need to be at least 31 acres to accommodate the existing barn. It is possible that the use of the barn would not be desired in the future. If the use of the barn were limited, the property could potentially yield several additional lots.

Lot 3 is the existing house. Access to Lots 1, 2 and 3 would be from Lake Sarah Drive South. All of the proposed lots along Lake Sarah Drive South meet the minimum frontage requirements. Lots 4 and 5 would be accessed off of County Road 11 and be required to share a driveway access and access easement. The proposed private access easement could serve both lots and would not trigger the need for a common driveway.

Johnson asked if there were any surprises in the wetland delineation. Kaltsas said it showed there are a couple new wetlands that weren't there before-along Lake Sarah Rd S. We just needed to make sure details such as the driveways worked.

Motion by Spencer, second by Grotting to approve RESOLUTION 16-1011-03: A final plat to permit a five (5) lot subdivision. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

11. A proposed text amendment to Chapter 5, Sections 506 of the City of Independence Ordinances as follows:

- b. **ORDINANCE 2016-05** – Considering an amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016.
- c. **SUMMARY ORDINANCE 2016-06** – Considering a summary ordinance relating to the amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016.

The Federal Emergency Management Agency (FEMA) has recently completed an update of the federal Flood Insurance Rate Maps (FIRMS). Along with the updated maps, the City is required to update certain local controls pertaining to the updated mapping information. The Department of Natural Resources administers the federal floodplain management regulations for the State of Minnesota.

The City has an existing Floodplain Ordinance which was adopted in 2005. There are several references and regulations in the City's ordinance that need to be updated as a result of the recent FIRM map changes. The DNR has reviewed the City's ordinance and provided recommended changes that will need to be considered. The City is obligated to have an ordinance which meets the federal guidelines prior to the maps becoming effective on November 4, 2016. Failure to adopt the requisite changes to the ordinance will cause for a City to be suspended from the National Flood Insurance Program.

Staff has reviewed the requested changes and prepared a draft of the City's ordinance for further review and consideration by the City. The changes primarily relate to the listed references of the associated floodplain maps as well as the addition of several definitions that need to be incorporated into the ordinance. Staff has taken the new floodplain mapping and overlaid it on top of the existing mapping to identify any changes. There are several areas where minor changes to the floodplain areas have occurred. The changes can be seen in the attached mapping exhibits. The City is required to notify all property owners of the mapping changes. The DNR has provided the City with a conditional

approval of the Floodplain Ordinance based on the changes provided in the draft ordinance. Residents who will be affected by these minor changes will receive a letter from FEMA. Those affected residents will just need to prove that their structure is not located in a floodplain. Kaltsas pointed out on the map near Roy Road and County Rd 50, as an example, that had no floodplain previously but now they do. The floodplain expanded. Johnson asked if that was all Rebecca Park Reserve, and Kaltsas confirmed it was. We inserted the necessary provisions into our Ordinance as provided by the DNR. Also some changes in our Ordinances related to how to raise a structure out of a floodplain.

Spencer asked about net gains and losses, and if they're related to a better mapping tool. Kaltsas said that the aerials are now more accurate and updated. Our water resource consultants say these are very miniscule. Spencer asked if there is an updated study, Kaltsas said there's not a full current one. Johnson said there's been mapping.

Motion by Spencer, second by Betts to approve ORDINANCE 2016-05- Considering an amendment to the Floodplain Ordinance following FEMA mapping changes. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grottings to approve SUMMARY ORDINANCE 2016-06- Considering a summary ordinance relating to the amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

12. Fee Schedule Update:

RESOLUTION NO. 16-1011-04 – Considering an update to the City's Fee Schedule.

We updated the Community Room Usage Policy, and we needed to update our fee schedule-particularly weddings. Also, there has been confusion regarding our planning and zoning application fees, particularly escrow accounts and application fees. Historically the message has been they pay the application for processing and an escrow just in case there are additional costs, then get the escrow fee back. Actually those consultant fees are subtracted from the escrow accounts. The escrow checks used to be kept in a file, then those checks are 2 years old. Now we take, cash and deposit escrow, and bill back for services outside application costs. This includes a Planning Commission meeting and report, a Council meeting and report, meeting with applicant, site visit, staff time. This can't be done for less than \$500. Then with water, engineering and legal fees, can add another \$500. We wanted it to be cleaner. Staff compared this with 10-12 other cities. There should be a revenue stream and then off-set the cost to actually provide the service. We require \$500 application fee and \$1500 escrow fee for most. Administrative time adds up to hours which include mailings for public hearings, publication, mailing labels, letters, etc... We feel the \$500 just about covers administrative time but doesn't include any consultant time. Out of \$1500, they will maybe actually get \$1000 back. We suggest we keep the fee the same, but reverse the escrow and application fees. This should be clearer that the application fee is not refundable.

Betts asked if we give them an itemized list of costs per service. Kaltsas said we provide consultant specifics but not administrative/staff time. Betts thought it would make sense to do the larger amount first so it wouldn't be confusing. Katsas said generally, it's \$500-700 to process one application. We have it in place, but it's just confusing as many think they're getting the whole escrow back. Johnson said if it's up to \$750 for general but questioned if we charge \$1500 if we'd keep the whole thing. Kaltsas said it usually costs \$1200. Grotting likened it to an ala carte method. Like a project we saw tonight has been here 4 different times, so had to update each

report, etc... Now they'll get bill-not only did we use the application and escrow, but more. They submit an application, go through fees, setbacks, etc.. They come back with site-plan and discuss with them. We have a site visit and then put together the staff reports. Others involved are City attorney records the resolution, water engineer, or if there's a street issue we'd bring in our public works or consultant. Our fees are for reviewing the consultant results. After, they get itemized bill. McCoy asked for clarification about the application fee-\$750 is not reimbursable. Kaltsas said that's correct. Kaltsas said regardless of application he needs to do all the same process. Application fee is not refundable so would be easier if they knew they'd write a check for \$1250 and wouldn't get it back. Vose mentioned a lot of these costs are beyond the City's control, but others are in the City's control such as legal fees. If there's back and forth time, that's extra. He explained the staff is trying to front-load costs. Johnson said we don't want to pocket any extra money, and Vose clarified it's illegal to make a profit from an application fee. The City Council has to adopt the fee schedule staff composes. There are quite a few where we weren't able to capture the correct revenue. We're just trying to be upfront with people. Spencer felt it's a hefty jump for a text amendment. Kaltsas said he could come up with simple text amendment. Spencer thought Type I for simpler, and a Type II for more involved. Betts asked if most City's call it escrow, Vose said typically a deposit. Johnson was concerned about our reputation for overcharging.

Motion by Betts, second by McCoy to Table RESOLUTION NO. 16-1011-04-Considering an update to the City's Fee Schedule until language can be changed. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

McCoy said some residents have approached him about Highway 12 traveling east, 92 N thru lane, it is wavy/canted. He drove it himself and he experienced the same thing. Johnson suggested we inform MnDOT. He's driven it also and agreed. Going west is fine, but not east.

Motion by McCoy, second by Betts to recommend MnDOT correct rough lane going east on Hwy 12 and 92 N. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

McCoy mentioned Burlington Northern was talking of taking viaduct on Townline Rd out and replace with dirt bed. He felt it was highly traveled. Propose to work with Medina, Orono, and Three Rivers Park to try to have at least a 12x12 culvert. Grotting wondered about emergency response vehicles using this. Kaltsas asked Mayor Johnson about an easement there. Johnson thought the easement should still be there. We should let Hennepin County know we're not in favor of closing it.

Motion by McCoy, second by Spencer to support continued access. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grotting to adjourn at 9:00 p.m. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully Submitted,

Beth Horner/ Recording Secretary

DRAFT

MINUTES OF A WORK SESSION OF THE
INDEPENDENCE CITY COUNCIL
WEDNESDAY, OCTOBER 5, 2016 –7:00 A.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a work session of the Independence City Council was called to order by Mayor Johnson at 7:15 a.m.

2. PLEDGE OF ALLEGIANCE.

Postponed until regular meeting.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Spencer, Betts, McCoy and Grotting
ABSENT: None
STAFF: City Administrator Kaltsas, Administrative Assistant Beth Horner
VISITORS: WHPS Chief Gary Kroells, MN DOT Ron Rauchle and Chad Erickson

4. MN DOT

- a. Ron Rauchle and Chad Erickson from MN DOT were present to discuss the Highway 12/CSAH 90 & 92 intersections.

Rauchle said he would like to talk about the intersection at County Road 90 and Highway 12. He said MN DOT has originally proposed left turn lanes but the road safety audit conducted by the Highway 12 Coalition determined more was needed than just left turn lanes to be effective. Rauchle said the ultimate conclusion after many options that were looked was that it would make the most sense to put a roundabout in place. MN DOT still does not have funding for it due to the order of the magnitude and the cost. He noted MN DOT is developing concept drawings to keep this project moving forward. He said City Council approval would be needed for access and right of way permits. Rauchle said it would also have to go through the environmental process.

Kaltsas asked what would be available as far as funding resources. Rauchle said Erickson found federal funding for the Highway 12 medians so once funding is identified for this project they may begin the process. The total cost is estimated at 2.5-3 million.

Grotting asked what determined elevation. Erickson said it would need to be kept flat with no more than 2% grade. Rauchle noted a roundabout will widen the intersection. He said Three Rivers Park District is also interested in putting a trail down County Road 90 that would need to be considered. Betts said she has concern with pedestrians crossing Highway 12. Spencer asked if an oval design was ever considered to provide easier entry. Rauchle said they are looking at making it a two lane but there can be more confusion with that style.

Kaltsas noted this was before the Council as the project would need to get the City and landowners buy-in to happen. Betts said the roundabout would probably be the lowest impact. Erickson said they keep the

design as small as possible and to control speed of traffic. Kroells said this would have a huge commercial impact for this area with over 20,000 cars passing through. He said people will buy into it. Kaltsas said the City could plan for an access road to plan for commercial development.

Kroells asked for the best case scenario of when this could come to fruition. Rauchle said it could happen 18 months after the funds are identified.

Rauchle noted roundabouts are a lot better than stoplights. Grotting said he thought it would be great at this intersection. Kroells stated the high traffic volume is the concern. Rauchle said with the improvements that will be done to County Road 92 in the future it will all be a major improvement. Rauchle said the sight line issues need to be squared up.

Kaltsas asked how long it would be before footprints could be obtained. Rauchle said if they could get an order of magnitude it would be just a few weeks. Kaltsas said that would enable the City to start the dialogue with landowners.

5. ADJOURN – 8:15 P.M.

Respectfully submitted,

Beth Horner, Recording Secretary

City of Independence

Consider Approval of Hennepin County Rehabilitation Loan Repayment Satisfaction

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: October 25, 2016

Discussion:

The City of Independence had been a party to a rehabilitation loan granted from Hennepin County in 1999 for the property located at 263 Hart Street. The improvement provided for in the loan was a new on-site septic system. The City approved the completion of the system in 1999. The County has notified the City that the loan has now been repaid in full. In order to complete the agreement, the City is required to sign the satisfaction of loan repayment form.

Summary:

The City is not aware of any outstanding issues relating to this property and is recommending approval by the Council for the Mayor and Administrator to sign the satisfaction of repayment.

ATTACHMENTS: Original Loan Agreement
Satisfaction of Repayment

Exempt from Registration Tax
Taxpayer Services
Hennepin County
By Debbie L. [Signature] DEPUTY

30

7493320

REC FEE 15
COPY FEE 15

OFFICE OF COUNTY RECORDER
HENNEPIN COUNTY, MINNESOTA

CERTIFIED FILED AND CORRECTED

01 JUN 22 AM 8:38

7493320

DOCUMENT # [Signature]
CO. REC.
[Signature] DEPUTY

Abstract: Box Number 362

CITY OF INDEPENDENCE
HENNEPIN COUNTY REHABILITATION LOAN PROGRAM
DEFERRED LOAN REPAYMENT AGREEMENT AND MORTGAGE

This AGREEMENT AND MORTGAGE (hereinafter referred to as "Agreement"), made and entered into this day of June 11, 1999, by and between Florence L. Lemmerman, a single person, (hereinafter collectively referred to as "Borrower"), and the City of Independence, a public body corporate and politic of the State of Minnesota, having its principal office at 1920 County Road 90, Maple Plain, (hereinafter referred to as "Lender"); and the remaindermen joining in this Agreement at the place provided below:

Nona L. Griffith, Faye I. Mike, Glen A. Lemmerman and Nancy F. Crellin

WHEREAS, Lender has paid Six Thousand Five Hundred Seventy Seven and 42/100 Dollars (\$6,577.42), on Borrower's behalf as a no-interest loan for rehabilitation work on existing residential housing owned and occupied by Borrower (hereinafter referred to as "the Loan"), the receipt and sufficiency of which is hereby acknowledged by Borrower primarily to improve the conditions relating to health, safety, and energy efficiency of said housing, or to provide essential accessibility improvements, said real estate being legally described below: and

WHEREAS, Borrower and Lender desire to set forth herein the provisions for Borrower's repayment of the Loan, and to provide for securing said repayment with a mortgage on the property described below (hereinafter referred to as "the Lien").

