



Workshop: 5:00 p.m.
Regular City Council Meeting: 6:00 p.m.
Tuesday, July 21, 2015
Lakeland City Hall

CITY COUNCIL WORKSHOP:
CITY FACILITIES TASK FORCE UPDATE – CRAIG MORRIS
PUBLIC WORKS REORGANIZATION/SNOWPLOWING

REGULAR CITY COUNCIL MEETING AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ADOPT AGENDA
4. CONSENT AGENDA (Items may be pulled for discussion and/or separate action)
 - A. City Council Meeting Minutes June 16, 2015
 - B. Deputy Clerk Hire: Halli Sevilla
 - C. Monthly List of Claims
 - D. City Treasurer's Report
5. AGENCY REPORTS
 - A. Law Enforcement Report
 - B. Fire Department Report
 - C. Government Affairs Report
6. OPEN FORUM (Public comments, presentations and petitions)
 - A. Bike Trail – Robert Craggs
7. CITY BUSINESS
 - A. Ordinance 7546 Amending City Code Chapter 33 Pertaining to Master Fee Schedule
 - B. Ordinance 7547 Electric Franchise Ordinance with Xcel Energy and Summary Publication
 - C. Resolution 2015-28 Bond Re-Funding Northland Securities
 - D. Building Official/Inspection Services
 - E. 2016 Budget and Levy Draft
 - F. Variance Escrow Refund
8. CITY STAFF REPORTS
9. MAYOR AND CITY COUNCIL REPORTS
10. ADJOURN



Public Works Department

1190 St Croix Trail South
Lakeland MN 55043
Voice: 651-436-8044
Fax: 651-436-3949
E-mail: waterdept@ci.lakeland.mn.us

To: Lakeland City Council

From: Matt Kline | Director of Public Works

Date: July 21, 2015

RE: Public Works Options

Background

At the June Workshop, City Council requested a more in depth look into a few questions regarding contracting snowplowing. Staff also took this opportunity to look at the budget moving forward in order to solidify the cost of keeping snowplowing in house and the savings of contracting out.

Contractor Questions:

1. Would a local contractor be willing to work on a contract that has a limited budget?
 - a. Depending on the budgeted amount, the local contractor that I contacted wasn't likely willing to enter into that type of contract.
2. Would a local contractor be willing to do a one year contract?
 - a. The local contractor that I contacted was willing to perform on a one year contract at a higher rate. The contractor recently signed a 5 year contract with a local city for a service rate of \$85/hour. He indicated his rate would likely climb to \$95-100/hour with a one year contract. The contractor also indicated that he already owned enough equipment to perform snow plowing duties and would be willing to make a proposal for any RFP requested.
3. What would be the worst case budget scenario in regards to contractor cost?
 - a. The City of LSCB has not overly exceeded their budget in any of the past 5 years. However, the City of Afton had a one year exceedance of 1.5 times their budgeted amount within the last 5 years. If we take our estimated contractor amount of \$40,000 times 1.5 we end up with a worst case scenario of \$60,000.
4. How would the city bid for snow plowing services?

- a. Since the estimated amount of the snowplowing service is between \$25,000 and \$100,000, the city is allowed to accept quotes from at least two qualified contractors for the services. Another method used by cities is the issuance of a request for proposal (RFP). Both of these methods would allow the city to procure a contractor based upon requests within the city proposal rather than lowest rate.

Revamped Cost Savings

As indicated above, I also reviewed the numbers as presented at the last workshop. I had indicated that based on a \$40,000 dollar contractor budget the city would be saving about \$35,000 per year. After reviewing our current budget, Tom and I are in agreement that the savings could be closer to \$25,000 for 2016 and beyond. This is due to the existence of the vehicle replacement fund (\$110,000), the carry over budget from 2015 (\$23,000), and the reduction of the proposed 2016 Snow/Ice Budget. A comparison of the two budgets is as follows:

Lakeland’s 2015 budget for snowplowing is \$84,000 (\$77,000 from levy and \$7,000 from service charges) and the proposed 2016 budget is \$73,000 (\$66,000 from levy and \$7,000 from service charges).

	2015	2016 Proposed	Price Difference
Wages, Taxes, Benefits	\$10,000	\$11,000	+\$1,000
Building Rent	\$20,500	\$20,500	
Building Expenses	\$3,000	\$3,000	
Insurance	\$1,500	\$1,500	
Vehicle Replacement	\$24,000	\$17,000	-\$7,000
Fuel/Maintenance	\$15,000	\$11,000	-\$4,000
Equipment Maintenance/Rental	\$3,000	\$3,000	
Sand/Salt	\$6,000	\$5,000	-\$1,000

Other	\$1,000	\$1,000	
Subtotal	\$84,000	\$73,000	-\$11,000

Combining the vehicle replacement budget, the 2015 carryover budget, the 2015 vehicle replacement line item, the 2016 vehicle replacement line item, and the estimated sale of one of the 5 ton plow trucks results in an amount of \$157,735 being available for the purchase of a new plow truck in the fall of 2016.

The revamped budget still allows the city to make payments on the loan for the one ton truck and in three years allow for acquiring a loan on a used 5 ton plow truck. This budget will also set aside an estimated \$190,000 over the next 20 years for the purchase of another new 5 ton plow truck.

Recommendation

The question still remains about the value of keeping snow plowing in house versus cost savings. The added value of having another full time employee for water, parks, streets, and on-call emergency duties must be weighed against the estimated costs savings of roughly \$25,000 when snowplowing is outsourced.

Tom and I are in agreement that whatever decision is made the city should shy away from attempting to proceed with a one year experiment. The budget implications of such a move and the increased cost of a one year contract are not worth the experiment.

Staff would still recommend keeping snow plowing in house due to internal controls, the added value of another employee for all aspects of city work, and the ability to provide a service to our community that has been appreciated for the past seven years.

Direction

Staff is seeking direction moving forward.

If snowplowing is kept in house, staff will move forward with the hiring process of another public works employee and continue as is.

If snowplowing is outsourced, staff will move forward with acquiring quotes from local contractors. The possible subletting of the current shop and selling of the snowplows will also need to be explored.



Public Works Department

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To: Lakeland City Council

From: Matt Kline | Director of Public Works

Date: July 21, 2015

RE: Public Works Benefits/Wages

Background

At the June City Council workshop, there was consensus to bring a full comparison of wages and benefits of cities that are similar to Lakeland in size, location, number of workers, and duties. I've included the comparison chart with this memo.

Discussion

Overall, Lakeland has lower wages and fewer benefits than the other cities on the chart. Lakeland does provide excellent health and dental insurance coverage for single employees when compared to the other cities but the city does not provide family insurance coverage.

The PW 1 position is for entry level public works employees who either do not have a Certified Water License or possess a Class D water license.

The PW2 position is for public works employees who have their Class C water license.

For Example: Jake received his Class C water license last fall and would fall under the 1st year category of the PW 2 position.

Recommendation

Staff recommends that the city council consider adoption of the proposed wage scale located within the chart. Other benefits, such as insurance coverage, on-call pay, and other benefits

should also be considered at a later date due to the need to change the personnel policy along with the need to budget for such items.

Wage/Benefit Comparison PW/Water

City	Pop.	Wages										On-Call Pay			Insurance		
		1st Year	% Increase	2nd Year	% Increase	3rd Year	% Increase	4th Year	% Increase	5th Year	Weekends/Holiday	Weekdays	Call-In Pay	Single	Family	Dental	
Lakeland	1896	16	6%	17	6%	18						2 Hours (Base Pay) Comp Time Per Day	None	Minimum 2 Hours at 1.5 times Pay	City pays the equivalent of 100% of the single premium coverage amount (\$754/month) towards insurance or as a stipend. Excess family premiums are covered by the employee.		City pays 100% of Singles Premium
Oak Park Heights	4339	18.19	14%	20.79	13%	23.39	11%	25.99				1 Hour OT Each day + 3 hours each day for Pump checks	None	Minimum 2 Hours at 1.5 times Pay	High Deductible HSA: City pays 100% Premium and provides \$1800/year towards \$2,000 deductible	High Deductible HSA: City pays 100% Premium and provides \$600/year towards \$4,000 deductible	City pays 79.5% of Family Premium and 84.5% of Single Premium
Bayport	3471	20.69	6%	21.83	5%	23.03	6%	24.32	5%	25.47		3 Hours (Base Pay) Comp Time Banked or Paid Out	None	Minimum 2 Hours at 1.5 times Pay	City Pays 100% of Premium and 85% of HSA	City Pays 90% of Premium and 85% of HSA	City pays Single Coverage Only
Scandia	3936	20.62	5%	21.56	5%	22.66	2%	23.11	2%	23.57	\$70 Per Day	\$25 Dollars Per Day	Minimum 2 Hours at 1.5 times Pay	High Deductible HSA: City pays 100% Premium and provides \$1260/year towards \$1500 deductible	High Deductible HSA: City pays 80% Premium and provides \$1680year towards \$3,000 deductible		
Lexington	2049	23.06	6%	24.47	3%	25.21	3%	25.96	3%	26.61	\$45 Per Day	\$30 Per Day	Minimum 2 Hours at 1.5 times Pay	City contributes up to \$1,100 per month for health and dental plans. Excess premiums are covered by the employee.			
Lauderdale	2379	21.69										3.5 Hours (Base pay) Per Day	1/2 Hr Regular Pay Per Day	Minimum 2 Hours at 1.5 times Pay	City contributes up to \$900 per month for health and dental plans. Excess premiums are covered by the employee.		
Average Excluding Lakeland		20.85		22.16		23.57		24.85		25.217							

Wage/Benefit Comparison PW/Water

		Wages									On-Call Pay			Insurance		
City	Pop.	1st Year	% Increase	2nd Year	% Increase	3rd Year	% Increase	4th Year	% Increase	5th Year	Weekends/Holiday	Weekdays	Call-In Pay	Single	Family	Dental
Lakeland																
Proposed PW 1		18.00	2%	18.36	2%	18.73	2%	19.1	2%	19.48	3 Hours (Base Pay) Comp Time Banked or Paid Out	TBD	Minimum 2 Hours at 1.5 times Pay	TBD	TBD	TBD
Proposed PW 2		20.50	2%	20.91	2%	21.33	2%	21.75	2%	22.19	3 Hours (Base Pay) Comp Time Banked or Paid Out	TBD	Minimum 2 Hours at 1.5 times Pay	TBD	TBD	TBD

Wage/Benefit Comparison PW/Water

City	Pop.	Wages										On-Call Pay			Life	Miscellaneous	
		1st Year	% Increase	2nd Year	% Increase	3rd Year	% Increase	4th Year	% Increase	5th Year	Weekends/Holiday	Weekdays	Call-In Pay	Clothing Allowance	Insurance		
Lakeland	1896	16	6%	17	6%	18						2 Hours (Base Pay) Comp Time Per Day	None	Minimum 2 Hours at 1.5 times Pay	No Policy, PW Dept has provided Winter Jackets	\$10,000 Policy	
Oak Park Heights	4339	18.19	14%	20.79	13%	23.39	11%	25.99				1 Hour OT Each day + 3 hours each day for Pump checks	None	Minimum 2 Hours at 1.5 times Pay	All uniforms and equipment provided by the city	\$50,000 Policy	Longevity & Educational Pay, Health & Wellness Incentive,
Bayport	3471	20.69	6%	21.83	5%	23.03	6%	24.32	5%	25.47		3 Hours (Base Pay) Comp Time Banked or Paid Out	None	Minimum 2 Hours at 1.5 times Pay	\$450	\$40,000 Policy	Water License Incentive, Severance Pay
Scandia	3936	20.62	5%	21.56	5%	22.66	2%	23.11	2%	23.57	\$70 Per Day	\$25 Dollars Per Day	Minimum 2 Hours at 1.5 times Pay	Clothing and Boot Allowance: \$350	\$15,000 Policy	Severance Pay	
Lexington	2049	23.06	6%	24.47	3%	25.21	3%	25.96	3%	26.61	\$45 Per Day	\$30 Per Day	Minimum 2 Hours at 1.5 times Pay	\$400	\$25,000 Policy	Additional Skills Pay (Water Cert., Technology, Etc.),	
Lauderdale	2379	21.69										3.5 Hours (Base pay) Per Day	1/2 Hr Regular Pay Per Day	Minimum 2 Hours at 1.5 times Pay	Appropriate uniforms (pants and shirts) and footwear provided by the city	Equal to Annual Salary Up to \$50,000	
Average Excluding Lakeland		20.85		22.16		23.57		24.85		25.217							

Wage/Benefit Comparison PW/Water

City	Pop.	Wages									On-Call Pay			Life	Miscellaneous	
		1st Year	% Increase	2nd Year	% Increase	3rd Year	% Increase	4th Year	% Increase	5th Year	Weekends/Holiday	Weekdays	Call-In Pay	Clothing Allowance		Insurance
Lakeland																
Proposed PW 1		18.00	2%	18.36	2%	18.73	2%	19.1	2%	19.48	3 Hours (Base Pay) Comp Time Banked or Paid Out	TBD	Minimum 2 Hours at 1.5 times Pay	Clothing and Boot Allowance: \$350	\$10,000 Policy	TBD
Proposed PW 2		20.50	2%	20.91	2%	21.33	2%	21.75	2%	22.19	3 Hours (Base Pay) Comp Time Banked or Paid Out	TBD	Minimum 2 Hours at 1.5 times Pay	Clothing and Boot Allowance: \$350	\$10,000 Policy	TBD

OFFICIAL RECORDED MINUTES OF LAKELAND CITY COUNCIL MEETING
TUESDAY, JUNE 16, 2015

CITY COUNCIL PRESENT: Mayor Amy Williams, Council Member Richard Glasgow, Council Member Jeri Ryan, Council Member Joe Paiement, Council Member Evan Loenser

STAFF PRESENT: Public Works Director Matt Kline, City Administrator/Clerk Sandie Thone, City Attorney Josh Brekken, City Treasurer Tom Niedzwiecki

OTHERS PRESENT: Mayor Craig Morris, Chris White, Peter Smith, Deputy Lonnie Van Klei, Deputy Nick Sullivan, Jim Stanton, Katie and Jason Brisson, Sally Anderson, Vern Berggren, John Orner, Richard Thron, Mike and Betty Soine, Al Bataglith, Nancy Haberman

WORKSHOP: 5:07 p.m. to 5:55 p.m. Discussion regarding Public Works Reorganization presented by Public Works Director Matt Kline, Discussion regarding CUP process presented by City Administrator/Clerk Sandie Thone, Discussion regarding City Facilities Task Force was tabled until the July city council meeting due to time constraints.