NOW, THEREFORE, in consideration of said Loan the parties hereto do hereby agree as follows:

1. Borrower covenants and agrees with Lender to pay to the order of Lender the principal sum of the Loan, without interest, at the office of the Lender or at such other place as Lender may designate in writing delivered or mailed to the Borrower, upon the occurrence of any of the following events within the period of thirty (30) years after the date of the Loan as set forth above:

a. If the real estate hereinafter described is sold, transferred, or otherwise conveyed (whether by deed, contract for deed, or otherwise); and whether voluntary or involuntary, either while the Borrower is living or by reason of the death of the Borrower (excluding the transfer of said property by joint operation of law or devised to a surviving Borrower joint tenant or former tenant in common), for so long as said surviving Borrower, joint tenant, devisee or owner occupies said property as his or her principal place of residence; or

b. If the real estate described below ceases for any reason to be the Borrower's principal place of residence.

Absent the occurrence of the events set forth in paragraph 1(a) or 1(b), above, within thirty (30) years after the date of the Loan as set forth above, upon the commencement of the thirty-first (31st) year after the said date of the Loan, Borrower, at that time, and at any time thereafter, shall have no obligation to repay the Loan or any part thereof to Lender.

Repayment of the Loan as required under the terms of this paragraph 1 shall be made to Lender not later than the thirtieth day following the sale, transfer or other conveyance referred to in paragraph 1(a), above, or following the date upon which the real estate ceases to be the Borrower's principal place of residence as provided in paragraph 1(b) thereof, or following the thirtieth anniversary of the Loan referred to in paragraph 6 below.

2. Borrower covenants with Lender that Borrower is eligible for the Loan under the following conditions:

a. The property described below is the principal residence of the Borrower as of the date of the Loan, and the Borrower has no present intention to rent the said property, or to sell, assign, or transfer the interest of the Borrower in said property to another; and

b. The proceeds of the Loan will be used only for alterations, repairs, or improvements on or in connection with the property described below, primarily to improve the conditions relating to health, safety, or energy efficiency of the dwelling located thereon, or to provide essential accessibility improvements thereto; and

c. Borrower has made no material misstatement of fact about Borrower's application for the Loan.

Borrower further specifically covenants and agrees with Lender that Borrower's default under the provisions of this paragraph 2 constitutes an event requiring repayment of the Loan in the manner provided in paragraph 1, above, and is an event of default under the provisions of the Lien, as referred to in paragraph 5, below.

3. As security for the Borrower's personal covenant and obligation for repayment as herein provided, and subject to the terms and conditions of this Agreement, Borrower hereby grants, and the Lender shall and hereby does have, a Lien on the real estate hereinafter described, together with all hereditaments and appurtenances thereto, in the full amount necessary to satisfy such repayment obligation and the cost, including reasonable attorney's fees of collecting the same. The said real estate subject to said Lien is situate in Hennepin County, Minnesota, and is legally described as follows:

Lots Three (3) and (4), Block Eleven (11), "Lyndale" including the adjacent one-half of alley Vacated and including adjacent one-half of vacant street.

4. Promptly after the date of any sale, transfer or other conveyance of the above-described real estate within thirty (30) years of the date of the Loan as set forth above, or promptly after the date upon which said real estate ceases to be the Borrower's principal place of residence within said thirty (30) year period, Borrower or his/her heirs, executors, or representatives, shall give Lender notice thereof.

5. In the event Borrower or his/her heirs, executors, or representatives shall fail or refuse to make a required payment within said limited time period, or otherwise in any way be in default under the terms and conditions of this Agreement, the Borrower confers upon the Lender the option of declaring all sums then owing by Borrower immediately due and payable without notice and confesses judgment in said amount, and hereby authorizes the Lender to enter said judgment, foreclose this Lien by judicial proceedings or sell the lien premises at public auction and convey the same to the purchasers in fee simple in accordance with the statute, and out of the monies arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law, which costs, charges and fees the Borrower herein agrees to pay.

The Borrower and Lender further covenant and agree as follows:

a. Borrower shall be furnished a conformed copy of this Agreement at the time of execution or after recordation.

b. Upon default of any covenant or agreement by Borrower under the terms of this Agreement, Lender prior to foreclosure shall mail notice to Borrower as provided herein specifying (i) the nature of the default by the Borrower, (ii) the action required to cure such default, (iii) a date, if such default is capable of being cured by Borrower, not less than thirty (30) days from the date the notice is mailed by Borrower by which such default, if capable of being cured, must be cured; and (iv) that failure to cure such default on or before the date specified in the notice shall result in acceleration of the sum secured by this Lien and sale of the lien premises. The notice shall further inform Borrower of the right, if any, to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of the Borrower to acceleration and sale.

c. In addition to any notice required under applicable law to be given in another manner, (i) any notice of the Borrower provided for in this Agreement shall be given by mailing such notice by certified mail addressed to the Borrower at the address of the lien premises, or at such other address as the Borrower may designate by notice in writing to the Lender as provided herein, and (ii) any notice to the Lender shall be given by certified mail, return receipt requested, to Lender at the address of the City on page 1 of this Agreement, or to such other address as Lender may designate by notice in writing to the Borrower as provided herein. Any notice provided for in this Agreement shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

6. The Lien created by this Agreement shall terminate and shall be of no further force or effect on JUNE 11, 2029; unless Lender has, on or before that date, (a) commenced an action in the manner provided by statute for the foreclosure of the Lien, and (b) filed for record a notice of said action, or a power of attorney to foreclose mortgage, or a lis pendens referring to the same, in the office of the County Recorder or Registrar of Titles, as the case may be, in Hennepin County. Lender may, in its sole discretion, extend said termination date of said lien by filing for record, on or before said termination date, an agreement with Borrower or his/her heirs, executors, or representatives evidencing such extension.

7. In the event that the property described above is subject, as of the date of this Agreement, to one or more contracts for deed (hereinafter collectively referred to as a "Contract for Deed"), Borrower specifically covenants that the vendor or vendors, as the case may be, of the Contract for Deed (hereinafter collectively referred to as the "Contract Vendor"), has executed this Agreement at the place provided below. The execution of this Agreement by the Contract Vendor shall and hereby is deemed to be for establishing and continuing the existence of the indebtedness described herein and the lien granted herein. Accordingly, it is specifically agreed that the Contract Vendor shall not be personally liable by reason of any default which may occur in the performance or by reason of the non-performance of any of the terms of this Agreement to be performed by the Borrower; and that the Lender shall not seek or be entitled to any personal judgment against the Contract Vendor by reason of any default hereunder, and that the sole remedies of the Lender in the event of any default as against the Contract Vendor shall be to proceed against the real estate described herein in the manner provided in this Agreement in order to subject it to the repayment of the Loan.

Notwithstanding anything to the contrary contained in this Agreement, in the event that the property described above is subject to a Contract for Deed, it is further agreed by the parties hereto as follows:

a. The conveyance of fee title by the Contract Vendor to Borrower upon fulfillment of the terms and conditions of the Contract for Deed, and the sale or conveyance by Contract Vendor of the vendor's interest in said Contract for Deed, shall not be events giving rise to repayment of the Loan under this Agreement.

b. In the event Borrower desires to obtain first mortgage financing to meet Borrower's obligations under the Contract for Deed referred to in this paragraph 7, Lender hereby agrees to subordinate the lien created by this Agreement for its benefit to said refinancing first

City of Independence

Consider Approval of Master Partnership Contract with MnDOT for the Highway 12 Lights

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: October 25, 2016

Discussion:

The City of Independence and MnDOT jointly worked to have new lighting installed along the Highway 12 corridor in 2015. A part of the agreement between MnDOT and the City was that the City would be responsible for the maintenance of the lights. While it is anticipated that there will be minimal maintenance associated with the lights themselves, the City has begun receiving requests for utility locates along Highway 12. The City is not equipped to provide the utility locates for the lights. In addition to the utility locates, it was anticipated that the City would contract with an outside service for the maintenance of the lights. The City has discussed the maintenance with MnDOT and believes that entering into the partnership contract will provide the most continuity and best value for the City. In the future, the City can reevaluate the agreement to determine the service and value provided by MnDOT.

Summary:

The Council is asked to consider entering into a master services agreement with MnDOT and allowing for the Public Works Director to authorize work orders in accordance with the provisions stipulated in the contract. In order to proceed with the maintenance contract, the Council will need to adopt **Resolution 16-1025-02**.

ATTACHMENTS: **Master Partnership Agreement**
Resolution 16-1025-02

**STATE OF MINNESOTA
AND
CITY OF INDEPENDENCE
MASTER PARTNERSHIP CONTRACT**

This master contract is between the State of Minnesota, acting through its Commissioner of Transportation hereinafter referred to as the "State" and the City of Independence, acting through its City Council, hereinafter referred to as the "Local Government."

Recitals

1. The parties are authorized to enter into this agreement pursuant to Minnesota Statutes. §§15.061, 471.59 and 174.02.
2. Minn. Stat. § 161.20, subd. 2, authorizes the Commissioner of Transportation to make arrangements with and cooperate with any governmental authority for the purposes of constructing, maintaining and improving the trunk highway system.
3. Each party to this Contract is a "road authority" as defined by Minn. Stat. §160.02, subd. 25.
4. Minn. Stat. § 161.39, subd. 1, authorizes a road authority to perform work for another road authority. Such work may include providing technical and engineering advice, assistance and supervision, surveying, preparing plans for the construction or reconstruction of roadways, and performing roadway maintenance.
5. Minn. Stat. §174.02, subd. 6, authorizes the Commissioner of Transportation to enter into agreements with other governmental entities for research and experimentation; for sharing facilities, equipment, staff, data, or other means of providing transportation-related services; or for other cooperative programs that promote efficiencies in providing governmental services, or that further development of innovation in transportation for the benefit of the citizens of Minnesota.
6. Each party wishes to occasionally procure services from the other party, which the parties agree will enhance the efficiency of delivering governmental services at all levels. This Master Partnership Contract provides a framework for the efficient handling of such requests. This Master Partnership Contract contains terms generally governing the relationship between the parties hereto. When specific services are requested, the parties will (unless otherwise specified herein) enter into a "Work Order" contracts.
7. Subsequent to the execution of this Master Partnership Contract, the parties may (but are not required to) enter into "Work Order" contracts. These Work Orders will specify the work to be done, timelines for completion, and compensation to be paid for the specific work.
8. The parties are entering into this Master Partnership Contract to establish terms that will govern all of the Work Orders subsequently issued under the authority of this Contract.

Master Contract

1. Term of Master Contract; Use of Work Order Contracts; Survival of Terms

- 1.1. **Effective Date:** This contract will be effective on the date last signed by the Local Government, and all State officials as required under Minn. Stat. § 16C.05, subd. 2.
- 1.2. A party must not accept work under this Contract until it is fully executed.
- 1.3. **Expiration Date.** This Contract will expire on June 30, 2017.

- 1.4. **Work Order Contracts.** A work order contract must be negotiated and executed (by both the State and the Local Government) for each particular engagement, except for Technical Services provided by the State to the Local Government as specified in Article 2. The work order contract must specify the detailed scope of work and deliverables for that engagement. A party must not begin work under a work order until such work order is fully executed. The terms of this Master Partnership Contract will apply to all work orders issued hereunder, unless specifically varied in the work order. The Local Government understands that this Master Contract is not a guarantee of any payments or work order assignments, and that payments will only be issued for work actually performed under fully-executed work orders.
- 1.5. **Survival of Terms.** The following clauses survive the expiration or cancellation of this master contract and all work order contracts: 12. Liability; 13. State Audits; 14. Government Data Practices and Intellectual Property; 17. Publicity; 18. Governing Law, Jurisdiction, and Venue; and 22. Data Disclosure. All terms of this Master Contract will survive with respect to any Work Order issued prior to the expiration date of the Master Contract.
- 1.6. **Sample Work Order.** A sample work order contract is available upon request from the State.