1. CALL TO ORDER by Mayor Williams at 6:02 p.m.
2. PLEDGE OF ALLEGIENCE was recited.
3. ADOPTED AGENDA: **Motion/Second/Passed; Council Member Richard Glasgow, Council Member Evan Loenser**
4. ADOPTED CONSENT AGENDA: **Motion/Second/Passed; Council Member Richard Glasgow/Council Member Jeri Ryan**
5. AGENCY REPORTS
 - A. Law Enforcement Report/Deputy Sullivan reported 102 ICR's; a speed trailer will be installed on Quality Avenue, increased patrol in that area.
 - B. Fire Department Report/2016 LCSVFD Budget presented by Jim Stanton; Lakeland's portion will increase by 2.21 % based on tax capacity.
 - C. Government Affairs Report/Mayor Amy Williams presented the internship program with Hamline University for graduate student projects for the city this summer. Also reported on working with developers on housing options but noted that there would be no cost to the City of Lakeland.
6. OPEN FORUM (Public comments, presentations, and petitions)
 - A. Sally Anderson with Community Thread presented examples of the organization's services to local communities.

B. 6th Street Cul-De-Sac Neighborhood Group/ Mike Soine asked for special use parking to be allowed on the cul-de-sac and requested we take the no-parking signs down, made a plea for council to consider the affected resident's input when making future decisions. Mayor Williams responded the resolution allowed the city the authority to address the problems on some of the cul-de-sacs and that the permanent signs were a miscommunication between staff and council and instead should have been temporary signs therefore the signs will be removed. She reiterated as a complaint driven community we respond only to complaints versus employing a code compliance officer and reminded residents that ground water safety is a concern with people parking on these grass cul-de-sac areas. The city will continue to support preserving the integrity of the ground water.

C. Richard Thron of Lakeview Cemetery presented Lakeview Cemetery's 'identity problem' since it is very hard to locate, citing many residents do not know the cemetery exists. He proposed the city allow them to place an advertising or directional sign in the city. Council directed staff to work with the business owner to see if there are any options for a directional sign for Lakeview Cemetery.

7. PUBLIC HEARING: Variance for 464 Quinlan Avenue South to construct a home on a substandard lot

2 written comments received prior to meeting read into record:

- 1) Vernon Berggren of 16666 5th Street South, Lakeland
- 2) Katie and Jason Brisson of 444 Quinlan Avenue S, Lakeland Shores

Public Hearing for Variance for 464 Quinlan Avenue South to construct a home on a substandard lot:

Time Stamp: 51:04

Opened Public Hearing at 6:52 p.m.

Vernon Berggren of 16666 5th Street South commented.

John Orner, prospective buyer of 499 Quinlan Avenue South, commented.

Pete Smith, Applicant of 5755 Newberry Avenue N, Oak Park Heights, commented.

Closed Public Hearing at 7:02 p.m.

Time Stamp 1:01

8. CITY BUSINESS

A. Resolution 2015-26 Approving a variance to substandard lot and setback requirements to construct a single family house at 464 Quinlan Avenue South
Motion/Second/Passed; Council Member Richard Glasgow/Council Member Evan Loenser

Time Stamp 1:25

B. Resolution 2015-27 declaring a commitment to review and revise the Lakeland city code of ordinances to integrate minimal impact design standard (MIDS)

Motion/Second/Passed; Council Member Jeri Ryan/ Council Member Richard Glasgow

Time Stamp: 1:28

C. Adopting Park Bench Donation Program **Motion/Second/Passed; Council Member Evan Loenser/Council Member Jeri Ryan** (added friendly amendment and second to adopt program not resolution)

Time Stamp: 1:35

D. Dog Waste Stations, discussed and tabled until July meeting.

E. Night to Unite date has been set for August 4, 2015. There will be a committee meeting Tuesday June 23, 2015 at 7:30 p.m. at City Hall, public is invited.

Time Stamp: 1:51

9. CITY STAFF REPORTS

Attorney Josh Brekken, No report

City Administrator/Clerk Sandie Thone reported four complaints were received in June, waiting on final invoice regarding spring clean-up event for final numbers, newsletter has new Publisher format which is less labor intensive, saving the city money and does not increase production costs, Night to Unite location approved and event insurance in place, completed LMC land use training, completed the interview process for deputy clerk position and will be sending a conditional job offer, finishing up on the recycling grant application, city code last codified in 2013 therefore will immediately codify all ordinances since 2013 and implement a bi-annual (every six month) schedule approved by council for future codification, adopted records retention schedule therefore will begin city records project as well.

Public Works Director Matt Kline reported the 2015 street projects have begun, hired Tyler Trifiletti as seasonal employee to perform summer maintenance, Washington County will be restriping County Road 18, signs will be posted in advance regarding some of the street closures for these projects.

Treasurer Tom Niedzwiecki reported that he will be allocating costs of the water plant to the general fund, has begun the draft for the 2016 budget and levy, final draft should be ready for the July meeting.

10. CITY COUNCIL AND MAYOR REPORTS

Time Stamp: 2:12

Council Member Evan Loenser: No report

Council Member Jeri Ryan: No report

Council Member Richard Glasgow reported he went to a positive meeting with the DNR and expressed they are working on a few changes and will report back on them as they progress, went to the State Capitol for a lengthy meeting on the Threat of Islam to America provided by FBI staff, next Alliance meeting will be postponed to next month.

Council Member Joe Paiement: No report

Mayor Amy Williams reported the community Night to Unite meeting will be held on Tuesday June 23, at 7:30 p.m. at City Hall and encouraged community members to attend in the planning of this 2nd annual event with Lakeland Shores, reported on the Gateway Corridor meeting regarding a bus transit lane for the Interstate 94 and Highway 61 exchange, met with Washington County HRA and county commissioners regarding future housing development in Lakeland, thanked Council Member Richard Glasgow for covering as Acting Mayor at May's council meeting and thanked Chris White for her dedication to the Planning Commission and to the community.

12. ADJOURN

Motion to adjourn effective 8:20 p.m. Motion/Second/Passed; Council Member Jeri Ryan/Council Member Evan Loenser

Sandie Thone, City Administrator/Clerk

Amy Williams Mayor



TO: Mayor and City Council
FROM: Sandie Thone, City Administrator/Clerk
RE: Hiring of Deputy Clerk Halli Sevilla
DATE: July 21, 2015

Background

In April of this year the city council approved the posting, recruitment, position description, and salary hiring range for the vacant deputy clerk position. The position was posted with the League of Minnesota Cities and on the city's website. Three candidates were chosen for interviews after a careful review of the applications received.

Discussion

Staff conducted interviews for the position which resulted in a conditional offer of employment made to Halli Sevilla on June 17, 2015. Halli accepted the conditional offer of employment contingent on a successful background check and receipt of her official college transcript. The official college transcript from Hamline University was received June 29, 2015 in our offices. A letter of completion on a successful background investigation from Washington County Sheriff's Inspector David Heuer was received on June 23, 2015.

Halli is a recent graduate from Hamline University with a BA in Political Science. She is currently working as an intern through the remainder of the summer with MCPA/MN Green Corps. Halli grew up in the area, residing in both Afton and Lakeland Shores and has an appreciation for local government. Halli has experience as a local government intern with the City of Afton, as a legislative intern in the MN State Senate, was senior class representative of the Political Affairs Committee HUSC, served as a paralegal intern, as well as an environmental and natural resources intern. She specializes in public policy and administration. Halli's exceptional attention to detail, positive attitude and affinity for community should prove a good fit for Lakeland and its future vision and goals. We are excited for her to be joining us.

In the position of Deputy Clerk, Halli will report to the Administrator/Clerk at a starting salary of \$18.32 per hour consisting of 24 hours per week. The current prorated stipend for benefits which includes health, dental, life, and ST disability is set at \$545.44 per month. The position includes Public Employee's Retirement Association (PERA) benefits with employee contributions of 6.5% of base salary and employer contributions at 7.5%.

Recommendation

Staff is requesting the City Council approve the hiring of Halli Sevilla as Deputy Clerk for the City of Lakeland with a start date of September 14, 2015. Approved as a consent agenda item.

5A

ALCOPFR\$

PF Citations by City Rpt

QIJS Page 1
7/01/15 5:16:55

Washington County Sheriff's Office
CITATIONS BY CITY REPORT

City selected: LAKELAND

From Date: 6/01/2015 To: 6/30/2015

LAKELAND

Offense Date	Offense Time	Location	Citation #
6/02/2015 Statute 169	0000 30 B	ST CROIX TR/ ST MARYS DR STOP SIGN	CT8215431
6/07/2015 Statute 6105	1515 03 00	ST CROIX RIVER WAKE IN NO WAKE ZONE	CT8223616
6/14/2015 Statute 609	1753 50 1.2	ST CROIX TR/7TH ST S OBSTRUCT LEGAL PROCESS	CT8215146
6/14/2015 Statute 609	1753 50 1(2)	ST CROIX TRS/ 7TH ST S OBSTRUCT LEGAL PROCESS	82CT15146
6/18/2015 Statute	0400	I94/ST CROIX TR NO PROOF OF INSUR	CT8217965

Total for City: LAKELAND

5

** END OF REPORT **

PRT CONTRACT ICR REPORT

Washington County Sheriff's Office
 CONTRACT ICR's
 Contract Report for LAKELAND
 For the Period 6/01/15 To 6/30/15