2. Technical Services

- 2.1. **Technical Services** include repetitive low-cost services routinely performed by the State for the Local Government. These services may be performed by the State for the Local Government without the execution of a work order, as these services are provided in accordance with standardized practices and processes and do not require a detailed scope of work. Technical services are limited to the following services:
 - 2.1.1. Pavement Striping, Sign and Signal Repair, Bridge Load Ratings, Bridge and Structure Inspections, Minor Bridge Maintenance, Minor Road Maintenance (such as guard rail repair and sign knockdown repair), Pavement Condition Data, Materials Testing and Carcass Removal.
 - 2.1.2. Every other service not falling under the services listed in 2.1.1 will require a Work Order contract.
- 2.2. The Local Government may request the State to perform Technical Services in an informal manner, such as by the use of email, a purchase order, or by delivering materials to a State lab and requesting testing. A request may be made via telephone, but will not be considered accepted unless acknowledged in writing by the State.
- 2.3. The State will promptly inform the Local Government if the State will be unable to perform the requested Technical Services. Otherwise, the State will perform the Technical Services in accordance with the State's normal processes and practices, including scheduling practices taking into account the availability of State staff and equipment.
- 2.4. **Payment Basis.** Unless otherwise agreed to by the parties prior to performance of the services, the State will charge the Local Government the State's then-current rate for performing the Technical Services. The then-current rate may include the State's normal and customary labor additives. The State will invoice the Local Government upon completion of the services, or at regular intervals not more than once monthly as agreed upon by the parties. The invoice will provide a summary of the Technical Services provided by the State during the invoice period.

3. Services Requiring A Work Order Contract

- 3.1. **Work Order Contracts:** A party may request the other party to perform any of the following services under individual work order contracts.

- 3.2. **Professional and Technical Services.** A party may provide professional and technical services upon the request of the other party. As defined by Minn. Stat. §16C.08, subd. 1, professional/technical services “means services that are intellectual in character, including consultation, analysis, evaluation, prediction, planning, programming, or recommendation; and result in the production of a report or completion of a task.” Professional and technical services do not include providing supplies or materials except as incidental to performing such services. Professional and technical services include (by way of example and without limitation) engineering services, surveying, foundation recommendations and reports, environmental documentation, right-of-way assistance (such as performing appraisals or providing relocation assistance, but excluding the exercise of the power of eminent domain), geometric layouts, final construction plans, graphic presentations, public relations, and facilitating open houses. A party will normally provide such services with its own personnel; however, a party’s professional/technical services may also include hiring and managing outside consultants to perform work provided that a party itself provides active project management for the use of such outside consultants.
- 3.3. **Roadway Maintenance.** A party may provide roadway maintenance upon the request of the other party. Roadway maintenance does not include roadway reconstruction. This work may include but is not limited to snow removal, ditch spraying, roadside mowing, bituminous mill and overlay (only small projects), seal coat, bridge hits, major retaining wall failures, major drainage failures, and message painting. All services must be performed by an employee with sufficient skills, training, expertise or certification to perform such work, and work must be supervised by a qualified employee of the party performing the work.
- 3.4. **Construction Administration.** A party may administer roadway construction projects upon the request of the other party. Roadway construction includes (by way of example and without limitation) the construction, reconstruction, or rehabilitation of mainline, shoulder, median, pedestrian or bicycle pathway, lighting and signal systems, pavement mill and overlays, seal coating, guardrail installation, and channelization. These services may be performed by the Providing Party’s own forces, or the Providing Party may administer outside contracts for such work. Construction administration may include letting and awarding construction contracts for such work (including state projects to be completed in conjunction with local projects). All contract administration services must be performed by an employee with sufficient skills, training, expertise or certification to perform such work.
- 3.5. **Emergency Services.** A party may provide aid upon request of the other party in the event of a man-made disaster, natural disaster or other act of God. Emergency services includes all those services as the parties mutually agree are necessary to plan for, prepare for, deal with, and recover from emergency situations. These services include, without limitation, planning, engineering, construction, maintenance, and removal and disposal services related to things such as road closures, traffic control, debris removal, flood protection and mitigation, sign repair, sandbag activities and general cleanup. Work will be performed by an employee with sufficient skills, training, expertise or certification to perform such work, and work must be supervised by a qualified employee of the party performing the work. If it is not feasible to have an executed work order prior to performance of the work, the parties will promptly confer to determine whether work may be commenced without a fully-executed work order in place. If work commences without a fully-executed work order, the parties will follow up with execution of a work order as soon as feasible.
- 3.6. When a need is identified, the State and the Local Government will discuss the proposed work and the resources needed to perform the work. If a party desires to perform such work, the parties will negotiate the specific and detailed work tasks and cost. The State will then prepare a work order contract. Generally, a work order contract will be limited to one specific

project/engagement, although “on call” work orders may be prepared for certain types of services, especially for “Technical Services” items as identified section 2.1.2. The work order will also identify specific deliverables required, and timeframes for completing work. A work order must be fully executed by the parties prior to work being commenced. The Local Government will not be paid for work performed prior to execution of a work order and authorization by the State.

4. Responsibilities of the Providing Party

The party requesting the work will be referred to as the “Requesting Party” and the party performing the work will be referred to as the “Providing Party.” Each work order will set forth particular requirements for that project/engagement.

- 4.1. **Terms Applicable to ALL Work Orders.** The terms in this section 4.1 will apply to ALL work orders.
 - 4.1.1. Each work order will identify an Authorized Representative for each party. Each party’s authorized representative is responsible for administering the work order, and has the authority to make any decisions regarding the work, and to give and receive any notices required or permitted under this Master Contract or the work order.
 - 4.1.2. The Providing Party will furnish and assign a publicly employed licensed engineer (Project Engineer), to be in responsible charge of the project(s) and to supervise and direct the work to be performed under each work order. For services not requiring an engineer, the Providing Party will furnish and assign another responsible employee to be in charge of the project. The services of the Providing Party under a work order may not be otherwise assigned, sublet, or transferred unless approved in writing by the Requesting Party’s authorized representative. This written consent will in no way relieve the Providing Party from its primary responsibility for the work.
 - 4.1.3. If the Local Government is the Providing Party, the Project Engineer may request in writing specific engineering and/or technical services from the State, pursuant to Minn. Stat. Section 161.39. The work order may require the Local Government to deposit payment in advance or may, at the State’s option, permit payment in arrears. If the State furnishes the services requested, the Local Government will promptly pay the State to reimburse the state trunk highway fund for the full cost and expense of furnishing such services. The costs and expenses will include the current State labor additives and overhead rates, subject to adjustment based on actual direct costs that have been verified by audit.
 - 4.1.4. Only the receipt of a fully executed work order contract authorizes the Providing Party to begin work on a project. Any and all effort, expenses, or actions taken by the Providing Party before the work order contract is fully executed is considered unauthorized and undertaken at the risk of non-payment.
 - 4.1.5. In connection with the performance of this contract and any work orders issued hereunder, the Providing Agency will comply with all applicable Federal and State laws and regulations. When the Providing Party is authorized or permitted to award contracts in connection with any work order, the Providing Party will require and cause its contractors and subcontractors to comply with all Federal and State laws and regulations.
- 4.2. **Additional Terms for Roadway Maintenance.** The terms of section 4.1 and this section 4.2 will apply to all work orders for Roadway Maintenance.
 - 4.2.1. Unless otherwise provided for by agreement or work order, the Providing Party must obtain all permits and sanctions that may be required for the proper and lawful performance of the work.

- 4.2.2. The Providing Party must perform maintenance in accordance with MnDOT maintenance manuals, policies and operations.
- 4.2.3. The Providing Party must use State-approved materials, including (by way of example and without limitation), sign posts, sign sheeting, and de-icing and anti-icing chemicals.
- 4.3. ***Additional Terms for Construction Administration.*** The terms of section 4.1 and this section 4.3 will apply to all work orders for construction administration.
 - 4.3.1. Contract(s) must be awarded to the lowest responsible bidder or best value proposer in accordance with state law.
 - 4.3.2. Contractor(s) must be required to post payment and performance bonds in an amount equal to the contract amount. The Providing Party will take all necessary action to make claims against such bonds in the event of any default by the contractor.
 - 4.3.3. Contractor(s) must be required to perform work in accordance with the latest edition of the Minnesota Department of Transportation Standard Specifications for Construction.
 - 4.3.4. For work performed on State right-of-way, contractor(s) must be required to indemnify and hold the State harmless against any loss incurred with respect to the performance of the contracted work, and must be required to provide evidence of insurance coverage commensurate with project risk.
 - 4.3.5. Contractor(s) must pay prevailing wages pursuant to applicable state and federal law.
 - 4.3.6. Contractor(s) must comply with all applicable Federal, and State laws, ordinances and regulations, including but not limited to applicable human rights/anti-discrimination laws and laws concerning the participation of Disadvantaged Business Enterprises in federally-assisted contracts
 - 4.3.7. Unless otherwise agreed in a Work Order, each party will be responsible for providing rights of way, easement, and construction permits for its portion of the improvements. Each party will, upon the other's request, furnish copies of right of way certificates, easements, and construction permits.
 - 4.3.8. The Providing Party may approve minor changes to the Requesting Party's portion of the project work if such changes do not increase the Requesting Party's cost obligation under the applicable work order.
 - 4.3.9. The Providing Party will not approve any contractor claims for additional compensation without the Requesting Party's written approval, and the execution of a proper amendment to the applicable work order when necessary. The Local Government will tender the processing and defense of any such claims to the State upon the State's request.
 - 4.3.10. The Local Government must coordinate all trunk highway work affecting any utilities with the State's Utilities Office.
 - 4.3.11. The Providing Party must coordinate all necessary detours with the Requesting Party.
 - 4.3.12. If the Local Government is the Providing Party, and there is work performed on the trunk highway right-of-way, the following will apply:
 - 4.3.12.1 The Local Government will have a permit to perform the work on the trunk highway. The State may revoke this permit if the work is not being performed in a safe, proper and skillful manner, or if the contractor is violating the terms of any law, regulation, or permit applicable to the work. The State will have no

liability to the Local Government, or its contractor, if work is suspended or stopped due to any such condition or concern.

- 4.3.12.2 The Local Government will require its contractor to conduct all traffic control in accordance with the Minnesota Manual on Uniform Traffic Control Devices.
- 4.3.12.3 The Local Government will require its contractor to comply with the terms of all permits issued for the project including, but not limited to, NPDES and other environmental permits.
- 4.3.12.4 All improvements constructed on the State's right-of-way will become the property of the State.

5. Responsibilities of the Requesting Party

- 5.1. After authorizing the Providing Party to begin work, the Requesting Party will furnish any data or material in its possession relating to the project that may be of use to the Providing Party in performing the work.
- 5.2. All such data furnished to the Providing Party will remain the property of the Requesting Party and will be promptly returned upon the Requesting Party's request or upon the expiration or termination of this contract (subject to data retention requirements of the Minnesota Government Data Practices Act and other applicable law).
- 5.3. The Providing Party will analyze all such data furnished by the Requesting Party. If the Providing Party finds any such data to be incorrect or incomplete, the Providing Party will bring the facts to the attention of the Requesting Party before proceeding with the part of the project affected. The Providing Party will investigate the matter, and if it finds that such data is incorrect or incomplete, it will promptly determine a method for furnishing corrected data. Delay in furnishing data will not be considered justification for an adjustment in compensation.
- 5.4. The State will provide to the Local Government copies of any Trunk Highway fund clauses to be included in the bid solicitation and will provide any required Trunk Highway fund provisions to be included in the Proposal for Highway Construction, that are different from those required for State Aid construction.
- 5.5. The Requesting Party will perform final reviews and/or inspections of its portion of the project work. If the work is found to have been completed in accordance with the work order contract, the Requesting Party will promptly release any remaining funds due the Providing Party for the Project(s).
- 5.6. The work order contracts may include additional responsibilities to be completed by the Requesting Party.

6. Time

In the performance of project work under a work order contract, time is of the essence.

7. Consideration and Payment

- 7.1. **Consideration.** The Requesting Party will pay the Providing Party as specified in the work order. The State's normal and customary labor additives will apply to work performed by the State, unless otherwise specified in the work order. The State's normal and customary labor additives will not apply if the parties agree to a "lump sum" or "unit rate" payment.
- 7.2. **State's Maximum Obligation.** The total compensation to be paid by the State to the Local Government under all work order contracts issued pursuant to this Master Contract will not exceed \$50,000.00.

- 7.3. **Travel Expenses.** It is anticipated that all travel expenses will be included in the base cost of the Providing Party's services, and unless otherwise specifically set forth in an applicable work order, the Providing Party will not be separately reimbursed for travel and subsistence expenses incurred by the Providing Party in performing any work order contract. In those cases where the State agrees to reimburse travel expenses, such expenses will be reimbursed in the same manner and in no greater amount than provided in the current "MnDOT Travel Regulations" a copy of which is on file with and available from the MnDOT District Office. The Local Government will not be reimbursed for travel and subsistence expenses incurred outside of Minnesota unless it has received the State's prior written approval for such travel.
- 7.4. **Payment.**
- 7.4.1. **Generally.** The **Requesting Party** will pay the Providing Party as specified in the applicable work order, and will make prompt payment in accordance with Minnesota law.
- 7.4.2. **Payment by the Local Government.**
- 7.4.2.1. The Local Government will make payment to the order of the Commissioner of Transportation.
- 7.4.2.2. **IMPORTANT NOTE: PAYMENT MUST REFERENCE THE "MNDOT CONTRACT NUMBER" SHOWN ON THE FACE PAGE OF THIS CONTRACT AND THE "INVOICE NUMBER" ON THE INVOICE RECEIVED FROM MNDOT.**
- 7.4.2.3. Remit payment to the address below:
- MnDOT
Attn: Cash Accounting
RE: MnDOT Contract Number 1026213 and Invoice Number #####
Mail Stop 215
395 John Ireland Blvd
St. Paul, MN 55155
- 7.4.3. **Payment by the State.**
- 7.4.3.1. **Generally.** The State will promptly pay the Local Government after the Local Government presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted as specified in the applicable work order, but no more frequently than monthly.
- 7.4.3.2. **Retainage for Professional and Technical Services.** For work orders for professional and technical services, as required by Minn. Stat. § 16C.08, subd. 2(10), no more than 90 percent of the amount due under any work order contract may be paid until the final product of the work order contract has been reviewed by the State's authorized representative. The balance due will be paid when the State's authorized representative determines that the Local Government has satisfactorily fulfilled all the terms of the work order contract.

8. Conditions of Payment

All work performed by the Providing Party under a work order contract must be performed to the Requesting Party's satisfaction, as determined at the sole and reasonable discretion of the Requesting Party's Authorized Representative and in accordance with all applicable federal and state laws, rules, and regulations. The Providing Party will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal or state law.

9. Local Government's Authorized Representative and Project Manager; Authority to Execute Work Order Contracts

- 9.1. The Local Government's Authorized Representative for administering this master contract is the Local Government's Engineer, and the Engineer has the responsibility to monitor the Local Government's performance. The Local Government's Authorized Representative is also authorized to execute work order contracts on behalf of the Local Government without approval of each proposed work order contract by its governing body.
- 9.2. The Local Government's Project Manager will be identified in each work order contract.

10. State's Authorized Representative and Project Manager

- 10.1. The State's Authorized Representative for this master contract is the District State Aid Engineer, who has the responsibility to monitor the State's performance.
- 10.2. The State's Project Manager will be identified in each work order contract.

11. Assignment, Amendments, Waiver, and Contract Complete

- 11.1. **Assignment.** Neither party may assign or transfer any rights or obligations under this Master Contract or any work order contract without the prior consent of the other and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Master Contract, or their successors in office.
- 11.2. **Amendments.** Any amendment to this master contract or any work order contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.
- 11.3. **Waiver.** If a party fails to enforce any provision of this master contract or any work order contract, that failure does not waive the provision or the party's right to subsequently enforce it.
- 11.4. **Contract Complete.** This master contract and any work order contract contain all negotiations and agreements between the State and the Local Government. No other understanding regarding this master contract or any work order contract issued hereunder, whether written or oral may be used to bind either party.

12. Liability.

Each party will be responsible for its own acts and omissions to the extent provided by law. The Local Government's liability is governed by Minn. Stat. chapter 466 and other applicable law. The State's liability is governed by Minn. Stat. section 3.736 and other applicable law. This clause will not be construed to bar any legal remedies a party may have for the other party's failure to fulfill its obligations under this master contract or any work order contract. Neither party agrees to assume any environmental liability on behalf of the other party. A Providing Party under any work order is acting only as a "Contractor" to the Requesting Party, as the term "Contractor" is defined in Minn. Stat. §115B.03 (subd. 10), and is entitled to the protections afforded to a "Contractor" by the Minnesota Environmental Response and Liability Act. The parties specifically intend that Minn. Stat. §471.59 subd. 1a will apply to any work undertaken under this Master Contract and any work order issued hereunder.

13. State Audits

Under Minn. Stat. § 16C.05, subd. 5, the party's books, records, documents, and accounting procedures and practices relevant to any work order contract are subject to examination by the parties and by the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Master Contract.

14. Government Data Practices and Intellectual Property

- 14.1. ***Government Data Practices.*** The Local Government and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this Master Contract and any work order contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Local Government under this Master Contract and any work order contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Local Government or the State.
- 14.2. ***Intellectual Property Rights***
- 14.2.1. ***Intellectual Property Rights.*** The Requesting Party will own all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under work order contracts. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Providing Party, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this master contract or any work order contract. Works includes “Documents.” Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Providing Party, its employees, agents, or contractors, in the performance of a work order contract. The Documents will be the exclusive property of the Requesting Party and all such Documents must be immediately returned to the Requesting Party by the Providing Party upon completion or cancellation of the work order contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.” The Providing Party Government assigns all right, title, and interest it may have in the Works and the Documents to the Requesting Party. The Providing Party must, at the request of the Requesting Party, execute all papers and perform all other acts necessary to transfer or record the Requesting Party’s ownership interest in the Works and Documents. Notwithstanding the foregoing, the Requesting Party grants the Providing Party an irrevocable and royalty-free license to use such intellectual property for its own non-commercial purposes, including dissemination to political subd.s of the state of Minnesota and to transportation-related agencies such as the American Association of State Highway and Transportation Officials.
- 14.2.2. ***Obligations with Respect to Intellectual Property.***
- 14.2.2.1. ***Notification.*** Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Providing Party, including its employees and subcontractors, in the performance of the work order contract, the Providing Party will immediately give the Requesting Party’s Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.
- 14.2.2.2. ***Representation.*** The Providing Party must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the Requesting Party, and that neither Providing Party nor its employees, agents or contractors retain any interest in and to the Works and Documents.

15. **Affirmative Action**

The State intends to carry out its responsibility for requiring affirmative action by its Contractors, pursuant to Minn. Stat. §363A.36. Pursuant to that Statute, the Local Government is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled, and submit such plan to the Commissioner of the Minnesota Department of Human Rights. In addition, when the Local Government lets a contract for the performance of work under a work order issued pursuant to this Master Contract, it must include the following in the bid or proposal solicitation and any contracts awarded as a result thereof:

- 15.1. ***Covered Contracts and Contractors.*** If the Contract exceeds \$100,000 and the Contractor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the Contractor must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600. A Contractor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.
- 15.2. ***Minn. Stat. § 363A.36.*** Minn. Stat. § 363A.36 requires the Contractor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights (“Commissioner”) as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.
- 15.3. ***Minn. R. Parts 5000.3400-5000.3600.***
 - 15.3.1. ***General.*** Minn. R. Parts 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor’s compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. Parts 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.
 - 15.3.2. ***Disabled Workers.*** The Contractor must comply with the following affirmative action requirements for disabled workers:
 - 15.3.2.1. The Contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
 - 15.3.2.2. The Contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
 - 15.3.2.3. In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. Section 363A.36, and the rules and relevant orders of the Minnesota

Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

15.3.2.4. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

15.3.2.5. The Contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Minn. Stat. Section 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

15.3.3. *Consequences.* The consequences for the Contractor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the State.

15.3.4. *Certification.* The Contractor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

16. Workers' Compensation

Each party will be responsible for its own employees for any workers compensation claims. This Master Contract, and any work orders issued hereunder, are not intended to constitute an interchange of government employees under Minn. Stat. §15.53. To the extent that this Master Contract, or any work order issued hereunder, is determined to be subject to Minn. Stat. §15.53, such statute will control to the extent of any conflict between the Contract and the statute.

17. Publicity

17.1. *Publicity.* Any publicity regarding the subject matter of a work order contract where the State is the Requesting Party must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Local Government individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from a work order contract.

17.2. *Data Practices Act.* Section 17.1 is not intended to override the Local Government's responsibilities under the Minnesota Government Data Practices Act.

18. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this master contract and all work order contracts. Venue for all legal proceedings out of this master contract or any work order contracts, or the breach of any such contracts, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

19. Prompt Payment; Payment to Subcontractors

The parties must make prompt payment of their obligations in accordance with applicable law. As required by Minn. Stat. § 16A.1245, when the Local Government lets a contract for work pursuant to any work order, the Local Government must require its contractor to pay all subcontractors, less any retainage, within 10 calendar days of the prime contractor's receipt of payment from the Local Government for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

- 20. Minn. Stat. § 181.59.** The Local Government will comply with the provisions of Minn. Stat. § 181.59 which requires: Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the Contractor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

21. Termination; Suspension

- 21.1. ***Termination by the State for Convenience.*** The State or commissioner of Administration may cancel this Master Contract and any work order contracts at any time, with or without cause, upon 30 days written notice to the Local Government. Upon termination, the Local Government and the State will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 21.2. ***Termination by the Local Government for Convenience.*** The Local Government may cancel this Master Contract and any work order contracts at any time, with or without cause, upon 30 days written notice to the State. Upon termination, the Local Government and the State will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 21.3. ***Termination for Insufficient Funding.*** The State may immediately terminate or suspend this Master Contract and any work order contract if it does not obtain funding from the Minnesota legislature or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination or suspension must be by written or fax notice to the Local Government. The State is not obligated to pay for any services that are provided after notice and effective date of termination or suspension. However, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the master contract or work order is terminated because of the decision of the Minnesota legislature or other funding source, not to appropriate funds. The State must provide the Local Government notice of the lack of funding within a reasonable time of the State's receiving that notice.

22. Data Disclosure

Under Minn. Stat. §270C.65, subd. 3, and other applicable law, the Local Government consents to disclosure of its federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the

payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Local Government to file state tax returns and pay delinquent state tax liabilities, if any.

23. Defense of Claims and Lawsuits

If any lawsuit or claim is filed by a third party (including but not limited to the Local Government's contractors and subcontractors), arising out of trunk highway work performed pursuant to a valid work order issued under this Master Contract, the Local Government will, at the discretion of and upon the request of the State, tender the defense of such claims to the State or allow the State to participate in the defense of such claims. The Local Government will, however, be solely responsible for defending any lawsuit or claim, or any portion thereof, when the claim or cause of action asserted is based on its own acts or omissions in performing or supervising the work. The Local Government will not purport to represent the State in any litigation, settlement, or alternative dispute resolution process. The State will not be responsible for any judgment entered against the Local Government, and will not be bound by the terms of any settlement entered into by the Local Government except with the written approval of the Attorney General and the Commissioner of Transportation and pursuant to applicable law.

24. Additional Provisions

[The balance of this page has intentionally been left blank – signature page follows]

LOCAL GOVERNMENT

The Local Government certifies that the appropriate person(s) have executed the contract on behalf of the Local Government as required by applicable ordinance, resolution, or charter provision.

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

COMMISSIONER OF TRANSPORTATION

By: _____
(with delegated authority)
Title: Assistant Commissioner or
Assistant Division Director
Date: _____

COMMISSIONER OF ADMINISTRATION

As delegated to Materials Management Division

By: _____
Date: _____



Minnesota Department of Transportation

Metro District

Office of State Aid

1500 West County Rd B2

Roseville, MN 55113-3174

Telephone: 651-234-7773

sharon.lemay@state.mn.us

To: Local Agency

RE: **Proposed Master Partnership Contract**

Attached is a proposed master partnership contract along with a sample City Resolution.

The Master Partnership Contract provides a framework for Mn/DOT and Local Agencies to provide payment to each other for services rendered. A few routine services are included in the contract and all other services are accomplished through the execution of work orders.

If acceptable, please print 2 copies and arrange to have the Master Contract presented to your City Council for their approval and execution. Please ensure that the original signatures of the officials authorized to execute this contract on their behalf are obtained on all four copies of the agreement. A signature acknowledgment must be included either on the signature page or attached as a separate document. (It is suggested that all signers use blue ink so that the original signatures are obvious and will not be mistaken for photo copies.) Please provide signatures only under the **Local Government** heading.

Also required is a new resolution passed by the City Council authorizing its officials to sign and execute the agreement on its behalf. **(Only the named officials may sign the agreement: if anyone else signs in the named official's place, the agreement will not be executed.)** This resolution must contain the notarized signature of the individual certifying the resolution. Sample forms and language are enclosed with this letter. Please provide three original versions of a resolution including signatures and City/County stamp.

Work Orders do not need City Council approval unless the City Council stipulates that in their resolution. Generally only the City Engineer needs to sign Work Orders.

To expedite the approval process, the executed agreements and resolutions should be returned to me to obtain further signatures. Please note that no work shall be performed by Mn/DOT personnel until the full execution of the agreement. After execution by Mn/DOT and other State officials, a copy of the agreement will be returned to you.