Date	Time	ICR #	ID#	Street Name	Complaint
6/01/15	13:31:35	115016895	0115	QUINMORE AV	ASSIST
6/01/15	13:50:33	115016899	0115	RIVERCREST RD	ABANDONED VEHICLE
6/01/15	19:41:15	115016956	0176	8TH ST	WELFARE CONCERN
6/01/15	22:19:43	115016967	0078	QUAMWELL AV	SUSPICIOUS ACTIVITY
6/01/15	23:31:48	115016971	0186	QUENTIN AV	AGGRESSIVE SOLICITING COMPLAIN
6/02/15	0:07:43	115016975	0119	SAINT CROIX TR	TRAFFIC STOP SIGN VIOLATION/OV
6/02/15	0:34:11	115016979	0065	3RD ST	SUSP ACTIVITY ***RE
6/02/15	10:40:29	115017037	0068	QUINMORE AV	SUSP ACTIVITY
6/02/15	11:27:28	115017048	0100	RIVIERA AV	OFFICER INGO
6/02/15	18:16:39	115017110	0096	SAINT CROIX TR	FOUND PROPERTY
6/02/15	19:17:27	115017120	0078	QUALITY AV	SUSPICIOUS VEH
6/02/15	19:19:58	115017121	0078	QUALITY AV	SOLICITING COMPLAINT
6/02/15	21:45:35	115017130	0078	QUEENAN AV	SOLICITING COMPLAINT
6/02/15	23:46:58	115017137	1202	HUDSON BLVD	OPEN GATE TO A BUSINESS
6/03/15	11:33:36	115017198	0068	SAINT CROIX TR	SUICIDAL FEMALE
6/03/15	14:13:41	115017228	0176	5TH ST	CRIMINAL DAMAGE TO PROPERTY
6/03/15	21:28:14	115017271	0083	QUEENAN AV	SHOTS HEARD
6/03/15	23:30:23	115017274	0072	QUALITY AV	DRIVING COMPLAINT
6/04/15	17:16:18	115017397	0093	4TH ST	HARASSMENT REPORT ***SEE COMPS
6/05/15	9:56:05	115017450	0087	RIVERCREST RD	ALARM
6/05/15	13:07:57	115017502	0087	7TH ST LN	NOISE COMPLAINT
6/05/15	14:32:10	115017528	0087	SAINT CROIX TR	ALARM
6/05/15	20:10:44	115017567	0176	QUEHL AV	NOISE COMPLAINT
6/05/15	21:56:18	115017575	0088	5TH ST	NOISE COMPLAINT
6/05/15	22:32:53	115017584	1255	ST CROIX RIVER	WATERCRAFT WARNING #21419 - IM
6/05/15	23:54:03	115017597	0088	I94	POSS DK DRIVER
6/06/15	12:00:30	115017639	0085	5TH ST	NOISE COMPLAINT
6/06/15	14:38:58	115017654	0176	2ND ST	ANIMAL ASSIST
6/06/15	18:28:09	115017676	1252	ST CROIX RIVER	WATERCRAFT VIOLATION-WW#28183
6/06/15	20:33:18	115017683	0093	LAKELAND BEACH	SUSPICIOUS ACTIVITY
6/06/15	21:15:52	115017688	0176	HUDSON BLVD	OPEN GATE
6/07/15	15:39:02	115017761	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/07/15	19:40:29	115017788	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/08/15	8:07:13	115017837	1204	SAINT CROIX TR	LOOSE DOG
6/08/15	8:20:00	115017839	1292	SAINT CROIX TR	LIQUOR LICENSE RENEWAL SHINERS
6/08/15	15:06:26	115017909	0100	5TH ST	OFFICER INFO
6/08/15	21:42:01	115017960	0061	SAINT CROIX TR	DOG AT LARGE
6/09/15	7:26:23	115017986	0087	3RD ST	MISSING DOG
6/09/15	7:38:16	115017988	0068	I94	PROPERTY DAMAGE ACCIDENT
6/11/15	8:02:00	115018249	0190	5TH ST	PARKING COMPLAINT *RESTACK-15
6/11/15	19:53:52	115018351	0083	QUINNELL AV	DRIVING COMPLAINT
6/11/15	22:28:13	115018365	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/12/15	8:56:34	115018398	0077	QUENTIN AV	SUSPICIOUS VEHICLE
6/12/15	11:41:39	115018445	0077	SAINT CROIX TR	ACCIDENT RO MN LIC 447LZD **R
6/12/15	17:47:48	115018528	0139	SAINT CROIX TR	ALARM
6/12/15	21:50:36	115018552	0070	3RD ST	FIREWORKS COMPLAINT
6/13/15	5:57:28	115018580	0174	SAINT CROIX TR	OPEN DOOR
6/13/15	10:01:09	115018594	0077	QUIXOTE AV	911 O/L
6/13/15	11:44:26	115018609	0087	SAINT CROIX TR	INFORMATION 3RD
6/13/15	14:48:25	115018627	1253	ST CROIX RIVER	WATER CRAFT VIOLATION--WARNING
6/13/15	14:48:37	115018628	1253	ST CROIX RIVER	WATER CRAFT VIOLATION -WARNING
6/13/15	16:22:57	115018637	1253	ST CROIX RIVER	WATERCRAFT VIOLATION -WARNING

PRT CONTRACT ICR REPORT

CJBWPR\$
 Washington County Sheriff's Office
 CONTRACT ICR's
 Contract Report for LAKELAND
 For the Period 6/01/15 To 6/30/15

Date	Time	ICR #	ID#	Street Name	Complaint
6/13/15	18:39:10	115018649	1255	ST CROIX RIVER	
6/14/15	0:26:46	115018692	0070	3RD ST	SUSP VEH
6/14/15	17:56:08	115018768	0176	SAINT CROIX TR	TRAFFIC ARREST
6/14/15	21:22:36	115018789	0092	QUAMWELL AV	911 ABND
6/14/15	22:30:38	115018794	0176	SAINT CROIX TR	TRAFFIC
6/14/15	23:09:46	115018798	0176	SAINT CROIX TR	VEHICLE LOCKOUT
6/15/15	10:29:47	115018850	0063	QUIXOTE AV	911 OPEN LINE
6/15/15	13:39:20	115018895	0063	5TH ST	ATTEMPTED VEH BREAK IN
6/15/15	17:55:55	115018933	0087	QUANT CT	OFFICER INFORMATION
6/15/15	17:55:55	115108865		QUANT CT	VOID/NOT CG ICR/OFFICER INFORM
6/15/15	19:46:09	115018941	0176	8TH ST	PARKING COMPLAINT
6/16/15	17:42:23	115019068	0176	QUINNELL AV	LAKELAND CITY COUNCIL MEETING
6/16/15	18:47:22	115019080	0090	QUANT AV	MEDICAL ALS LEVEL 1
6/16/15	19:23:29	115019085	0096	QUIXOTE AV	ANIMAL COMPLAINT
6/16/15	21:41:11	115019094	0176	HUDSON RD	DISPATCH INJURED DEER
6/17/15	12:03:37	115019147	0160	8TH ST	LOST PROPERTY REPORT **RESTAC
6/17/15	13:51:25	115019169	0077	2ND ST	CHECK WELFARE **RESTACK START
6/17/15	20:18:18	115019208	0176	HUDSON BLVD	TRESPASSING REPORT
6/18/15	4:06:17	115019228	0179	I94	TRAFFIC-NO POI SCANNED CITE
6/18/15	9:24:53	115019250	0130	5TH ST	EXTRA PATROL REQUEST **R
6/19/15	9:02:06	115019401	0068	QUALITY AV	VANDALISM **SEE COMP
6/19/15	19:58:30	115019501	0078	SAINT CROIX TR	JUVENILE COMPLAINT
6/19/15	22:11:25	115019514	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/19/15	22:12:57	115019515	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/19/15	22:14:45	115019516	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/19/15	22:17:39	115019518	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/20/15	13:51:24	115019559	0096	QUALITY AV	911 HANG-UP
6/20/15	14:11:57	115019561	1253	ST CROIX RIVER	WATERCRAFT VIOLATION
6/20/15	14:49:26	115019565	1253	ST CROIX RIVER	WATERCRAFT VIOLATION -WARNING
6/20/15	18:27:58	115019591	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/20/15	18:30:10	115019593	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/20/15	18:33:11	115019592	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/20/15	18:34:13	115019594	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/21/15	7:58:26	115019640	0160	QUAMWELL AV	SUSPICIOUS MALES
6/21/15	11:22:37	115019663	0091	6TH ST	BURNING COMPLAINT
6/21/15	14:01:44	115019671	0068	8TH ST	PARKING COMPLAINT
6/21/15	18:15:40	115019695	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:16:31	115019696	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:17:16	115019697	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:17:52	115019698	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:18:24	115019699	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:19:09	115019700	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	18:19:46	115019701	1255	ST CROIX RIVER	WATERCRAFT VIOLATION - WRITTEN
6/21/15	20:23:36	115019716	0096	SAINT CROIX TR	ACCIDENT/UNK INJURIES
6/22/15	21:02:07	115019848	1267	ST CROIX RIVER	WATERCRAFT VIOLATION
6/23/15	7:50:38	115019883		QUIXOTE AV	RECEIPT# 150001734
6/23/15	15:19:15	115019950	0111	SAINT CROIX TR	ERRATIC DRIVER
6/23/15	17:01:04	115019966	0176	SAINT CROIX TR	INJURED GOOSE
6/23/15	18:00:44	115019972	0176	SAINT CROIX TR	ANIMAL COMPLAINT
6/24/15	3:57:47	115020010	0080	QUALITY AV	FOUND CAT
6/24/15	9:47:57	115020047	0063	QUIXOTE AV	911 HANG UP
6/25/15	0:11:27	115020149	0157	HUDSON BLVD	OPEN GATE/OPEN DOOR

PRT CONTRACT ICR REPORT

QIJS Page 3
7/01/15 5:16:55

CJBWPR\$
 Contract Report for LAKELAND
 For the Period 6/01/15 To 6/30/15

Date	Time	ICR #	ID#	Street Name	Complaint
6/25/15	6:13:43	115020160	0157	I94	ROAD DEBRIS
6/25/15	9:22:35	115020171	0189	QUALITY AV	DIRECTED PATROL: STOP SIGN COM
6/25/15	10:09:20	115020176	0063	SAINT CROIX TR	FOUND CHAINSAW
6/25/15	10:18:07	115020178	0189	QUALITY AV	TRAFFIC: SPEED 43/30, STOP SIGN
6/25/15	15:08:04	115020237	0093	SAINT CROIX TR	DRIVING COMPLAINT
6/26/15	7:46:10	115020311	0190	SAINT CROIX TR	TRAFFIC *SCANNED CITE*
6/26/15	15:20:20	115020389	0089	SAINT CROIX TR	FOUND WALLET
6/27/15	12:59:42	115020485	1253	ST CROIX RIVER	WATERCRAFT VIOLATION WARNING
6/27/15	14:01:42	115020492	1253	ST CROIX RIVER	WATERCRAFT VIOLATION WARNING T
6/27/15	14:21:30	115020496	0146	7TH ST	PARKING COMPLAINT
6/27/15	16:24:19	115020518	0096	QUINNELL AV	PARKING COMPLAINT
6/27/15	23:05:14	115020562	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/27/15	23:06:26	115020563	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/27/15	23:07:34	115020564	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/27/15	23:10:52	115020565	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/27/15	23:12:28	115020567	1252	ST CROIX RIVER	WATERCRAFT VIOLATION
6/28/15	3:38:58	115020587	0125	SAINT CROIX TR	INTOXICATED MALE
6/28/15	13:58:11	115020624	1253	ST CROIX RIVER	WATERCRAFT VIOLATION WARNING
6/28/15	14:19:32	115020625	1253	ST CROIX RIVER	WATERCRAFT VIOLATION WARNING
6/28/15	18:11:53	115020643	1255	ST CROIX RIVER	
6/29/15	18:44:46	115020771	0080	RIVERCREST RD	LIGHTNING STRIKE
6/29/15	21:44:50	115020782	0096	QUINNELL AV	POSSIBLE DOMESTIC
6/30/15	4:13:02	115020798	0080	LAKELAND	PHONE CALL REQUEST
6/30/15	7:43:34	115020810	0100	QUINLAN AV	OFFICER INFO
6/30/15	18:03:14	115020880	0089	8TH ST	PARKING COMPLAINT COMP WA

Total ICRs Processed: 129

** END OF REPORT **

Lakeland Update – June, 2015

- 1. Select Senior Housing (SSH) and Firm Ground Architects and their investment partner, Benchmark, both continue to be interested in a senior housing project in Lakeland, but the market is “soft” for a development of adequate size that would be profitable. As noted last month, it is time to open up consideration of other types of housing that may or may not include seniors, but would bring much needed housing options to the City.**
- 2. This month, I have been working the Mayor and City Clerk/Administrator, along with Hamline University, on providing volunteer assistance on several possible projects in Lakeland. Briefly, teams of 2 students from Hamline’s Critical Issues class may be working on the following projects: (1) analyzing snowplowing options, (2) recommendations for Business Zoning revisions to the Code, (3) a survey on what citizens would like to see in a new City Hall, (4) the Parks and Recreation section of the Comp Plan; and (5) the Economic Development section of the Comp Plan. They started on June 27th and tentatively present their ideas to the City Council on August 18th. We are currently “tying down” the remaining details in meetings with the Student teams.**
- 3. Now that Thrive MSP 2040 has laid out the direction, the Metro Council is already getting started on the Comp Plan Update process. It started with a Local Planning Assistance Handbook Update survey last Winter, which I responded to, and continues with the review of current Policy Plans for Transportation, Housing, Water Resources, and Regional Parks. All but the Water Policy Plan have now been approved by Metro Council...more on each below.**
- 4. The Transportation Policy Plan, over 500 pages long, was released for public comment on 8/13. I did not submit comments, since the only part of the TPP that affects Lakeland specifically is the Gateway Corridor, which the City has monitored, and additional, but not yet located “park and ride” lots. The Metro Council did meet on 11/5 to begin their review of the comments submitted and appointed Working Groups to address potential modifications to the TPP. As a result of all the comments submitted – approximately 880, the schedule for the final adoption of the TPP was postponed to 1/14/15. A revised TPP based on comments received was released on 12/17 at the Metro Council**

Transportation Advisory Board meeting, but there were only minor amendments (none that directly affect Lakeland from my reading) and the Board voted 14-11 to recommend that the Metro Council Transportation Committee which approved it at their meeting on 12/22/14. Final approval by the full Metro Council at their meeting of 1/14/15 was given without any further revisions. The City Council, acting as the Planning Commission, can begin to review any changes to this section of the Comp Plan, when the Local Planning Guidelines are become available.