If you have any questions or require additional information, please feel free to contact me at 651-234-7773.

Sincerely,

Sharon LeMay, Metro State Aid

An Equal Opportunity Employer





RESOLUTION NO. 16-1025-02

A RESOLUTION APPROVING A MASTER PARTNERSHIP AGREEMENT
BETWEEN MNDOT AND THE CITY OF INDEPENDENCE

WHEREAS, the Minnesota Department of Transportation wishes to cooperate closely with local units of government to coordinate the delivery of transportation services and maximize the efficient delivery of such services at all levels of government; and

WHEREAS, MnDOT and local governments are authorized by Minnesota Statutes sections 471.59, 174.02, and 161.20, to undertake collaborative efforts for the design, construction, maintenance and operation of state and local roads; and

WHEREAS: the parties wish to be able to respond quickly and efficiently to such opportunities for collaboration, and have determined that having the ability to write “work orders” against a master contract would provide the greatest speed and flexibility in responding to identified needs.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MINNESOTA, that it should and hereby does approve the following:

1. That the City of Independence enter into a Master Partnership Contract with the Minnesota Department of Transportation, a copy of which was reviewed before the Council.
2. That the proper City officers are authorized to execute such contract and any amendments thereto.
3. That the City’s Public Works Director and Administrator is authorized to negotiate work order contracts pursuant to the Master Contract, which work order contracts may provide for payment to or from MnDOT, and that the Public Works Director and Administrator may execute such work order contracts on behalf of the City of Independence without further approval by this Council.

This resolution was adopted by the city council of the City of Independence on this 25th day of October, 2016, by a vote of ____ayes and ____nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

(SEAL)



Date: October 13, 2016
To: Public Safety Commissioners
City of Independence Council Members
City of Maple Plain Council Members
From: Director Gary Kroells *G. Kroells*
SUBJECT: SEPTEMBER 2016 ACTIVITY REPORT

The purpose of this report is to give the reader a quick overview of the activities of the Public Safety Department each month. It also compares monthly and year-to-date information to the reader.

The report is broken down into five categories, as defined by the Criminal Justice Reporting System.

CRIMINAL-- Criminal is broken down into Part I and Part II crimes.

Part I includes crimes against persons versus crimes against property; criminal homicide, forcible rape, robbery assault, aggravated assault, burglary -breaking or entering, larceny-theft, larceny analysis, motor vehicle theft and arson.

Part II includes other assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, buying, receiving, possession; vandalism, weapons, carrying, possessing, etc.; prostitution and commercialized vice, sex offenses; drug abuse violations, gambling, offenses against the family and children, driving under the influence, liquor laws, drunkenness, disorderly conduct, vagrancy, all other offenses, suspicion, curfew and loitering laws - persons under 18; and runaways - persons under 18.

TRAFFIC-- Includes violations of the road and driving laws.

PART III-- Lost and Found: Includes lost and found persons, animals, and property, and stalled and abandoned vehicles.

PART IV-- Casualties: Includes all motor vehicle accidents, boating, and snowmobile; public home occupational accidents, fires, suicides, sudden deaths, burning permits, and burning violations.

PART V-- Miscellaneous Public: Includes open doors, gun permit applications, suspicious activities, animal complaints, motorist assists, alarm calls, parking complaints, house checks, driving complaints, civil matters, family disputes, department assists.

The balance of the report shows the total number of incidents handled, miles driven and how the Public Safety Department received calls. If anyone should desire more detailed statistical data, please contact my office.

\\WHPS#0\share\monthlyactivityreport\2015\lettertocouncilmonthlyreport.docx

West Hennepin Public Safety Department
1918 County Road 90 / Maple Plain, Minnesota 55359
Phone: (763) 479-0500 / Fax: (763) 479-0504
Web Address: <http://www.westhennepin.com> E-mail: westhennepin@westhennepin.com

**Monthly Activity Report
September 2016**

Offense	This Month	Same Month Last Year	This Year To Date	Last Year To Date
City Of Independence				
Criminal	13	5	96	94
Traffic	161	189	1,922	1,839
Part III	4	14	107	92
Part IV	26	35	299	299
Part V	154	173	1,517	1,444
Total City of Independence	358	416	3,941	3,768
City Of Maple Plain				
Criminal	1	10	58	57
Traffic	134	77	864	513
Part III	14	3	73	50
Part IV	17	26	176	202
Part V	149	158	1,229	1,175
Total City Of Maple Plain	315	274	2,400	1,997
Grand Total Both Cities	673	690	6,341	5,765
TZD	1	0	131	211
Agency Assists	92	53	400	290
Total ICR Reports	766	743	6,743	6,266
Mileage	12,169	11,089	115,147	113,712
How Received				
Fax	5	8	103	94
In Person	21	60	330	362
Mail	1	0	17	27
Other	3	6	52	34
Phone	40	51	316	404
Radio	251	217	1,964	1,746
Visual	387	337	3,484	3,123
Email	6	6	44	35
Lobby Walk In	52	58	433	441
Total	766	743	6,743	6,266

**September 2016 Criminal Part I & II
City of Independence Grid #'s 3-5**

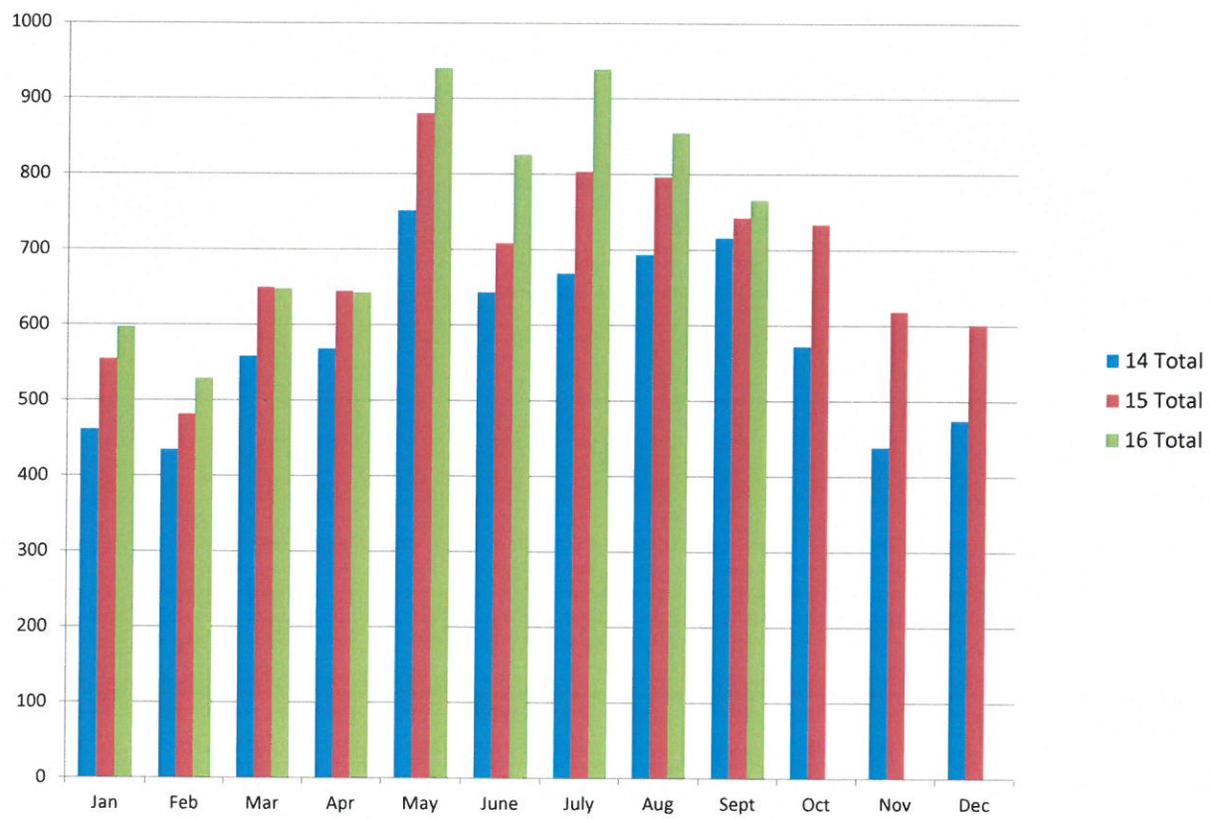
AGN	ICR	Title	Create Date	Grid #	Reported Date	MOC range
WHPS	16006086	4th Degree DWI	42616	3	42616	JGW01
WHPS	16006168	Theft Construction Equipment	42620	3	42620	TB229
WHPS	16006262	4th Degree DWI / Drugs - Possess Over 1.4 Grams Marijuana In Motor Vehicle	42624	3	42624	JGW01
WHPS	16006282	Domestic Assault	42625	3	42625	A5352
WHPS	16006287	Burglary - Theft of Coins / Property Damage	42625	4	42625	P3119
WHPS	16006308	Theft - Gravel	42626	3	42626	TD229
WHPS	16006352	Theft from Vehicle / LED Lights / Beacon Light and Bracket	42628	5	42628	TQ229
WHPS	16006408	Small Amount of Marijuana in Motor Vehicle / Drug Paraphernalia - Possession	42629	3	42629	DA540
WHPS	16006431	3rd Degree DWI - Open Bottle	42631	3	42631	JFW01
WHPS	16006614	Damage Property	42638	3	42638	P3119
WHPS	16006666	3rd Degree Gross Misdemeanor DWI	42641	4	42641	JFW01
WHPS	16006677	Domestic Assault	42641	3	42641	AL501

**September 2016 Criminal Part I & II
City of Maple Plain Grid # 1-2**

AGN	ICR	Title	Create Date	Grid #	Reported Date	MOC range
16006730	16006730	2nd Degree DWI; Open Bottle	9/30/2016	2	8/8/2016	T0999

**September 2016 Criminal Part I & II
Towards Zero Death Grant Shift**

AGN	ICR	Title	Create Date	Grid #	Reported Date	MOC range
WHPS	16006139	Minor Consumption - Alcohol	42618	81	42618	M4140
WHPS	16006407	DUI - Controlled Substance	42629	35	42629	JF501



DIRECTOR'S NEWS & NOTES

WEST HENNEPIN PUBLIC SAFETY

September 2016 Activity Report

Year to Date Activity Report

At the end of September 30, 2016, West Hennepin Public Safety (WHPS) has year-to-date handled a total of 6,743 incident complaints; 2,400 in Maple Plain and 3,941 in Independence. This is an increase of 477 incidents compared to the same time frame last year.

The Criminal Part I and Part II cases for both cities have been highlighted for your review on the attached documents.

Recent Highlighted Cases:

4th Degree DWI

Sept 3 2:59 a.m. Driver failed to dim vehicle headlights. The Driver Jason Vernon Wall, 47 from Fridley submitted a breath sample which resulted in .09% breath alcohol concentration. Wall was arrested for 4th degree DWI and released to a responsible party.

Holdup Alarm

Sept 6 A silent holdup alarm at the Maple Plain Bank. WHPS assisted by several PD's and as they approached the building they were notified that a proper code was given. The alarm was accidentally tripped and everything was ok.

Theft

Sept 7 Co Rd 92N and Highway 12, Independence. Stolen from the Highway 12 construction site a hydraulic hammer and a set of forks for a skid loader. The theft occurred sometime between 10:30 a.m. on 09-06-16 and 2:30 p.m. on 09-07-16. Please call WHPS at 763-479-0500 if you noticed the equipment being loaded onto a trailer. The equipment has a welded metal plate with the initials "NLC" and a 3 – 4 digit number underneath the initials. Approximate loss is \$12,000.00.

Crash

Sept 7 A northbound SUV stopped at the stop sign at Budd Avenue / Highway 12, Maple Plain going to cross Highway 12; traffic was heavy and the driver decided to turn right striking a northbound vehicle that had pulled up alongside the SUV at the intersection to turn right. Both vehicles had damage, no injuries were reported. The SUV driver was issued a citation for "Fail to Drive with Due Care".

Warrant

Sept 7 Vehicle stopped at 1300 block of Baker Park Rd, Maple Plain for the driver not wearing his seatbelt. The driver had a misdemeanor warrant for Driving After Revocation from St. Louis County in Duluth. He was taken into custody and transported to jail.

Fraudulent Credit Card Use

Sept 8 Resident in the 900 block of Co Rd 19, Independence reported someone use a fraudulent debit card with their name on it at a bank branch inside a business. Three unauthorized withdrawals were made in the amounts of \$400.00, \$300.00 and \$300.00. The case is under investigation.

Runaway

Sept 9 5000 block of Co Rd 6, Independence reported a juvenile runaway. The juvenile was found in Duluth and returned home.

IRS Scam Attempt

Sept 9 Resident in the 6000 block of Woodhill Lane, Independence reported 6 calls received from a male who said he was from the IRS and there was a miscalculation on taxes and she owed money. WHPS Investigator called the phone number and it had been disconnected. Resident knew it was a scam; she was concerned of the many calls and the male was aggressive over the phone.

Illegal Dumping

Sept 10 Illegal dumping by a non-resident at the Maple Plain Compost, Maple Plain. The driver had just finished unloading some brush. He thought he could dump there since he lived so close to the site. He was told he could not dump.

4th Degree DWI

Sept 11 Vehicle traveling 70 mph in 50 mph zone at Highway 12 and Co Rd 90, Independence. Cory Quinn Sorenson, 25 from Stockton, CA submitted a breath sample which resulted in .14% Breath Alcohol Concentration. Sorenson was arrested for 4th Degree DWI and Possession of Marijuana. He was released.

Verbal Domestic

Sept 12 200 block of Co Rd 92, Independence. Reported a boyfriend and girlfriend got into an argument and the female left and she was intoxicated. She returned and it was found she was not intoxicated. The male submitted a preliminary breath test which resulted in .16% breath alcohol concentration. Both agreed to stay apart for the night and not leave the residence.

Burglary

Sept 12 Someone kicked in the front door of a residence in the 5000 block of Co Rd 11, Independence. Nothing was found missing; case is damage to property. The case is under investigation.

Theft

Sept 13 Someone stole gravel from a business in the 2000 block of Co Rd 90, Independence. The thief used the business loader to load the gravel. Tire tracks left behind indicate the gravel was loaded into a smaller 3 yard dump truck. The case is under investigation.

Scam Phone Call

Sept 14 Resident in the 5000 block of Joyce Street, Maple Plain reported a male caller stated the resident had a warrant for his arrest and he needed to turn himself in. Resident knew it was a scam but wanted to make sure. Confirmed it was a scam.

Lawn Mower Fire

Sept 14 200 block of Kuntz Drive, Independence. While mowing the grass in a horse area, the lawn mower started on fire. The resident and neighbor could not extinguish it. Maple Plain Fire Dept assisted in putting the fire out. Lawn mower total loss, no injuries.

Reported Kidnapping

Sept 14 Caller from Wisconsin reported her son had been kidnapped in a car-jacking and was in the 5000 block of Manchester Dr, Maple Plain. The son and his father were located and they were ok. Kidnapping did not occur.

Harassment

Sept 15 Resident reported a neighbor is harassing him and keeps taking pictures of his property in the 1000 block of County Rd 83, Independence. The neighbor stated the resident is always making noise with his business. Her boyfriend was getting the newspaper, saw additional trucks, noise and took pictures. She was told her boyfriend is to stay away from the resident who was paving his driveway and working during city allowed hours to do the work.

Welfare Check

Sept 15 1500 block of Howard Ave., Maple Plain. Reported since Aug 27 a resident nor her vehicle had been seen. The apartment was checked and the resident was not there. It was found she had put her mail on hold for a month as she was going out of town.

Civil

Sept 15 2600 block of Valley Rd, Independence. Resident reported a neighbor's tree limbs fell on his gate, crushing it. He wanted her to remove it and she said she was woman what was she to do. He was advised it was civil.

Theft

Sept 15 Co Rd 11 / East Rebecca Rd, Independence. LED lights and bracket were stolen off of a Lano Equipment DV83PD Roller. Approximate loss is \$400.00.

Health and Welfare Check

Sept 15 Residence in the 3000 block of Lake Sarah Rd, Independence had six trusses broken from a storm and the house was not safe to live in. The renters were not at home and the house was found inhabitable. The house was tagged "do not occupy". The house was condemned for safety.

Traffic Complaint

Sept 16 8:02 a.m. traffic complaint of a vehicle all over the road at Highway12 / Valley Road, Independence. The driver stated that she was at a sleep study the night prior and did not get much sleep. She was warned on her driving conduct.

Car Stalled

Sept 16 Highway 12 and Baker Park Rd, Maple Plain. The driver had a flat tire on her vehicle, stated she was scared to get out and wanted emergency roadside assistance to come change the tire. She did not want to call for a tow. She was advised Roadside Emergency does not come out this far and WHPS Officer changed the tire and she was able to continue on her way.

Warrant Arrest

Sept 16 5:28 p.m. at 1500 block of Howard Ave, Maple Plain. 47 year old male was visiting at his friends apartment was found to have a Washington County Misdemeanor Warrant for Disturbing the Peace. The male was taken into custody, transported booked into Hennepin County Jail.

Loud Music

Sept 17 11:10 p.m. Complaint of loud music in the 5000 block of Drake Drive, Independence of 'Sweet Caroline' playing. Homeowner was hosting a wedding reception with a band and they were done for the night.

3rd Degree DWI

Sept 18 1:52 a.m. vehicle stopped for speed 64 mph on Co Rd 6 and Co Rd 110, Independence. Driver Nadia Maria Jaworsky, 43 provided a breath test which resulted in .24 % breath alcohol concentration. Jaworsky was arrested for 3rd degree DWI, Open Bottle and transported and booked into Hennepin County Jail.

Parked Car

Sept 18 100 Ingerson Road, Independence Caller was concerned that his neighbors would occasionally discharge firearms on their own land. He was told it is legal to discharge firearms in the city of Independence as long as the shooters are 500 feet from any building and shooting in a safe direction. Caller did not have damage to his buildings or see them shoot, or shoot in an unsafe manner.

Crash

Sept 19 Vehicle pulled up alongside of the squad car at 1300 Baker Park Rd, Maple Plain. The driver said she came back to check mailboxes as her passenger side mirror was knocked off and she thought she had struck mailboxes. Three mailboxes were inspected and two had been struck. The property owner was notified of the damage. Parts of the vehicles side mirror were lying on the roadside near the mailboxes.

Illegal Grilling

Sept 19 5200 Manchester Drive, Maple Plain. Contact was made with a tenant who was grilling on a balcony. The tenant was unaware it against fire code and the city ordinance to grill on a balcony. He was warned he would be cited if found storing or using the grill in the future. Future grilling would need to be at least 15' from the complex.

Theft of Trailer – Unfounded

Sept 20 911 call reporting a trailer was stolen, no longer at 4300 Woodhill Dr, Independence. Owner had called people that might have used it and they had not. After the 911 call reporting the theft, the owner received a call from a family member who said they had it. The owner recalled talking about the use of the trailer by his family member but was unable to make contact before calling 911. No Theft.

Theft / Scam

Sept 21 5000 Joyce Street, Maple Plain. Resident reported a pop up message came up on his computer that said he had a virus. He clicked on the message that they would fix it for \$499.00. He called the 800 number and spoke with a person, then sent an electronic check to them. Afterwards he felt it was a scam and canceled the check with his bank. No work was performed on his computer, no crime of theft had been committed and he closed his bank account the check was sent from. He wanted to file a report in case the company tries to contact him.

Civil

Sept 22 Caller in 300 Co Rd 92, Independence stated she wanted to report her car was stolen. Both she and her boyfriend are listed on the title of her car and he took the car to the north side and is there driving around and doing who knows what. The car would not be stolen as both names are on the title.

Utility Check

Sept 23 Water from a culvert was washing out the bed of the railroad tracks at Sunset Lane and Townline Road, Independence. Canadian Pacific Railroad was contacted to respond for repairs.

Harassment

Sept 25 10:51 a.m. Vinland National Center, Independence. Reported a male has been making lewd and inappropriate comments to a female and Vinland is discharging him because of his behavior.

Drug Overdose

Sept 26 1:44 a.m. Vinland National Center, Independence. Reported a male had taken a large amount of Benadryl, 80 - 25ml pills and he was feeling 'weird'. He said was trying to get high. He had a high pulse of around 145 and was transported to the hospital by ambulance.

Parking Complaint

Sept 26 Drake Street, Maple Plain Caller reported construction cars were parked on the both sides of Drake Street and her van could barely make it through the street. Today is garbage day and she wanted the road opened for the trucks to get down the street.

Gross Misdemeanor – 3rd Degree DWI

Sept 28 7:35 a.m. Co Rd 11 and Townline Rd, Independence, Driving conduct complaint of a vehicle that was weaving all over the road, driving into lanes of oncoming traffic, driving in the wrong lane going over a hill, driving without its headlights, narrowly missing several vehicles and a school bus loaded with kids. Second call received that the vehicle had pulled into a gas station at the intersection of Hwy 55 and Co 19 and hit a parking lot light pole, damaging the car. The driver Mark Gregory Nolan, 50 from Delano gave a breath test resulting in a .23% breath alcohol concentration. Nolan was arrested for 3rd Degree DWI and booked into Hennepin County Jail.

Citation

Sept 29 County Road 29/Hwy 12, Maple Plain. Driver cited for going through a red light, almost hitting a pedestrian.

2nd Degree DWI

Sept 30 Vehicle was driven around the barricaded "road closed to thru traffic" on Budd Ave., Maple Plain. Vehicle was stopped; the driver and passenger knew the road was closed and drove through the area 'just to do some four-wheeling'. The driver, Christopher Jon Herdegen, 32 of Medina was found under the influence of alcohol and open bottles of Fireball Whiskey were inside the vehicle. Herdegen submitted a breath sample which resulted in .20% Breath Alcohol Concentration. Herdegen was arrested for 2nd Degree DWI, Open Bottle and transported and booked into Hennepin County Jail. The passenger was given a ride home. Herdegen vehicle is under forfeiture.

City of Independence

UPDATE TO CITY'S FEE SCHEDULE

To: City Council
From: Mark Kaltsas, Interim City Administrator
Meeting Date: October 25, 2016

UPDATE:

Following City Council Discussion at the last meeting, staff reviewed the proposed fee schedule changes. Staff evaluated the nexus and proportionality of the fees compared to the costs incurred for providing the services and believes that the proposed changes reflect the actual costs. Staff made changes to the proposed Type I and II applications to include simple versus complex applications. These changes are reflected in the proposed table found below in this report.

Request:

Staff has been discussing the fee schedule relating to planning and zoning applications internally for several months. Historically, the City has received feedback relating to confusion in understanding the fees associated with various land use applications. The primary issue that has been identified is that the City charges an application fee and then also requires an escrow fee for every application. Applicants have misunderstood that the application fee does not cover the costs for consultant fees associated with reviewing an application. The City has utilized the application fee to cover the administrative costs associated with processing an application. The initial fee for most applications is \$500. The City historically has utilized the escrow to pay for consultant fees associated with processing an application. Typical administrative costs include:

1. Newspaper publication (\$35)
2. Administrative staff time to prepare mailing labels and send notices (1-2 hours -\$100)
3. Administrative staff time to prepare Planning commission and City Council packets (2 hr. each - \$200)
4. Administrative staff time involving correspondence, filing and miscellaneous (2-4 hours - \$20)

In an effort to ensure that the City recaptures the actual costs of reviewing and processing planning and zoning applications, the City would recommend that the fees be updated.

The City currently charges approximately \$500 for most planning applications and then requires an escrow fee which ranges between \$1,000 and \$1,500. In order to simplify the fee schedule, staff has looked at increasing the application fee to cover the typical consultant cost for reviewing an application and then in turn reducing the amount of deposit required. The term escrow will be changed to deposit to clarify how the payment will be used. The overall amount charged to an applicant would remain approximately the same.

The typical cost associated with the consultants (planning, water resources/engineering, legal) review of an application ranges between \$500 and \$750 for a standard planning application.

In order to understand how Independence compares to surrounding communities, staff reviewed several fee schedules from surrounding cities (see attached). The fees vary amongst the cities; however, all cities tend to charge a base fee and then state that applicants will be charged for the actual costs charged by the cities consultants for reviewing the application. Based on the fees charged by surrounding cities, it appears that Independence is consistent with or often charges less for similar applications.