5. The Housing Policy draft came out for public comment at the end of July, 2014 and it will likely take a full year to have it approved! The full Metro Council set a Public Hearing on recent amendments for May 4th with public comments due on May 15th. The Community Development Committee met the first of June to discuss the public comments with many cities weighing in about the lack of resources to meet the needs; leaving the Housing Performance Score out of the HPP; and the allocation formula for low-moderate income housing. On June 15th, the Community Development Committee met to finalize their recommendation to the Full Metro Council – the key questions discussed were: What does a City need to complete the Housing element of the Comp Plan? How will affordable housing need requirements be allocated to communities? and How will the Housing Performance Scores be calculated? In layperson's terms, Lakeland's Housing element for the Comp Plan will need to be upgraded to meet the new requirements; each City's allocation for affordable will need to be updated; and the Housing Performance Score criteria will no longer be part of the Housing element. Next, is final approval by the full Metro Council is expected on July 8th.
6. In reviewing the Housing Plan amendments to see what Lakeland's Draft Allocation for Affordable Housing are now, there is no mention of it, so I will contact our Metro Council Sector Rep to see if Lakeland is exempt for some reason in July if the HPP is approved. It would a "plus" if we were, but it's likely just an oversight.
7. The Metro Council is in the process of updating its 2010 Master Water Supply Plan. The results will impact future water planning and supply requirements for metro area cities. Lakeland's 2020 Comp Plan will NOT need to be consistent with this Master Water Supply Plan, because the Legislature removed that requirement this session. The Metro Council has now released the draft (the draft plan update can be found on the Metropolitan Council website) with a comment period

lasting until August 25th. The Metro Council has also scheduled Informational Open Houses on the WPP in July – with the closest one to Lakeland being at the Maplewood Community Center on Tuesday, July 21st from 1:30 PM to 3:30 PM. The full Metro Council is expected to take up adoption of it in September. No reason to start looking at this part of the Comp Plan until then.

8. The final Policy Plan released was the Regional Parks Policy Plan, which is 118 pages long. I reviewed the RPPP to see if there's anything related to Lakeland. The Washington County did send a 4 page letter of comments to the Metro Council, which I shared with the Planning Commission. Again, there was nothing directly pertaining to Lakeland parks, so I did not submit any comments on behalf of Lakeland by the Thursday, 10/30 deadline. The final draft of the RPP, which takes into account the comments submitted, was approved by the Metropolitan Parks and Open Space Commission on 1/6/15 and the Metro Council Community Development Committee on 1/20/15 without revision. It went to the full Metro Council on 2/11/15 where it was approved. Since there is little that will affect Lakeland's Comp Plan in the RPP, this is an area that the City Council, acting as the Planning Commission, can begin work on for the Comp Plan. This will be 1 of the Hamline Student Projects that will help start the community discussion on both parks and recreational programming.
9. Perhaps the biggest news is that starting in 2018, the Metro Council will make a total of \$1.38 million available to eligible communities and counties to support the upcoming Comp Plan Updates. Lakeland may fit under one of the 2 criteria, but would not be considered a "fast growing" community...Metro Council staff is still working on the details for this grant program. No word on whether or not a Local Planning Assistance Loan would be available for communities like Lakeland. Again, another discussion item for a meeting with Lakeland's Sector Rep, Ryan Garcia when we talk to him in July or August.
10. The System Statement process by the Metro Council is now nearly complete, so the next step will be the issuance of the Local Planning Handbook this Summer, which will outline the requirements that the City's Comp Plan will have to meet. The handbook has been completed and is now being "tested" by a few cities, so it won't be long before final guidance will be available to the City. I have previously advised that work on the Comp Plan with the exception of Goals should wait until after the issuance of the Local Planning Handbook. At the 3/17

WorkSession, Lakeland Council reviewed the Draft Goals and added their thoughts, so the next step will be to present them for public input. I will work with the City Council/Planning Commission on the process for getting citizen thoughts on the proposed goals.

11. The foreclosure data provided by the Washington County HRA thru April, 2015 shows that Lakeland had no foreclosures for the month of April. Lakeland has had 55 Sheriff's Sales since 2009. Fortunately, for 2014, Lakeland had only 5 foreclosures – 4 of which have been resold and are occupied.
12. The League of Minnesota Cities has approved a maximum increase of 5% for 2016 at their recent Annual Meeting in June – cost-of-living and their tech upgrades are the 2 cited reasons. I'm not sure what the dues are for Lakeland, but for 2016 Budget, just multiply the 2015 dues by 1.05 and "plug in" that number for the 2016 Preliminary Budget...as always, Tom will know what I mean!
13. I have been working with Staff on finding reasons for the Metro Council's population and employment estimates over the past couple of years. The population estimates for Thrive 2040 show Lakeland's population dropping from 1,796 to 1,500 over the next 25 years – this is not good news for Lakeland's LGA allocation. However, at least for now, I have been able to reverse the trend and actually have Lakeland's population increasing from 1,796 to 1,806, which adds about \$275 to the LGA allocation to Lakeland instead of losing LGA revenue. For your info, each resident brings in about \$28 in LGA revenue. I sent confirmation that the Lakeland agrees with the 2014 Population Estimate of 1,806 via e-mail on June 19th.
14. The Legislature finally met in a Special Session on June 12th and 13th and passed Bills related to Education, Capital Investment, Jobs/Energy, and Environment/Agriculture. Not much in these Bills that affects, or may affect in the future, Lakeland, but a couple of items are worth mentioning. First, the Comp Plan as it pertains to the Water Supply section, does not have to comply with the Regional Water Supply Plan, and second, the Sales Tax Exemption for Joint Powers entities and Special Districts will go into effect on 1/1/17.
15. There was NO Tax Bill this year, so Lakeland's 2016 LGA allocation for 2016 Budget purposes will be \$49,872 for 2016, or \$817 more than 2015. I guess you could say every little bit helps!
16. One Bill the Governor did sign was the Omnibus Pension Bill, which now does NOT affect employer and employee contributions to local government. It will leave the employer (7.5%) and employee (6.5%)

contributions the same through 2016. As it pertains to the 2016 City Budget, there will be no need to include the effect of an increase in the employer contribution amount...good news!

17. One Bill that was passed was the “Lights On” Transportation Bill – Good News for Lakeland! The city will receive \$29,216 in state aid for road maintenance next year, which should help do more on street improvement projects...the downside is that it is for 2016 only. One other change is that cities that apply for Safe Routes to Schools funding will now need to adopt a Complete Streets Ordinance first.
18. The Environment, Natural resources and Agriculture Finance and Policy Omnibus Bill approved in the Special Session contained funding for which Lakeland would be eligible to apply - \$1 million in parks and trails grants and another \$8.4 million was set aside for snowmobile trails improvements. Let me know if there is any interest in pursuing these grant dollars.
19. There were also a number of revisions to the “Responsible Contractor law”, which will affect public building projects over \$50,000 in value. This could affect Lakeland should a new City Hall be approved and should be reviewed by the City Attorney, as to its implications, if any, on a public construction project over \$50,000.
20. Also, a Bill was introduced in both the House and the Senate that would exempt cities from paying the motor vehicle sales tax on vehicles used for road maintenance...Townships have not had to pay this tax since 1998. This also was lost when the Tax Bill did not pass, along with the Sales Tax exemption for purchases of construction materials.
21. An Elections Bill was passed and signed and has a number of technical changes that could impact on Lakeland. For example, filing fees can now be raised, Lakeland can now change precinct boundaries to align with school district boundaries, election judges cannot be “domiciled” – either permanently or temporarily – with a candidate on the ballot, absentee ballots can be returned by anyone, including the voter, until 8 PM on Election Day, and much more. More details in the LMC 2015 Law Summaries online.
22. There were not 1, but 2, Charitable gambling bills this session that should be reviewed by City Staff that may affect Lakeland, but I’m not familiar enough with our regs to offer how the changes impact the City. The LMC 2015 law Summaries contain more on the subject.
23. Other news...LMC Executive Director Jim Miller will retire effective 7/31/15 and the LMC Board has hired David Unmacht, currently with Springsted, Inc., but a long-time County Administrator for Scott

County...LMC Committees will begin their work in mid-July on Legislative Policies – the 4 Areas that CCmembers can contribute are: Service Delivery; Human Resources; Local Economies; and Fiscal Futures – if anyone is interested, then let me know and I'd be happy to help you through the process of getting on a Committee...Metro Cities also begins their work on their Legislative Policies in mid-July – their Committees are Housing/Community Development; Metro Agencies (I serve on this one); Municipal revenue/Taxation; and Transportation/General Government – again, if anyone is interested, then let me know and I'll walk you through the nomination process; whether you know or not, the Minnesota Housing Finance Agency provides low interest loans to Lakeland homeowners for purchasing/fixing up homes – go to www.mnhousing.gov for more info – some of the info could be made available to Lakeland residents thru the Newsletter and Website and the Legislature approved additional dollars for housing rehab...the County Board recently approved a \$99,840 contract with Library Strategies Consulting Group to assist the Library Board in determining the future of the Washington county Library System – City Council will need to participate in this process to insure Lakeland can retain a library branch.

24. July, 2015 Work Plan – Focus on the Internship Program and 2020 Comp Plan Process...and any other assignments!

7A



TO: Mayor and City Council
FROM: Sandie Thone, City Administrator/Clerk
RE: Ordinance 7546 Amending City Code Chapter 33 Pertaining to Fees and Master Fee Schedule
DATE: July 21, 2015

Background

The City of Lakeland's Chapter 33: Section 33.01 Fees and 33:02 Master Fee Schedule authorizes the city to impose fees, rates or charges for city services as necessary and relevant and within state guidelines. The fees determined and allowed to be amended from time to time by resolution are set forth in the Master Fee Schedule.

Discussion

It was discovered during the codification process in Chapter 33 of the city's code pertaining to fees and the Master Fee Schedule that the Master Fee Schedule had been incorporated into the Lakeland City Code. It is believed that the purpose of the ordinance was to reference the Master Fee Schedule which may be changed by resolution from time to time, but not incorporate it into the code. By incorporating the document into the code, the council would have to change the fee schedule, which occurs at the very least on an annual basis and often times more frequently, by ordinance which requires official publication and re-codifying each time the fee schedule is modified or updated. As section 33:02 states *The official Master Fee Schedule, which is amended from time to time by resolution, is hereby incorporated into this code by reference and declared to be a part of this chapter.*

Therefore, please find the attached amendment to Lakeland's City Code Chapter 33 which allows for reference of the Master Fee Schedule without actually incorporating the document into the Code of Ordinances. The council may from time to time update the fees by resolution as prescribed in this chapter without having to modify or codify city code to do so.

Recommendation

Staff is requesting the city council approve Ordinance 7546 Amending City Code Chapter 33 Pertaining to Fees and Master Fee Schedule. Motion/Second/Majority Vote required.

**CITY OF LAKELAND
WASHINGTON COUNTY, MINNESOTA
ORDINANCE 7546**

**AN ORDINANCE AMENDING LAKELAND CITY CODE CHAPTER 33: FEE SCHEDULE
THE CITY COUNCIL FOR THE CITY OF LAKELAND DOES ORDAIN:**

Section 1: Amendment. Chapter 33 of the Lakeland City Code is hereby amended as follows:

Section 33.01 FEES.

- A) The City of Lakeland is authorized to impose fees, rates or charges; and the same shall be enumerated in the Master Fee Schedule, without exception.
- B) The City of Lakeland is authorized to require escrow deposits in addition to application fees; and the same shall be enumerated in the Master Fee Schedule, without exception.
- C) (1) Escrow deposits will provide the city necessary cash in an amount estimated to be adequate to secure all out-of-pocket expenses including but not limited to attorney's fees, engineering fees, planning fees, etc. to complete the project.

(2) When less than 25% of the original escrow remains, the applicant will be required to renew the escrow to 100% of the required escrow amount, and the project will be suspended until additional funds have been submitted.

(3) Any unused funds shall be returned to the applicant when all work is complete.

Section 33.02 MASTER FEE SCHEDULE

The fees for all services, permits, licenses, and related matters are set forth in the Master Fee Schedule, a copy of which is available at City Hall during normal business hours or via the city's website. The official Master Fee Schedule, which is amended from time to time by resolution, is hereby incorporated into this code by reference and declared to be part of this chapter.

Section 2. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed and adopted by the Lakeland City Council on this twenty first day of July 2015.

Sandie Thone, City Administrator/Clerk

Amy Williams, Mayor

CHAPTER 33: FEE SCHEDULE

Section

- 33.01 Fees
- 33.02 Master Fee Schedule

§ 33.01 FEES.

(A) The City of Lakeland is authorized to impose fees, rates, or charges; and the same shall be enumerated in the ~~§ 33.02, Master Fee Schedule~~, without exception.
(Prior Code, § 511.01) (Am. Ord. 7511, passed 12-18-2007)

(B) The City of Lakeland is authorized to require escrow deposits in addition to application fees; and the same shall be enumerated in the ~~§ 33.02, Master Fee Schedule~~, without exception.
(Prior Code, § 511.02) (Am. Ord. 7511, passed 12-18-2007)

(C) (1) Escrow deposits will provide the city necessary cash in an amount estimated to be adequate to secure all city out-of-pocket expenses including by not limited to attorneys fees, engineering fees, planning fees, etc. to complete the project.

(2) When less than 25% of the original escrow remains, the applicant will be required to renew the escrow to 100% of the required escrow amount, and the project will be suspended until additional funds have been submitted.

(3) Any unused funds shall be returned to the applicant when all work is complete.
(Prior Code, § 511.03) (Am. Ord. 7511, passed 12-18-2007)

§ 33.02 MASTER FEE SCHEDULE.

The following fees for all services, permits, licenses, and related matters are set forth in the Master Fee Schedule, a copy of which is available at City Hall during normal business hours or via the city's website, ~~as displayed in Exhibit A attached to Ord. 7525, with amendments, being the same, are hereby approved for implementation, effective May 1, 2011.~~ The official Master Fee Schedule, which is amended from time to time by resolution, is hereby incorporated into this code by reference and declared to be a part of this chapter.