Discussion:

By simplifying the application and establishing a higher base application fee, staff believes that the applicants will better understand the actual costs associated with processing an application. Staff has reviewed the fee schedule and is proposing to make the following changes to the fee schedule:

ZONING FEES

Conditional Use Permit (CUP)	
Agricultural	\$ 500
+ \$1500 escrow	
Residential	\$ 500
+ \$1500 escrow	
Institutional	\$ 500
+ \$1500 escrow	
Guest/Bunk House	\$ 500
+ \$1500 escrow	
Non-conforming Use	\$ 750
+ \$1500 escrow	
Commercial/Light Industrial	\$ 750
+ \$2000 escrow	
CUP Amendment	\$ 500
+ \$1500 escrow	
Interim Use Permit	\$ 750
+ \$1,500 escrow	
Commercial Kennel License	\$ 500
+ \$1500 escrow	
Extension	\$ 250
Appeal Admin. Decision	\$ 750
Move Building	\$ 175
Vacate Right-of-way/Easement	\$ 300
Right-of-way permit	\$ 75
Preliminary plat	\$ 750
+ \$1500 escrow	
Final Plat	\$ 750

+ \$1500 escrow	
Site Plan Review:	\$ 500
+ \$1500 escrow	
Subdivision 2 lots or less	\$ 750
+ \$1500 escrow	
Subdivision 3 lots or more	\$ 1500
+ \$3000 escrow + \$100/lot	
Consolidate lots	\$ 500
+ \$500 escrow	
Lot line rearrangement	\$ 500
+ \$1000 escrow	

Planning Application Type I - Application Fee: \$1,250/Additional Fee Deposit \$750

- Minor Subdivision (Lot Line Rearrangement, Lot Consolidation, Rural View Lot Subdivision, Lot Split – 2 lots or less)
- Rezoning
- Conditional Use Permit (residential)
- Interim Use Permit (residential)
- Right of Way or Easement Vacation
- Simple Concept Plan
- Simple Zoning Text Amendment
- Simple Site Plan Review

Planning Application Type II - Application Fee: \$1,750/Additional Fee Deposit \$1,500

- Preliminary Plat (3 lots or more) – (plus \$250 per lot)
- Final Plat (plus \$250 per lot)
- Conditional Use Permit (commercial)
- Interim Use Permit (commercial)
- Comprehensive Plan Amendment
- Complex Concept Plan
- Complex Site Plan Review
- Complex Zoning Text Amendment

In addition to the planning and zoning fees, staff is also recommending that we update non-resident rates for the community center rental. The proposed changes are as follows:

COMMUNITY ROOM RENTAL

(maximum 200 guests)

Non-Profit	\$ 75
Security /Damage Deposit	\$ 650
False Fire Alarm	\$ 350
Organizations regular mtgs.	\$ 100
Events under 50 – resident	\$ 150

Events under 50 – <i>non-resident</i>	\$ 200 \$250
Events 50 – 100 – resident	\$ 200
Events 50 – 100 – <i>non-resident</i>	\$ 300 \$400
Events 101 – 150 – resident	\$ 300
Events 101 – 150 – <i>non-resident</i>	\$ 400 \$500
Events 151 – 200 – resident	\$ 400
Events 151 – 200 – <i>non-resident</i>	\$ 500 \$750
Funeral – resident	\$ 50
Funeral – <i>non-resident</i>	\$ 100
Wedding – resident	\$ 400
Wedding – <i>non-resident</i>	\$ 600 \$1,000

Recommendation:

Staff is seeking consideration from Council relating to the adoption of Resolution No. 16-1025-04 approving an update to the Fee Schedule.

Attachments:

1. Fee Schedule
2. RESOLUTION NO. 16-1025-01

LIQUOR LICENSES

Wine, on sale	\$ 600
On-sale intoxicating	\$5500
Off-sale intoxicating	\$ 240
Sunday On-sale	\$ 200
Beer Off-sale	\$ 50
Beer On-sale	\$ 500
Setup	\$ 500
Investigation fee	\$ 500
Temporary liquor (1-4 days)	\$ 100/day

DOG LICENSES

Lifetime License	\$ 20
Replacement tag	\$ 2
Dangerous Dog annual fee	\$ 500
Dog Impound Fee 1 st Violation	\$ 35
2 nd Violation	\$ 70
3 rd Violation	\$ 105

SERVICE FEES

Address Labels	\$ 50
Address List	\$ 30
Copies 8 ½ x 11	\$.25
Copies, Oversize	\$.50
Copies: City Code Book	\$ 60
Copies: Subdivision Ordinance	\$ 15
Copies: Zoning Ordinance	\$ 15
Copies: Shoreland Ordinance	\$ 15
Copies: City Comp. Plan	\$ 40
Copies: Park Comp. Plan	\$ 15
Copies: Audit Book	\$ 45
City Address Map	\$ 8
Zoning Map (color)	\$ 3
Land Use Map (color)	\$ 3
Assessment Search written req.	\$ 25
Flood Zone Search written req.	\$ 25
Ag Preserve Application	\$ 50
Ag Preserve Expiration	\$ 50
NSF Check	\$ 30
Special Council Meeting fee	\$ 250
Election Filing fee	\$ 2

SIGN PERMIT

Temporary (administrative)	\$ 100
Permanent Sign/Site Plan Review	\$ 250

ZONING FEES

Conditional Use Permit (CUP)	
Agricultural	\$ 500
+ \$1500 escrow	
Residential	\$ 500
+ \$1500 escrow	
Institutional	\$ 500
+ \$1500 escrow	
Guest/Bunk House	\$ 500
+ \$1500 escrow	
Non-conforming Use	\$ 750
+ \$1500 escrow	
Commercial/Light Industrial	\$ 750
+ \$2000 escrow	
CUP Amendment	\$ 500
+ \$1500 escrow	
Interim Use Permit	\$ 750
+ \$1,500 escrow	
Commercial Kennel License	\$ 500
+ \$1500 escrow	
Extension	\$ 250
Appeal Admin. Decision	\$ 750
Move Building	\$ 175
Vacate Right-of-way/Easement	\$ 300
Right-of-way permit	\$ 75
Preliminary plat	\$ 750
+ \$1500 escrow	
Final Plat	\$ 750
+ \$1500 escrow	
Site Plan Review:	\$ 500
+ \$1500 escrow	
Subdivision 2 lots or less	\$ 750
+ \$1500 escrow	
Subdivision 3 lots or more	\$ 1500
+ \$3000 escrow + \$100/lot	
Consolidate lots	\$ 500
+ \$500 escrow	
Lot line rearrangement	\$ 500
+ \$1000 escrow	
After-the-fact fees	double
Variance	\$ 500
+ \$1000 escrow	
Road Frontage Variance	\$ 200
+ \$250 escrow	
Comp. Plan Amendment	\$ 1500
+ \$500 escrow	
Zoning Text Amendment	\$1,000
Zoning appeal	\$ 500

+ \$500 escrow	
Rezoning	\$ 500
+ \$500 escrow	

Grading Permit (100 cu yd or more)	\$ 500
(if less than 100 cu. yd, no permit required.)	

Other (non-defined) Planning/Review	\$250
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After-the-fact fees	Double
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Staff time in excess of application fees:	
Professional per hour	\$ 75
Clerical per hour	\$ 50

PARK DEDICATION FEES

\$3500 per lot to 4.99 acres + \$750 per acre over 5 acres.

MISC. PERMIT FEES

Fireworks Dealer License	\$ 75
Tower (wireless communication)	\$1000

LICENSES

Garbage hauler/per year	\$ 150
Per truck per year	\$ 20
Tobacco	\$ 100
1 st Offense	\$ 75
2 nd Offense	\$ 200
3 rd Offense & over	\$ 250
Solicitation	\$ 100

FLAT FEE BUILDING PERMIT FEES

Mechanical	
Furnace	\$ 100
Air Conditioner	\$ 100
Gas Fireplace	\$ 100
Water Heater	\$ 50
Wood stove/fireplace	\$ 100
Chimney	\$ 100
Fuel tank removal	\$ 100
Lawn Sprinkler	\$ 100
Plumbing remodel	\$ 100
Plumbing new	\$ 100
(\$10 per fixture over five)	

Re-roof	\$ 100
Re-side	\$ 100
Window replacement same size	\$ 100 +
	\$10/window

Flat Fee State Permit Surcharge Add \$ 1
(Example: A/C + Furnace = \$201)

Demolition	\$ 100
Driveway	\$ 100

All Other Building Permits Based on Value

Electrical Permits (Contact State)

SEPTIC FEES

Private On-site Permit	\$ 300
Mound Repair	\$ 150
Abandonment of System/Tank	\$ 75
Holding Tank with Pumping Agreement	\$ 100
First Year	\$ 50
Annual	\$ 25
Operating Permit Business	\$ 175
First Year	\$ 175
Annual	\$ 75
Mid-Size System	\$ 400
+ \$1,000 escrow	

Total Sewer Connection Fee	\$ 3762.50
- Includes \$ 1160 City Sewer Permit	
- Includes \$ 117.50 Street to house connect	
- Includes \$ 2485 SAC (MUSA line)	
Availability charge per year	\$ 124
Quarterly sewer access charge (dwellings not connected to available sewer)	\$ 163
SAC (MUSA line)	\$ 2485
Winter septic holding tank escrow*	\$ 8000
*Plus Administrative fee	\$ 55

OTHER INSPECTION FEES

Investigation/Re-inspection Fee	\$ 100/1 st Hr
	\$ 50/add'l Hr
Fire Damage Inspection	\$ 100

COMMUNITY ROOM RENTAL
(maximum 200 guests)

Non-Profit	\$ 75
Security /Damage Deposit	\$ 650
False Fire Alarm	\$ 350
Organizations regular mtgs.	\$ 100
Events under 50 – resident	\$ 150
Events under 50 – <i>non-resident</i>	\$ 200
Events 50 – 100 – resident	\$ 200
Events 50 – 100 – <i>non-resident</i>	\$ 300
Events 101 – 150 – resident	\$ 300
Events 101 – 150 – <i>non-resident</i>	\$ 400
Events 151 – 200 – resident	\$ 400
Events 151 – 200 – <i>non-resident</i>	\$ 500
Funeral – resident	\$ 50
Funeral – <i>non-resident</i>	\$ 100
Wedding – resident	\$ 400
Wedding – <i>non-resident</i>	\$ 600

CONFERENCE ROOM RENTAL
(seats 25 people)

Rent per day	\$ 100
with kitchen	\$ 150
per hour	\$ 35

PARK RENTAL FEES

Commercial, daily - resident	\$ 200
Commercial, daily - <i>non-resident</i>	\$ 300
Individual, daily - resident	\$ 75
Individual, daily – <i>non-resident</i>	\$ 150
(Liability Insurance Required)	

FREQUENTLY CALLED NUMBERS

Public Works Director Larry Ende	763-479-0530
Interim Administrator Mark Kaltsas	763-479-0527
Building Inspector Bruce Satek	763-479-0531
Administrative Asst. Beth Horner	763-479-0527
Office Assistant Trish Bemmels	763-479-0514
West Hennepin Public Safety	763-479-0500
Burn permits WHPS	763-479-0500
Hennepin County	612-348-3000

FEE SCHEDULE

Effective September 1, 2003
Revised September 8, 2015



1920 COUNTY ROAD 90
INDEPENDENCE MN 55359

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ALL FEES ARE NON-REFUNDABLE.
Fees are Subject to change



RESOLUTION NO. 16-1025-01

A RESOLUTION APPROVING AN UPDATE TO THE
FEE SCHEDULE

WHEREAS, the City of Independence (the "City") is a municipal corporation under the laws of Minnesota; and

WHEREAS, the City has adopted a Fee Schedule to set forth fees for certain services provided by the City;

AND WHEREAS, the Fee Schedule is referred to in the City's Code of Ordinances and determined to be necessary to ensure that the City is reimbursed for the cost of providing the services.

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

1. The Fee Schedule is hereby adopted.

This resolution was adopted by the City Council of the City of Independence on this 25th day of October, 2016, by a vote of ___ ayes and ___ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

(SEAL)

City of Independence

Sewer Rate Study and Public Informational Meetings

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: October 25, 2016

Discussion:

Staff has been working on final revisions to the sewer rate study and would like to begin planning several sewer rate information meetings/open houses for residents in an effort to describe and answer questions relating to the proposed rate changes for 2017. Staff has spent a considerable amount of time reviewing every house file for properties located in the sewer services areas of the City to better understand how many houses are connected and if not connected, the status of their on-site systems. Staff identified an additional 15 houses that have sewer available but have not been paying the availability charge. The City is anticipating that these properties will be charged the availability charge starting in 2017. The Study identifies the need to increase the sewer rate for connected homes by 8% in 2017, 10% in 2018-2019 and then by 3% annually thereafter. In addition, the study recommends that the City increase the availability charge so that the cost to operate and maintain the system is spread across all benefiting properties. These increases will allow the Sewer Fund to build a positive cash balance that will sustain the fund and allow for the maintenance and operation of the system. The proposed fee increases for 2017 are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
1. Residential Connected to Sewer -	\$169 per qtr.	\$181 per qtr.
2. Residential Availability Charge -	\$32 per qtr.	\$90.75 per qtr.

Staff is recommending that we hold two (2) open houses in an effort to solicit feedback and provide residents with the findings of the study. The open houses could be held prior to the next two City Council Meetings on November 15 and November 29, 2016 at 6:30 pm. Staff is seeking Council direction relating to the sewer informational meetings.