Lakeland - Administration

<i>Type</i>	<i>Fee</i>	<i>Escrow</i>
<i>Applications</i>		
CUP application or amendment	\$400.00	\$300.00
Administrative changes to CUP	\$50.00	
Mobile home parks/CUP application	\$50.00	
Ordinance/re-zoning/comprehensive plan amendment	\$575.00	\$2,575.00
Park fee - per lot or dwelling unit	\$100.00	
Planned Unit Development application	\$350.00	\$6,000.00
Street vacation application	\$350.00	\$750.00
Subdivision - major (5 lots or more)	\$1,500.00	\$6,000.00
Subdivision - minor (1-4 lots)	\$1,000.00	\$2,500.00
Variance application	\$400.00	\$800.00
<i>Duplication</i>		
Copies (to 100 pages)	\$0.25 per page	
Copies (101 pages or more)	\$0.50 per page	
Special projects/research	+ Actual time expended costs	
Copies of PC/CC/other minutes (per meeting)	\$2.00	
Certification of copies	\$3.50	
Copies of meeting tapes	\$3.50	
Copy of Zoning Map	\$2.50	
<i>Licenses</i>		
Adult business license	As determined by Council	
Beer license (non-intoxicating)	\$50.00	
Garbage license	\$80.00	

<i>Type</i>	<i>Fee</i>	<i>Escrow</i>
Liquor license, investigation fees		
— Change of ownership or alteration of premises, additional investigation fee	— \$50.00	
— Initial application investigation fee	— \$50.00	
— Off-sale liquor license	\$240.00 (set by state)	
— On sale liquor license	\$1,600.00 (set by state)	
— Special Sunday liquor license	\$200.00 (set by state)	
— 3.2% malt liquor license	— \$100.00	
Mining license	\$450.00	
Pawnbroker's license, annual fee	— \$1,000.00	
Billable transaction fees		
— Electronic transaction fee	— \$1.50	
— Every manual billable transaction fee	— \$2.50	
Investigation fee		
— Within Minnesota	— \$500.00	
— Outside Minnesota	Actual investigation costs, not to exceed \$1,500.00	
New or past due license, deposit	— \$1,500.00	
Daily reporting failure	— \$50.00 —	
Peddlers and solicitors license	As determined by Council	
Pet license (2-year)	— \$15.00	
Tavern license, annual fee	— \$80.00	

<i>Type</i>	<i>Fee</i>	<i>Escrow</i>
Tobacco license	\$75.00	
Used car dealer license	\$25.00	
<i>Permits</i>		
Certificate of compliance - initial	\$125.00	
Cable/Xcel/Minnegasco utility permit	\$80.00	\$5,000.00
CUP - annual review	\$50.00	
Golf cart permit	\$50.00	
Grading & filling permit	\$250.00	\$1,500.00
Mobile home parks, permit	\$10.00 per lot	
Park permits, athletic fields	\$25.00 per day of the week that recurring practices/games are scheduled	
Parking permits		
—Annual	\$2.00	
—Event	\$10.00	
Sign permit/temporary		
—Permanent	\$15.00	
—Temporary	\$15.00	
Swimming pool - certificate of compliance	\$100.00	
Vegetative cutting permit	\$1.00	
Water connection permit	\$15.00	
Water main tap permit	\$40.00	
<i>Miscellaneous</i>		
Adult use fee	\$10,000.00	

<i>Type</i>	<i>Fee</i>	<i>Escrow</i>
Alarm systems, fire or emergency medical, false alarms — 3 to 6 within 12 months — over 6 within 12 months	\$100.00 per false alarm \$200.00 per false alarm	
Alarm systems, intrusion, false alarms — 3 to 6 within 12 months — over 6 within 12 months	\$50.00 per false alarm \$100.00 per false alarm	
Assessment search (per parcel/written)	\$30.00	
Hall rental (per meeting)	\$100.00	
Newsletter sponsor/annual	\$350.00	
Notary service	\$1.00 (set by state)	
Plan review (prior to application)	\$30.00 per hour + actual time expended costs to city for outside services	
Special projects/research	Actual time expended costs + cost for duplication	

(Ord. 98-7481, passed 7-21-1998; Am. Ord. 7504, passed 11-16-2004; Am. Ord. 7510, passed 6-19-2007; Am. Ord. 7511, passed 12-18-2007; Am. Ord. 7525, passed 4-19-2011)



TO: Mayor and City Council
FROM: Sandie Thone, City Administrator/Clerk
RE: Ordinance 7547 Electric Franchise Ordinance with Xcel Energy
DATE: July 21, 2015

Background

The City of Lakeland and Northern States Power dba Xcel Energy have had a Franchise Agreement in place since April 1998. The agreement was adopted as Ordinance 7480; Chapter 33: Section 33.01 Table of Special Ordinances I. Franchises. The agreement grants a franchise for electric distribution system to Northern States Power Company dba Xcel Energy for a period of 20 years beginning September 8, 1995. The existing franchise agreement will expire in September of this year, 2015.

Discussion

The Franchise Agreement grants permission for Northern States Power Company dba Xcel Energy, its successors and assigns (Xcel Energy), permission to construct, operate, repair and maintain in the City of Lakeland, an electrical distribution system and transmission lines, including necessary poles, lines, fixtures and appurtenances, for the furnishing of electric energy to the city, its inhabitants, and others, and to the public grounds and right of ways of the city for such purposes.

Recommendation

Motion 1: Staff is requesting the city council approve Ordinance 7547 Granting a Franchise Agreement with Xcel Energy for a period of twenty years effective July 21, 2015 through July 20, 2035. Motion/Second/Majority Vote required.

Motion 2: Staff is requesting the city council approve the Summary Publication of Ordinance 7547 to be published in the city's designated official newspaper and effective after its publication. Motion/Second Super Majority or 4/5 Vote required.

CITY OF LAKELAND, WASHINGTON COUNTY, MINNESOTA

ORDINANCE NO 7547

ELECTRIC FRANCHISE ORDINANCE

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF LAKELAND, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF LAKELAND, WASHINGTON COUNTY, MINNESOTA, ORDAINS:

SECTION 1. DEFINITIONS.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 **City.** The City of Lakeland, County of Washington, State of Minnesota.

1.2 **City Utility System.** Facilities used for providing non-energy related public utility service owned or operated by City or agency thereof, including sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.

1.3 **Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all, or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

1.4 **Company.** Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, its successors and assigns.

1.5 **Electric Facilities.** Electric transmission and distribution towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by Company for the purpose of providing electric energy for public use.

1.6 **Notice.** A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 414 Nicollet Mall, 5th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator/Clerk, 1190 St. Croix Trail

South, Lakeland, MN 55043. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.7 **Public Ground.** Land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

1.8 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

SECTION 2. ADOPTION OF FRANCHISE.

2.1 Grant of Franchise. City hereby grants Company, for a period of 20 years from the date passed and approved by the City, the right to transmit and furnish electric energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Grounds and Public Ways of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this franchise agreement.

2.2 Effective Date; Written Acceptance. This franchise agreement shall be in force and effect from and after passage of this Ordinance, its acceptance by Company, and its publication as required by law. The City, by Council resolution, may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3 Service and Rates. The service to be provided and the rates to be charged by Company for electric service in City are subject to the jurisdiction of the Commission. The area within the City in which Company may provide electric service is subject to the provisions of Minnesota Statutes, Section 216B.40.

2.4 Publication Expense. The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company.

2.5 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used, or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

SECTION 3. LOCATION, OTHER REGULATIONS.

3.1 Location of Facilities. Electric Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System previously installed therein. Electric Facilities shall be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance and location of Electric Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this franchise agreement. Company may abandon underground Electric Facilities in place, provided at the City's request, Company will remove abandoned metal or concrete encased conduit interfering with a City improvement project, but only to the extent such conduit is uncovered by excavation as part of the City improvement project.

3.2 Field Locations. Company shall provide field locations for its underground Electric Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.3 Street Openings. Company shall not open or disturb any Public Ground or Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Ground or Public Way without permission from the City where an emergency exists requiring the immediate repair of Electric Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same, including paving and its foundation, to as good a condition as formerly existed, and shall maintain any paved surface in good condition for one year thereafter. The work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4, but the City hereby waives any requirement for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required, under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way.

3.5 Avoid Damage to Electric Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Electric Facilities while performing any activity.

3.6 Notice of Improvements. The City must give Company reasonable notice of plans for improvements to Public Grounds or Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Grounds and Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Ground or Public Way is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Electric Facilities.

3.7 Shared Use of Poles. Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities upon terms and conditions acceptable to Company whenever such use will not interfere with the use of such poles or towers by Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by Company because of such use by City.

SECTION 4. RELOCATIONS.

4.1 Relocation of Electric Facilities in Public Ways. If the City determines to vacate a Public Way for a City improvement project, or at City's cost to grade, regrade, or change the line of any Public Way, or construct or reconstruct any City Utility System in any Public Way, it may order Company to relocate its Electric Facilities located therein if relocation is reasonably necessary to accomplish the City's proposed public improvement. Except as provided in Section 4.3, Company shall relocate its Electric Facilities at its own expense. The City shall give Company reasonable notice of plans to vacate for a City improvement project, or to grade, regrade, or change the line of any Public Way or to construct or reconstruct any City Utility System. If a relocation is ordered within five years of a prior relocation of the same Electric Facilities, which was made at Company expense, the City shall reimburse Company for non-betterment costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate, remove, replace or reconstruct at its own expense its Electric Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Electric Facilities in Public Ground. City may require Company, at Company's expense, to relocate or remove its Electric Facilities from Public

Ground upon a finding by City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground.

4.3 Projects with Federal Funding. City shall not order Company to remove or relocate its Electric Facilities when a Public Way is vacated, improved or realigned for a right-of-way project or any other project which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation are first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company, which allocated funding the City shall specifically request. Relocation, removal or rearrangement of any Company Electric Facilities made necessary because of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended. It is understood that the rights herein granted to Company are valuable rights.

4.4 No Waiver. The provisions of this franchise apply only to facilities constructed in reliance on a franchise from the City and shall not be construed to waive or modify any rights obtained by Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Ground or Public Way was established, or Company's rights under state or county permit.

SECTION 5. TREE TRIMMING.

Company may trim all trees and shrubs in the Public Grounds and Public Ways of City to the extent Company finds necessary to avoid interference with the proper construction, operation, repair and maintenance of any Electric Facilities installed hereunder, provided that Company shall save the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

SECTION 6. INDEMNIFICATION.

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Electric Facilities located in the Public Grounds and Public Ways. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner, of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If

Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

SECTION 7. VACATION OF PUBLIC WAYS.

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. Except where required for a City improvement project, the vacation of any Public Way, after the installation of Electric Facilities, shall not operate to deprive Company of its rights to operate and maintain such Electric Facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

SECTION 8. CHANGE IN FORM OF GOVERNMENT.

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 9. PROVISIONS OF ORDINANCE.

9.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

9.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties, and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 10. AMENDMENT PROCEDURE.

Either party to this franchise agreement may at any time propose that the agreement be amended to address a subject of concern, and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory

ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

SECTION 11. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous electric franchise granted to Company or its predecessor.

In full force and effective after its approval and publication. City Council approved by four-fifths vote to publish a summary publication of this ordinance on July 21, 2015.

Passed and approved this twenty first day of July 2015.

Sandie Thone, Administrator/Clerk

Amy Williams, Mayor

Print

Lakeland, MN Code of Ordinances

TABLE OF SPECIAL ORDINANCES

Table

I. FRANCHISES

TABLE I: FRANCHISES

<i>Ord./Res.</i>	<i>Date Passed</i>	<i>Subject</i>
7480	4-21-1998	Granting a franchise for electric distribution system to Northern States Power Company, for a period of 20 years from September 8, 1995
(Prior Code, § 1702)		
7506	4-18-2006	Granting a franchise for transportation, distribution, manufacture and sale of gas energy to Centerpoint Energy Resources Corp., d/b/a Centerpoint Energy Minnesota Gas, for a period of 20 years
(Prior Code, § 1701)		

ORDINANCE NO. 7480

CITY OF LAKELAND
WASHINGTON COUNTY, MINNESOTA

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF LAKELAND, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY AND ITS INHABITANTS AND OTHERS AND TRANSMITTING ELECTRIC ENERGY INTO AND THROUGH THE CITY AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF LAKELAND, WASHINGTON COUNTY, MINNESOTA, DOES ORDAIN:

SECTION 1. Section 1702 of the Code of Ordinances of the City of Lakeland is hereby amended to delete the same in its entirety and to substitute the following:

1702.010 Definitions

Subd. 1. "City" means the City of Lakeland, County of Washington, State of Minnesota.

Subd. 2. "City Utility System" means the facilities used for providing non-energy related public utility service owned or operated by City or agency thereof, including sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.

Subd. 3. "Company" means Northern States Power Company, a Minnesota corporation, its successors and assigns.

Subd. 4. "Notice" means a writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to the General Counsel, Law Department, 414 Nicollet Mall, Minneapolis, MN 55401. Notice to City shall be mailed to the City Clerk, 690 Quinnell Avenue North, Lakeland, Minnesota 55043. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

Subd. 5. "Public Ground" means land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

Subd. 6. "Public Way" means any street, alley, walkway or other public right-of-way within the City.

1702.020 Grant of Franchise.

City hereby grants Company, for a period of twenty (20) years from September 8, 1995, the right to transmit and furnish electric energy for light, heat, power and other purposes for public and private use within and through the limits of City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain electric distribution system and electric transmission lines, including poles, lines, fixtures, and any other necessary appurtenances in, on, over, under and across the Public Ways and Public Grounds of City. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to the further provisions of this franchise agreement.

1702.030 Restrictions.

Subd. 1. Company facilities included in such electric distribution system, transmission lines and appurtenances thereto, shall be located and constructed so as not to interfere with the safety and convenience of ordinary travel along and over said Public Ways. Company's construction, operation, repair, maintenance and location of such facilities shall be subject to such reasonable regulations as may be imposed by City ordinance.

Subd. 2. Company shall not construct any new installations within or upon any Public Grounds without receiving the prior written consent of an authorized representative of City for each such installation.

Subd. 3. In constructing, removing, replacing, repairing, or maintaining said poles, lines, fixtures and appurtenances, Company shall, in all cases, place the Public Ways in, on, under or across which the same are located in as good condition as they were prior to said operation.

1702.040 Tree Trimming.

Company is also granted the permission and authority to trim all trees and shrubs in the Public Ways and Public Grounds of City interfering with the proper construction, operation, repair and maintenance of any poles, lines, fixtures or appurtenances installed in pursuance of the authority hereby granted, provided that Company shall save City harmless from any liability in the premises.

1702.050 Service and Rates.

The service to be provided and the rates to be charged by Company for electric service in City are subject to the

jurisdiction of the Public Utilities Commission of this State or its successor agency.

1702.060 Relocating.

Subd. 1. Whenever City at its cost shall grade, regrade or change the line of any Public Way, or construct or reconstruct any City Utility System therein and shall, in the proper exercise of its police power, and with due regard to seasonable working conditions, when necessary, and after approval of its final plans have been obtained, order Company to relocate permanently its lines, services and other property located in said Public Way, Company shall relocate its facilities at its own expense. City shall give Company reasonable notice of plans to grade, regrade or change the line of any Public Way or to construct or reconstruct any City Utility System therein. However, after Company has so relocated, if a subsequent relocation or relocations shall be ordered within ten (10) years from and after first relocation, City shall reimburse Company for such non-betterment relocation expense which Company may incur on a time and material basis, provided, if subsequent relocations are required because of the extension of City Utility System to previously unserved areas, Company may be required to relocate at its own expense at any time.

Subd. 2. Nothing contained in this franchise shall require Company to relocate, remove, replace or reconnect at its own expense its facilities where such relocation, removal, replacement or reconnection is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

Subd. 3. Any relocation, removal, or rearrangement of any Company facilities made necessary because of the extension into or through City of a federally-aided highway project shall be governed by the provisions of Minn. Stat. §161.46 as supplemented or amended, and further, it is expressly understood that the right herein granted to Company is a valuable property right and City shall not order Company to remove or relocate its facilities without compensation when a Public Way is vacated, improved or re-aligned because of a renewal or a redevelopment plan which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation and the loss and expense resulting therefrom are first paid to Company.

Subd. 4. The provisions of this franchise shall not be construed to waive or modify any rights obtained by the Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Way or Public Ground was established, or the Company's rights under state or county permit.

1702.070 Indemnification.

Subd. 1. The Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the electric facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, the Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

Subd. 2. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, the Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to the Company within a period wherein the Company is not prejudiced by lack of such notice. If the Company is required to indemnify and defend, it will thereafter have control of such litigation, but the Company, upon request of the City, shall keep the City advised on the status of the litigation and Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and the Company, in defending any action on behalf of the City shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

1702.080 Vacation of Public Ways.

The City shall give the Company at least two (2) weeks prior written notice of a proposed vacation of a Public Way. Except where required solely for a City improvement project, the vacation of any Public Way, after the installation of electric facilities, shall not operate to deprive Company of its rights to operate and maintain such electrical facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to the Company for failure to specifically preserve a right-of-way, under Minn. Stat. §160.29 or to give written notice of vacation proceedings under Minn. Stat. §412.851.

1702.090 Written Acceptance.

Company shall, if it accepts this Ordinance and the rights and obligations hereby granted, file a written acceptance of the rights

hereby granted with the City Clerk within ninety (90) days after the final passage and any required publications of this Ordinance.

1702.100 General Provisions.

Subd. 1. Every section, provision, or part of this Ordinance is declared separate from every other section, provision or part; and if any section, provision or part shall be held invalid, it shall not affect any other section, provision or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

Subd. 2. If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is to be used or if the parties are unable to resolve the dispute within thirty (30) days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

Subd. 3. This Ordinance constitutes a franchise agreement between the City and the Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

Subd. 4. Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of the Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

Subd. 5. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Company's facilities while performing any activity.

Subd. 6. In the event Company, during the first ten (10) years of the twenty (20) year term of this franchise agreement, changes its policy and agrees to accept electric franchises from statutory cities for a term of ten (10) years, instead of twenty (20) years, Company will agree to amend this franchise, upon

request of the City, to reflect a ten (10) year term as committed to by Company in a letter to City dated February 3, 1997.

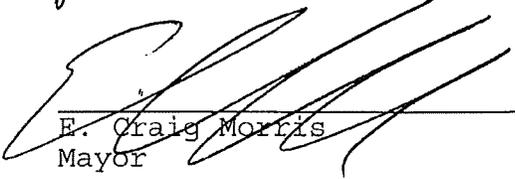
1702.110 Publication Expense.

The expense of any publication of this franchise Ordinance required by law shall be paid by Company.

SECTION 2. Effective Date.

This Ordinance is effective as provided by statute or charter and upon acceptance by Company as provided in Section 9.

Passed this 2nd day of April, 1998.



E. Craig Morris
Mayor

Attest:



Ruth Ann Brunckhorst
City Clerk

7C



TO: Mayor and City Council

FROM: Sandie Thone, City Administrator/Clerk

RE: Northland Securities Bond Refunding Resolution 2015-28

DATE: July 21, 2015

Background

The call date regarding \$650,000 General Obligation Improvements Bond, Series 2007A of 2/1/2016 and the call date regarding \$1,310,000 General Obligation Water Revenue Refunding Bonds, Series 2010A of 2/1/2017 prompted staff to propose a request for council to consider the refunding of the two aforementioned existing bond issues. On May 19, 2015 the city council approved Resolution 2015-19 allowing Northland Securities and city staff to move forward with the bond refunding under the conditions that the total aggregate principal amount would not exceed \$1,300,000 provided the total net savings is at least \$120,000, and the refunding meets the 3% savings test as set forth in MN Statutes 475.67, subdivision 12.

Discussion

Attached please find the following documentation regarding the bond refunding:

- i) Northland Securities Bond Refunding Purchase Agreement
- ii) Refunding Summary
- iii) Standard & Poor's AAA Rating
- iv) Resolution 2015-28 Providing for the Issuance and Sale of \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A and Pledging for the Security thereof of Net Revenues, Special Assessments and Levying a Tax for the Payment Thereof.

George Eilertson of Northland Securities, Inc. is in attendance at tonight's meeting to provide the council an overview of the bond refunding and answer any questions council may have. The refunding has been completely supported by City Treasurer Tom Niedzwiecki and offers the city a significant savings. Treasurer Niedzwiecki is available for questions as well.

Recommendation

Staff is requesting the City Council approve Resolution 2015-28 Providing for the Issuance and Sale of \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A and Pledging for the Security thereof of Net Revenues, Special Assessments and Levying a Tax for the Payment Thereof. Motion, Second and Majority vote required.

NORTHLAND SECURITIES

i

Honorable City Council
City of Lakeland, Minnesota

Dear City Officials:

We understand that you desire to issue \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A (the "Bonds"). Accordingly, we propose as follows:

We agree to purchase \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A to be dated August 1, 2015 and to mature February 1, 2017 - 2030. We agree to pay for the Bonds \$1,255,081.25 and accrued interest to the date of settlement.

The Bonds are to be payable at Northland Trust Services, Inc., Minneapolis, Minnesota, as escrow agent, paying agent and registrar. Interest is to be payable on February 1, 2016 and semiannually thereafter. The Bonds will have the following interest rates and will mature or be subject to mandatory redemption on February 1 in the years and amounts as follows:

2017	\$ 35,000	1.05 %	2024	\$135,000	2.50 %
2018	120,000	1.05	2025	140,000	2.50
2019	120,000	1.50	2026	40,000	2.50
2020	120,000	1.50	2027	40,000	3.00
2021	125,000	2.00	2028	45,000	3.00
2022	125,000	2.00	2029	45,000	3.00
2023	125,000	2.50	2030	45,000	3.00

All Bonds will be Book Entry and in multiples of \$5,000. The average interest rate is 2.4016% and the TIC is 2.4211%.

Mandatory Redemption: This issue shall have six term bonds maturing February 1, 2018 (2017 and 2018 maturities), February 1, 2020 (2019 and 2020 maturities), February 1, 2022 (2021 and 2022 maturities), February 1, 2024 (2023 and 2024 maturities), February 1, 2026 (2025 and 2026 maturities) and February 1, 2030 (2027 through 2030 maturities) which will have mandatory redemptions equal to the annual principal due as stated above.

Optional Redemption: Bonds maturing in the years 2024 through 2030, inclusive, are callable at the option of the Issuer in whole or in part on February 1, 2023 and on any date thereafter, at a price of par plus accrued interest.

This contract is made for prompt acceptance and subject to the approval of Briggs and Morgan, Professional Association (Bond Counsel) of St. Paul, Minnesota, as to the legality and regularity of all proceedings taken in the issuance of the Bonds.

The Issuer agrees to pay the expenses of registering the Bonds and the fee of Bond Counsel, recognized municipal bond attorneys, in furnishing the necessary proceedings required to authorize the issuance of the Bonds. The Issuer shall be responsible for paying agent fees on the refunded bonds when called and for the publication of the call notice.

City of Lakeland, Minnesota
\$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A

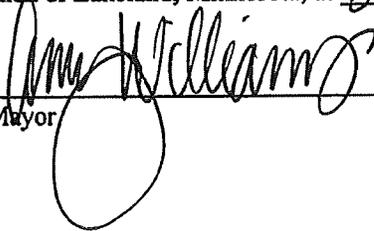
No Advisory or Fiduciary Role. The City of Lakeland, MN ("Issuer") acknowledges and agrees that: (i) the transaction contemplated by this contract is an arm's length, commercial transaction between the Issuer and Northland Securities, Inc. ("NSI") in which NSI is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) NSI has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether NSI has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations NSI has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this contract; and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Respectfully submitted this 15th day of July, 2015.

NORTHLAND SECURITIES, INC.

By:  _____

The foregoing proposal was duly accepted by the City Council of Lakeland, Minnesota, at 8:55 a. .m.
this 15th day of July, 2015.

By:  _____

Mayor

Attest:  _____

City Administrator

Final

City of Lakeland, Minnesota

G.O. Crossover Refunding Bonds, Series 2015A

**Refunding Summary**

Dated 08/01/2015 | Delivered 08/25/2015

	2008	2010	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$540,000.00	\$720,000.00	\$1,260,000.00
Reoffering Premium	5,348.10	9,452.15	14,800.25
Accrued Interest from 08/01/2015 to 08/25/2015	820.67	944.50	1,765.17
Total Sources	\$546,168.77	\$730,396.65	\$1,276,565.42
Uses Of Funds			
Deposit to Crossover Escrow Fund	516,155.00	721,251.25	1,237,406.25
Total Underwriter's Discount (1.565%)	8,451.00	11,268.00	19,719.00
Costs of Issuance	19,440.00	-	19,440.00
Rounding Amount	2,122.77	(2,122.60)	0.17
Total Uses	\$546,168.77	\$730,396.65	\$1,276,565.42

Flow of Funds Detail

State and Local Government Series (SLGS) rates for

Date of OMP Candidates

Primary Purpose Fund Solution Method	Net Funded	Net Funded	Net Funded
Total Cost of Investments	\$516,155.00	\$721,251.25	\$1,237,406.25
Total Draws	\$516,155.00	\$721,251.25	\$1,237,406.25

PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 2.175%(Bond Yield)	89,606.19	23,888.54	113,494.73
Contingency or Rounding Amount	2,122.77	(2,122.60)	0.17
Net Present Value Benefit	\$91,728.96	\$21,765.94	\$113,494.90
Net PV Benefit / - Refunded Principal	17.986%	3.109%	-
Net PV Benefit / \$1,260,000 Refunding Principal	16.987%	3.023%	9.008%

Bond Statistics

Average Life	8.313 Years	6.051 Years	7.021 Years
Average Coupon	2.6199042%	2.1768132%	2.4016646%
Net Interest Cost (NIC)	2.6890265%	2.2184898%	2.4572688%
Bond Yield for Arbitrage Purposes	2.1754322%	2.1754322%	2.1754322%
True Interest Cost (TIC)	2.6563433%	2.1883116%	2.4211307%
All Inclusive Cost (AIC)	3.1675887%	2.1907482%	2.6702689%