Attachments: Updated Sewer Rate Study

Sewer Rate Study

City of Independence
Independence, Minnesota

October 13, 2016

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
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October 13, 2016

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INTRODUCTORY SECTION

CITY OF INDEPENDENCE
INDEPENDENCE, MINNESOTA

October 13, 2016

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
October 13, 2016

I. INTRODUCTION

The City of Independence, Minnesota (the City) owns and operates sewer utilities. These services are provided to roughly 225 residential and commercial customers and charges for availability to another 26 parcels. The City estimates new connections as outlined on the assumptions page. Since the annual expectation for increased connections is fairly low, the City will need to rely primarily on rate increases in order to fund increased operating costs and future capital needs.

This rate study analyzes the cash flows of the sewer utilities and sewer access charge funds of the City. Sources and uses of cash are projected for the years ending December 31, 2016 to December 31, 2025. The study uses the current number and type of accounts to project future revenue at a suggested rate for each of the utility funds, each year.

Annual capital costs are projected separately for each of the funds for the projection period. The City has an updated capital improvement plan that goes from 2016 to 2025. Projections anticipate bonded street projects for each of the next five years.

The Sewer fund has had negative cash from operations for each of the previous three years presented. In order to fund future operations, capital and debt, it will be necessary to increase rates and consider establishing a sewer district for the all potential users of the system.

The financial projection is based on billings at the current rate inflated (current state) and billings increased over a 10 year period sufficient to generate positive cash flow (Scenario 1). Expense assumptions are outlined in the assumptions section on the following page and present, to the best of management's knowledge and belief, the City's expected results of cash flows for the projection period if such uses of cash occur. Accordingly, the projection reflects management's judgment, as of the date of this projection, of the expected conditions and the City's expected course of action if such usage and expense totals were attained. The presentation is designed to provide information to the City Council concerning recovery of expenses that might be achieved if rates were adjusted and should not be considered to be a presentation of expected future results. Accordingly, this projection may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projection. Furthermore, there will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
October 13, 2016

II. ASSUMPTIONS

Overall Assumptions:

- Debt is based on estimated Bond issues and existing debt schedules
- 3% increase in revenue for inflation
- 3% increase for inflation for capital contributions
- 2% increase in expenditures for inflation
- 3% increase for cost of expansion
- 3% increase in other operating revenue
- .5% return for investment income.
- \$20,000 wage reduction in 2017 due to reallocating wages to reflect actual.
- \$35,000 capital outlay in 2017, financed by rates
- \$75,000 capital outlay in 2017, financed by the Lindgren Lane property sale
- \$80,000 transfer of Lindgren Lane property for parks
- Depreciation is not factored into operating expenses but is factored by establishing a cash reserve target based on the assumption of funding depreciation.

Current State:

- Current rates are to be continued assuming the above assumptions.
- An increase in three users per year and assessment fees in place for 9 units over the next 5 years

Scenario 1:

Summary - In Scenario 1, rates were increased to hit a cash target after 10 years. In order to achieve this goal, an increase of rates is as follows:

- Increase of rates of 8% in 2017 and 10% in years 2018 to 2019
- Increase of rates of 3% in following years
- Availability charges are increased to be half of the current residential rates. The current ordinance reflects the fact that outstanding availability lots were to be hooked up to the system by now.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Increase in Users	7	3	3	3	3	3	3	3	3	3	3
Total customers											
Residential	221	224	227	230	233	236	239	242	245	248	251
Commercial	1	1	1	1	1	1	1	1	1	1	1
Residential cluster	3	3	3	3	3	3	3	3	3	3	3
Residential Availability	26	26	41	41	41	41	41	41	41	41	41
	0	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Connection fee revenue											
\$ 1,160	\$ 8,120	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480
Assessment fee											
\$ 9,550		\$ 19,100	\$ 19,100	\$ 19,100	\$ 19,100	\$ 9,550					

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
October 13, 2016

III. SEWER RATE STUDY

Sewer utilities operating fund

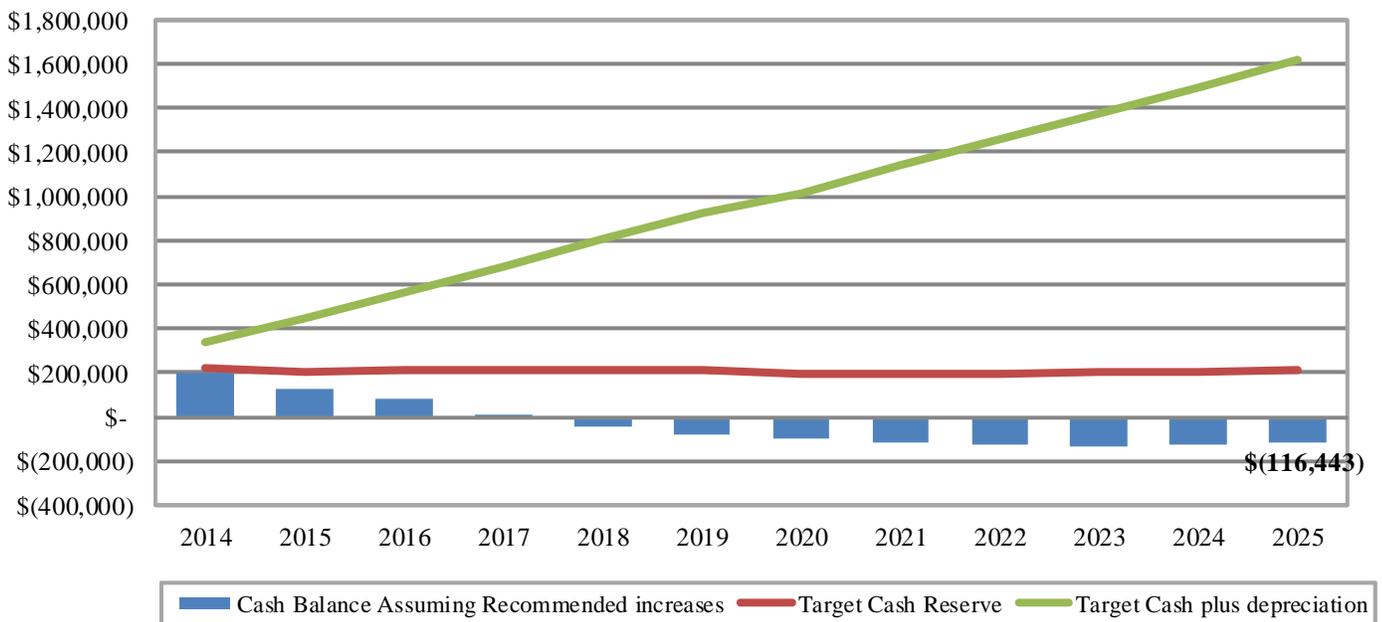
Goal

- Sewer Operating fund to maintain a targeted cash balance. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs. There isn't an amount built in for depreciation recovery.

Current state

The current rate for residential is \$168 per quarter, \$128 for availability and commercial is \$871 per quarter. Based on the current state with only inflationary increases in rates the cash balance of the fund is projected to be as follows:

Current State - Projected and Target Sewer Cash Balances



The City has sufficient special assessments and property taxes to fund debt service but does not have sufficient operating cash. In addition, the City is not addressing any funding for depreciation at the current time. The combination of these two issues will make it extremely difficult to fund future operations unless some significant rate changes are made.

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
October 13, 2016

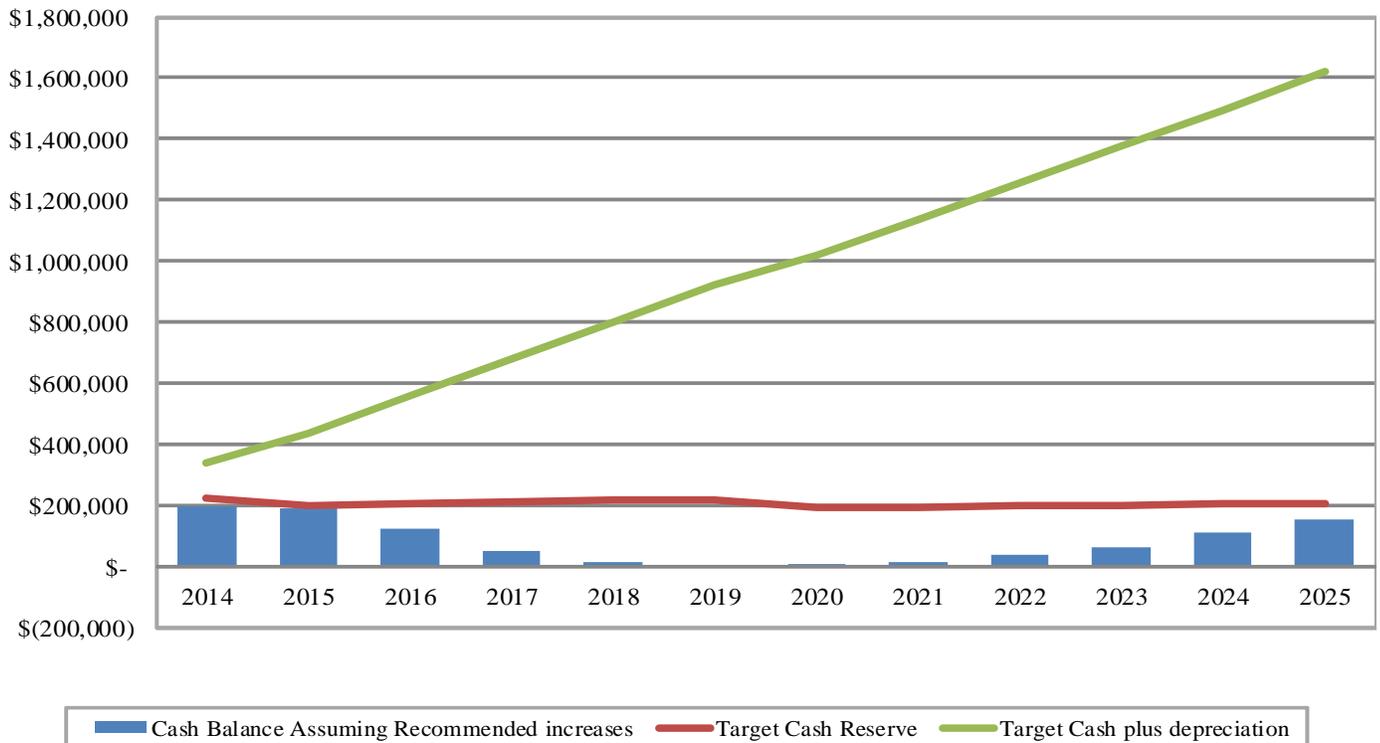
III. SEWER RATE STUDY - CONTINUED

Scenario 1- Inflates rates sufficient to generate positive operating cash and to generate a sufficient working capital target. Rates needed are identified below:

	Current rate	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Proposed Rate Quarterly		0%	8%	10%	10%	8%	5%	5%	5%	5%	5%
Residential	\$ 168	\$ 168	\$ 181	\$ 200	\$ 220	\$ 237	\$ 249	\$ 261	\$ 274	\$ 288	\$ 303
Commercial	871	871	941	1,035	1,138	1,229	1,291	1,355	1,423	1,494	1,569
Residential cluster	77	77	83	91	100	108	113	119	125	131	138
Availability	32	32	91	100	110	119	124	131	137	144	151
Proposed Rate Annual											
Residential	\$ 672	\$ 672	\$ 726	\$ 798	\$ 878	\$ 948	\$ 996	\$ 1,046	\$ 1,098	\$ 1,153	1,210
Commercial	3,484	3,484	3,763	4,139	4,553	4,917	5,163	5,421	5,692	5,977	6,276
Residential cluster	306	306	330	364	400	432	453	476	500	525	551
Availability	128	128	363	399	439	474	498	523	549	576	605

If the rate increases are implemented as presented above, the cash balances of the fund will be as follows:

Scenario 1 - Projected and Target Sewer Cash Balances



Steadily increasing cash balances are achieved starting in 2019 and continue through the projection period. The City will then be on a path to building reserves for future capital repair and replacement that certainly will be needed. This is indicated by the increasing line for target cash plus depreciation.

CITY OF INDEPENDENCE, MINNESOTA
SEWER RATE STUDY
October 13, 2016

Summary

As evidenced in the discussion above, maintaining the current structure, even if inflationary increases are done, is not an option. It appears that Scenario 1 rate increases will allow the City to achieve its targeted cash balance by the end of the 10 year projection period and start to build cash reserves that will be needed for future repair and replacement.

SUPPLEMENTARY INFORMATION

CITY OF INDEPENDENCE
INDEPENDENCE, MINNESOTA

October 13, 2016