Ref 1 | Issue Summary | 7/15/2015 | 12:57 PM

Final

City of Lakeland, Minnesota

G.O. Crossover Refunding Bonds, Series 2015A

Debt Service Comparison

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2016	13,238.75	(523,238.75)	639,167.50	129,167.33	129,167.50	0.17
02/01/2017	61,477.50	(714,167.50)	801,460.00	148,770.00	155,210.00	6,440.00
02/01/2018	146,110.00	-	-	146,110.00	157,085.00	10,975.00
02/01/2019	144,850.00	-	-	144,850.00	158,435.00	13,585.00
02/01/2020	143,050.00	-	-	143,050.00	154,535.00	11,485.00
02/01/2021	146,250.00	-	-	146,250.00	155,205.00	8,955.00
02/01/2022	143,750.00	-	-	143,750.00	160,707.50	16,957.50
02/01/2023	141,250.00	-	-	141,250.00	155,407.50	14,157.50
02/01/2024	148,125.00	-	-	148,125.00	155,107.50	6,982.50
02/01/2025	149,750.00	-	-	149,750.00	159,437.50	9,687.50
02/01/2026	46,250.00	-	-	46,250.00	53,287.50	7,037.50
02/01/2027	45,250.00	-	-	45,250.00	55,987.50	10,737.50
02/01/2028	49,050.00	-	-	49,050.00	53,400.00	4,350.00
02/01/2029	47,700.00	-	-	47,700.00	50,700.00	3,000.00
02/01/2030	46,350.00	-	-	46,350.00	53,000.00	6,650.00
Total	\$1,472,451.25	(1,237,406.25)	\$1,440,627.50	\$1,675,672.33	\$1,806,672.50	\$131,000.17

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	113,494.73
Net PV Cashflow Savings @ 2.175%(Bond Yield)....	113,494.73
Contingency or Rounding Amount.....	0.17
Net Present Value Benefit	\$113,494.90
Net PV Benefit / \$1,363,502.45 PV Refunded Debt Service	8.324%
Net PV Benefit / - Refunded Principal...	-
Net PV Benefit / \$1,260,000 Refunding Principal..	9.008%

Refunding Bond Information

Refunding Dated Date	8/01/2015
Refunding Delivery Date	8/25/2015

Final

City of Lakeland, Minnesota

G.O. Crossover Refunding Bonds, Series 2015A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/25/2015	-	-	-	-	-
02/01/2016	-	-	13,238.75	13,238.75	13,238.75
08/01/2016	-	-	13,238.75	13,238.75	-
02/01/2017	35,000.00	1.050%	13,238.75	48,238.75	61,477.50
08/01/2017	-	-	13,055.00	13,055.00	-
02/01/2018	120,000.00	1.050%	13,055.00	133,055.00	146,110.00
08/01/2018	-	-	12,425.00	12,425.00	-
02/01/2019	120,000.00	1.500%	12,425.00	132,425.00	144,850.00
08/01/2019	-	-	11,525.00	11,525.00	-
02/01/2020	120,000.00	1.500%	11,525.00	131,525.00	143,050.00
08/01/2020	-	-	10,625.00	10,625.00	-
02/01/2021	125,000.00	2.000%	10,625.00	135,625.00	146,250.00
08/01/2021	-	-	9,375.00	9,375.00	-
02/01/2022	125,000.00	2.000%	9,375.00	134,375.00	143,750.00
08/01/2022	-	-	8,125.00	8,125.00	-
02/01/2023	125,000.00	2.500%	8,125.00	133,125.00	141,250.00
08/01/2023	-	-	6,562.50	6,562.50	-
02/01/2024	135,000.00	2.500%	6,562.50	141,562.50	148,125.00
08/01/2024	-	-	4,875.00	4,875.00	-
02/01/2025	140,000.00	2.500%	4,875.00	144,875.00	149,750.00
08/01/2025	-	-	3,125.00	3,125.00	-
02/01/2026	40,000.00	2.500%	3,125.00	43,125.00	46,250.00
08/01/2026	-	-	2,625.00	2,625.00	-
02/01/2027	40,000.00	3.000%	2,625.00	42,625.00	45,250.00
08/01/2027	-	-	2,025.00	2,025.00	-
02/01/2028	45,000.00	3.000%	2,025.00	47,025.00	49,050.00
08/01/2028	-	-	1,350.00	1,350.00	-
02/01/2029	45,000.00	3.000%	1,350.00	46,350.00	47,700.00
08/01/2029	-	-	675.00	675.00	-
02/01/2030	45,000.00	3.000%	675.00	45,675.00	46,350.00
Total	\$1,260,000.00	-	\$212,451.25	\$1,472,451.25	-

Dated	8/01/2015
Delivery Date	8/25/2015
First Coupon Date	2/01/2016
First available call date	2/01/2023
Call Price	100.0000000%
Accrued Interest from 08/01/2015 to 08/25/2015	1,765.17
Bond Year Dollars	\$8,846.00
Average Life	7.021 Years
Average Coupon	2.4016646%
Net Interest Cost (NIC)	2.4572688%
True Interest Cost (TIC)	2.4211307%
All Inclusive Cost (AIC)	2.6702689%
Bond Yield for Arbitrage Purposes	2.1754322%
Net Interest Cost	2.1850064%
Weighted Average Maturity	7.032 Years

Ref 1 | Issue Summary | 7/15/2015 | 12:57 PM



130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 1401723

July 10, 2015

City of Lakeland
1190 Saint Croix Trail South
Lakeland, MN 55043
Attention: Ms. Sandy Thone, City Administrator/Clerk

Re: *US\$1,275,000 City of Lakeland, Minnesota, General Obligation Refunding Bonds, Series 2015A, dated: August 01, 2015, due: February 01, 2030*

Dear Ms. Thone:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") rating on the above-referenced obligations, Ratings Services has assigned a rating of "AAA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

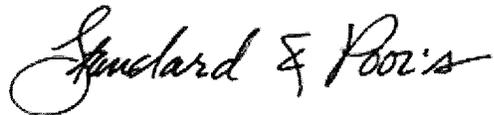
Please send hard copies to:
Standard & Poor's Ratings Services
Public Finance Department
55 Water Street

New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

The image shows a handwritten signature in black ink that reads "Standard & Poor's". The signature is written in a cursive, flowing style.

Standard & Poor's Ratings Services

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cc: Ms. Cynthia L. Tebbitt
Mr. George Eilertson
Mr. Peter Meidal



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130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 40279618

July 10, 2015

City of Lakeland
1190 Saint Croix Trail South
Lakeland, MN 55043
Attention: Ms. Sandy Thone, City Administrator/Clerk

Re: *Lakeland General Obligation, Minnesota, Issuer Credit Rating*

Dear Ms. Thone:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") underlying rating (Underlying Rating for Credit Program) on the above-referenced obligations, Ratings Services has assigned a rating of "AAA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

A handwritten signature in cursive script that reads "Standard & Poor's". The signature is written in black ink and is positioned below the "Sincerely yours," text.

Standard & Poor's Ratings Services

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All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was

provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable

securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control . As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or

recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

RatingsDirect®

Summary:

Lakeland, Minnesota; General Obligation; Non-School State Programs

Primary Credit Analyst:

Blake E Yocom, Chicago (1) 312-233-7056; blake.yocom@standardandpoors.com

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Summary:

Lakeland, Minnesota; General Obligation; Non-School State Programs

Credit Profile

US\$1.275 mil GO rfdg bnds ser 2015A dtd 08/01/2015 due 02/01/2030

<i>Long Term Rating</i>	AAA/Stable	New
Lakeland GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
<i>Unenhanced Rating</i>	NR(SPUR)	
<i>Underlying Rating for Credit Program</i>	AAA/Stable	New Rating

Rationale

Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to Lakeland, Minn.'s series 2015A general obligation (GO) refunding bonds. At the same time, we affirmed our 'AAA' rating on the city's outstanding GO bonds. The outlook is stable.

The city's unlimited ad valorem tax GO pledge secures the bonds. Debt service is expected to be paid from a combination of special assessments, net water revenues, and ad valorem property taxes. The rating is based on the unlimited-tax GO pledge, which we view as the stronger security. Bond proceeds will be used to crossover refund the city's series 2008A GO improvement bonds and 2010A GO water revenue refunding bonds for interest cost savings.

Additional security is provided by the city's eligibility for, and participation in, the Minnesota City Credit Enhancement program, which provides the security of a standing appropriation from Minnesota's general fund in the event of a city debt payment default. The 'AA+' enhanced program rating will act as a floor if the credit profile of the city deteriorates, provided that the current enhancement program rating does not fall as well.

The rating reflects our assessment of the city's:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with the ability to consistently maintain balanced operations and "standard" financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating results that we expect could improve in the near term relative to fiscal 2014, which closed with an operating deficit in the general fund but an operating surplus at the total governmental fund level;
- Very strong budgetary flexibility, with a high available cash reserve in fiscal 2014 of 210% of operating expenditures;
- Very strong liquidity, with total government available cash of 2.2x total governmental fund expenditures and 15.6x governmental debt service, and access to external liquidity we consider strong;
- Strong debt and contingent liability position, with debt service carrying charges of 14.2% of expenditures and net direct debt that is 122.1% of total governmental fund revenue and low overall net debt at less than 3% of market

- value and rapid amortization with 85.9% of debt scheduled to be retired in 10 years; and
- Adequate institutional framework score.

Very strong economy

We consider Lakeland's economy very strong. The city, with an estimated population of 1,789, is located in Washington County in east-central Minnesota, in the Minneapolis-St. Paul-Bloomington, MN-WI MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 127% of the national level and per capita market value of \$120,838. Overall, the city's market value grew by 4.9% over the past year to \$216.2 million in 2015. The county unemployment rate was 3.6% in 2014.

Lakeland is primarily a bedroom community with the county (1,660 employees) the leading area local employer, followed by the local school district (1,039) and a hospital (731). The tax base is primarily residential (87%) with a commercial/industrial component (10%).

Strong management

We view the city's management as strong, with "standard" financial policies and practices under our FMA methodology, indicating the finance department maintains adequate policies in some but not all key areas. In addition, our assessment of management indicates the city's consistent maintenance of balanced operations. Over the past three years, general fund operating results have been positive when accounting for discretionary transfers out to the improvement fund.

Strengths of the assessment, in our opinion, include strong revenue and expenditure assumptions and the use of historical data when formulating the budget, and at least quarterly budget-to-actual performance and investment reports to the council. The city lacks long-term comprehensive financial and capital plans. The city's debt management policy is not robust, in our view. However, it has a formal fund balance policy to maintain a minimum of 35% of expenditures in reserves.

Strong budgetary performance

Lakeland's budgetary performance is strong in our opinion. The city had deficit operating results in the general fund of negative 5.4% of expenditures, but a surplus result across all governmental funds of 13.7% in fiscal 2014. Our assessment accounts for the fact that we expect budgetary results could improve from 2014 results in the near term.

The city has a history of operating surpluses when accounting for discretionary transfers to outside funds and budgets conservatively, in our view. The fiscal 2015 (Dec. 31) budget is break-even for the general fund and is projected to show similar surplus results for the total governmental funds, which we view as likely. Property taxes accounted for nearly 95% of general fund revenues in fiscal 2014, which provides for a stable and predictable revenue stream.

Very strong budgetary flexibility

Lakeland's budgetary flexibility is very strong, in our view, with a high available cash reserve in fiscal 2014 of 210% of operating expenditures, or \$1.0 million. We expect the available cash reserve will remain above 75% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The cash reserve includes \$477,000 (98.4% of expenditures) in the general fund and \$541,000 (112% of expenditures) that is outside the general fund but legally available for operations. Negatively affecting budgetary flexibility, in our view, is Lakeland's use of cash accounting, which reduces clarity about the amount of funds that are truly available.

We included the general fund and improvement fund reserves as available, given the improvement fund is available for operations and funded through discretionary transfers from the general fund. We understand reserves are not earmarked for any projects and are available for operations and transfers back to the general fund at the city's discretion (there are very few expenditures in the improvement fund). We expect budgetary flexibility to remain very strong.

Very strong liquidity

In our opinion, Lakeland's liquidity is very strong, with total government available cash of 2.2x total governmental fund expenditures and 15.6x governmental debt service in 2014. In our view, the city has strong access to external liquidity if necessary.

The city issues GO debt frequently and has demonstrated strong access to the capital markets. We expect its liquidity profile will remain very strong.

Strong debt and contingent liability profile

In our view, Lakeland's debt and contingent liability profile is strong. Total governmental fund debt service is 14.2% of total governmental fund expenditures, and net direct debt is 122.1% of total governmental fund revenue. Overall net debt is low at 1.7% of market value and approximately 85.9% of the direct debt is scheduled to be repaid within 10 years, which are in our view positive credit factors.

The debt profile does not include debt fully self-supported by the city's enterprise funds. The city has no plans to issue additional debt and we therefore do not expect our view of its debt profile to weaken in the near term. Also, Lakeland does not have any direct-purchase or variable-rate debt.

Lakeland's pension contributions totaled 1.5% of total governmental fund expenditures in 2014. The city made its full pension ARC in 2014.

All full-time and certain part-time city employees are covered by defined-benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund, a cost-sharing multiemployer retirement plans. The city's fiscal 2014 contribution totaled only \$16,000, equal to its ARC as set forth by the state. The city allows retirees to stay on its health insurance plan but at their own expense, resulting in an implicit liability.

Adequate institutional framework

The institutional framework score for Minnesota cities with a population between 1,000 and 2,500 and no annual audit required by state statute is adequate.

The city's GO bonds are eligible to be rated above the sovereign because we believe Lakeland can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions," U.S. local governments are considered to have moderate sensitivity to country risk. Lakeland's GO pledge secures the bonds; this severely limits the possibility of negative sovereign intervention in the payment of the debt or in the operations of the city. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy and independent treasury management. In addition, Lakeland's financial flexibility is demonstrated by its very strong fund general balance as a percentage of

expenditures, as well as very strong liquidity.

Outlook

The stable outlook reflects our view that Lakeland will maintain its very strong budget flexibility and liquidity, which is supported by strong management. We do not expect to revise the rating in the next two years, but if budget performance weakens and available reserves fall below \$500,000 or below 75% of operating expenditures, we would likely lower the rating. Should any other credit factor weaken materially, the rating would be pressured.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008
- USPF Criteria: Methodology: Rating Approach To Obligations With Multiple Revenue Streams, Nov. 29, 2011
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Minnesota Local Governments

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF LAKELAND, MINNESOTA

HELD: July 21, 2015

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Lakeland, Washington County, Minnesota, was duly called and held at the City Hall on July 21, 2015, at 6:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION 2015-28

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$1,260,000 GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2015A AND PLEDGING FOR THE SECURITY THEREOF NET REVENUES, SPECIAL ASSESSMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Lakeland, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to provide moneys for a crossover refunding of the City's (i) \$650,000 original principal amount of General Obligation Improvement Bonds, Series 2008A, dated November 1, 2008 (the "Prior 2008A Bonds"), which mature on and after February 1, 2017; and (ii) \$1,310,000 original principal amount of General Obligation Water Revenue Refunding Bonds, Series 2010A, dated January 1, 2010 (the "Prior 2010A Bonds"), which mature on and after February 1, 2018; and

B. WHEREAS, \$510,000 aggregate principal amount of the Prior 2008A Bonds which mature or are subject to mandatory redemption on and after February 1, 2017, is callable on February 1, 2016 (the "the Refunded 2008A Bonds"), at a price of par plus accrued interest, as provided in a resolution adopted by the City Council on October 21, 2008, authorizing the issuance of the Prior 2008A Bonds (the "Prior 2008A Bonds Resolution"); and

C. WHEREAS, \$700,000 aggregate principal amount of the Prior 2010A Bonds which mature or are subject to mandatory redemption on and after February 1, 2018, is callable on February 1, 2017 (the "the Refunded 2010A Bonds", and together with the Refunded 2008A Bonds, the "Refunded Bonds"), at a price of par plus accrued interest, as provided in a resolution adopted by the City Council on December 15, 2009, authorizing the issuance of the Prior 2010A Bonds (the "Prior 2010A Bonds Resolution", and together with the Prior 2008A Bonds Resolution, the "Prior Resolutions"); and

D. WHEREAS, the crossover refunding of the Refunded 2008A Bonds on February 1, 2016 (the "2008A Crossover Date") and the crossover refunding of the Refunded 2010A

Bonds on February 1, 2017 (the "2010A Crossover Date", and together with the 2008A Crossover Date, the "Crossover Dates") are consistent with covenants made with the holders thereof, and are necessary and desirable for the reduction of debt service cost to the City; and

E. WHEREAS, the City owns and operates a municipal water system (the "System") as a separate revenue-producing public utility and other than the outstanding Prior 2010A Bonds, there are no other obligations of the City to which the revenues of the System are pledged.

F. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for a crossover refunding of the Refunded Bonds; and

G. WHEREAS, as permitted by Minnesota Statutes, Section 475.60, Subdivision 2(5), the public sale requirements do not apply to the Bonds; and

H. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

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

1. Acceptance of Offer. The offer of Northland Securities, Inc. (the "Purchaser"), to purchase the Bonds in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefor the sum of \$1,255,081.25, plus interest accrued to settlement, is hereby accepted.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities. The Bonds shall be dated August 1, 2015, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$35,000	2024	\$135,000
2018	120,000	2025	140,000
2019	120,000	2026	40,000
2020	120,000	2027	40,000
2021	125,000	2028	45,000
2022	125,000	2029	45,000
2023	125,000	2030	45,000

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing

principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation of Bonds and Prepayments to Portions of Debt Service. Bonds in the aggregate principal amount of \$540,000 maturing in each of the years and amounts hereinafter set forth are allocable to the costs of crossover refunding the Refunded 2008A Bonds (the "Improvement Refunding Portion"). Bonds in the aggregate principal amount of \$720,000 maturing in each of the years and amounts hereinafter set forth are allocable to the costs of crossover refunding the Refunded 2010A Bonds (the "System Refunding Portion"):

<u>Year</u>	<u>Improvement Refunding Portion (Amount)</u>	<u>System Refunding Portion (Amount)</u>	<u>Total Amount</u>
2017	\$35,000	-	\$35,000
2018	35,000	\$85,000	120,000
2019	35,000	85,000	120,000
2020	35,000	85,000	120,000
2021	35,000	90,000	125,000
2022	35,000	90,000	125,000
2023	35,000	90,000	125,000
2024	40,000	95,000	135,000
2025	40,000	100,000	140,000
2026	40,000	-	40,000
2027	40,000	-	40,000
2028	45,000	-	45,000
2029	45,000	-	45,000
2030	45,000	-	45,000

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment moneys is the general fund of the City, or other generally available source, the prepayment may be allocated to any or all of the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is special assessments pledged to or taxes levied for the Prior 2008A Bonds, the prepayment shall be allocated to the Improvement Refunding Portion of debt service. If the source of a prepayment is net revenues of the System pledged to the Prior 2010A Bonds, the prepayment shall be allocated to the System Refunding Portion of debt service

(c) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a

separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(d) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.

(e) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose; Refunding Findings. The Bonds shall provide funds for a crossover refunding of the Refunded 2008A Bonds and the Refunded 2010A Bonds (together, the "Refunding"). It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67. With respect to the Refunded 2008A Bonds, as of the Crossover Date there shall result in a reduction of the present value of the dollar amount of the debt service to the City from a total dollar amount of \$730,300.45 for the Prior 2008A Bonds to a total dollar amount of \$640,694.26 for the Improvement Refunding Portion of the Bonds computed in accordance with the provisions of Minnesota Statutes, Section 475.67, Subdivision 12. The dollar amount of such present value of the debt service for the Improvement Refunding Portion of the Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior 2008A Bonds as required in Minnesota Statutes, Section 475.67, Subdivision 12. With respect to the Refunded 2010A Bonds, as of the Crossover Date there shall result in a reduction of the present value of the dollar amount of the debt service to the City from a total dollar amount of \$746,696.73 for the Prior 2010A Bonds to a total dollar amount of \$722,808.19 for the System Refunding Portion of the Bonds computed in accordance with the provisions of Minnesota Statutes, Section 475.67, Subdivision 12. The dollar amount of such present value of the debt service for the System Refunding Portion of the Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior 2010A Bonds as required in Minnesota Statutes, Section 475.67, Subdivision 12.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2016, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2017	1.05%	2024	2.50%
2018	1.05	2025	2.50
2019	1.50	2026	2.50
2020	1.50	2027	3.00
2021	2.00	2028	3.00
2022	2.00	2029	3.00
2023	2.50	2030	3.00

5. Redemption. Bonds maturing on February 1, 2024, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2023, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is

duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
WASHINGTON COUNTY
CITY OF LAKELAND

R- _____

\$ _____

GENERAL OBLIGATION CROSSOVER
REFUNDING BOND, SERIES 2015A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1,	August 1, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Lakeland, Washington County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless call for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2016, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the “Bonds”) maturing on February 1, 2024, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2023, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder’s attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$1,260,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on July 21, 2015 (the “Resolution”), for the purpose of providing funds sufficient for a crossover refunding of certain outstanding general obligation bonds of the Issuer. This Bond is payable out of the Escrow Account and the Debt Service Account established pursuant to the Resolution. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest

when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of its municipal water system (the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the System Refunding Portion of the Bonds, as defined in the Resolution, adequate to pay all principal and interest when due on the System Refunding Portion of the Bonds; and that

the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on System Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Lakeland, Washington County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Administrator-Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: NORTHLAND TRUST SERVICES, INC.

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

Payable at: NORTHLAND TRUST SERVICES, INC.

CITY OF LAKELAND,
WASHINGTON COUNTY, MINNESOTA

This Bond is one of the Bonds described in the Resolution mentioned within.

Northland Trust Services, Inc.
Minneapolis, Minnesota
Bond Registrar

/s/ Facsimile _____
Mayor

By _____
Authorized Signature

/s/ Facsimile _____
Administrator-Clerk

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator-Clerk and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of August 1, 2015. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator-Clerk is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator-Clerk to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Funds; Accounts and Subaccounts. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to make adequate and specific security to the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the "General Obligation Crossover Refunding Bonds,

Series 2015A Fund” (the “Fund”) to be administered and maintained by the Administrator-Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon shall have been fully paid. The Operation and Maintenance Account heretofore established by the City for the System shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as “net revenues” until the System Refunding Portion of the Bonds have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all income and disbursements of the System as hereinafter set forth. The Administrator-Clerk of the City and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the System in accordance with this resolution. In such records there shall be established and maintained the following separate accounts, for the purposes as follows.

(a) Escrow Account. The Escrow Account shall be maintained as an escrow account with Northland Trust Services, Inc. (the “Escrow Agent”), in Minneapolis, Minnesota, which is a suitable financial institution within or without the State. All proceeds of the sale of the Bonds shall be received by the Escrow Agent and applied to fund the Escrow Account or to pay costs of issuing the Bonds. Proceeds of the Bonds not used to pay costs of issuance are hereby irrevocably pledged and appropriated to the Escrow Account, together with all investment earnings thereon. The amounts deposited in the Escrow Account at closing shall be in an amount sufficient to (i) pay when due the interest to accrue on the Improvement Refunding Portion of the Bonds to and including the 2008A Crossover Date; (ii) pay when called for redemption on the 2008A Crossover Date, the principal amount of the Refunded 2008A Bonds; (iii) pay when due the interest to accrue on the System Refunding Portion of the Bonds to and including the 2010A Crossover Date; and (iv) pay when called for redemption on the 2010A Crossover Date, the principal amount of the Refunded 2010A Bonds. The Escrow Account shall be irrevocably appropriated to the payment of (i) all interest on the Improvement Refunding Portion of the Bonds to and including the 2008A Crossover Date, (ii) the principal of the Refunded 2008A Bonds due by reason of their call for redemption on the 2008A Crossover Date; (iii) all interest on the System Refunding Portion of the Bonds to and including the 2010A Crossover Date, (iv) the principal of the Refunded 2010A Bonds due by reason of their call for redemption on the 2010A Crossover Date. The moneys in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the City, all in accordance with the Escrow Agreement, by and between the City and Escrow Agent (the “Escrow Agreement”), a form of which is on file in the office of the Treasurer. Any moneys remitted to the City upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

(b) Debt Service Account. There shall be maintained the following separate subaccounts in the Debt Service Account to be designated the “Improvement Debt Service Subaccount,” and the “System Debt Service Subaccount”. There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Improvement Debt Service Subaccount. To the Improvement Debt Service Subaccount there is hereby pledged and irrevocably appropriated and there shall be credited: (1) after the 2008A Crossover Date, all uncollected special assessments pledged to the payment of the Prior 2008A Bonds; (2) any collections of all taxes heretofore or hereafter levied for the payment of the Prior 2008A Bonds and interest thereon which are not needed to pay the Prior 2008A Bonds as a result of the Refunding and any taxes herein levied; (3) a pro rata share of any balance remitted to the City upon the termination of the Escrow Agreement; (4) any funds remaining after the 2008A Crossover Date in the Debt Service Account established by the Prior 2008A Bonds Resolution; (5) all investment earnings on funds in the Improvement Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Improvement Debt Service Subaccount. The amount of any surplus remaining in the Improvement Debt Service Subaccount when the Improvement Refunding Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the Improvement Debt Service Subaccount shall be used solely to pay the principal of and interest on the Improvement Refunding Portion of the Bonds or any other bonds hereafter issued and made payable from the Fund.

(ii) System Debt Service Subaccount. To the System Debt Service Subaccount there is hereby pledged and irrevocably appropriated and there shall be credited: (1) after the 2010A Crossover Date, the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the account sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the System Refunding Portion of the Bonds; (2) any collections of all taxes which may hereafter be levied in the event the net revenues of the System herein pledged to the payment of the principal and interest on the System Refunding Portion of the Bonds are insufficient therefor; (3) a pro rata share of any balance remitted to the City upon termination of the Escrow Agreement; (4) any funds remaining after the 2010A Crossover Date in the Debt Service Account established by the Prior 2010A Bonds Resolution; (5) all investment earnings on funds in the System Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the System Debt Service Subaccount. The amount of any surplus remaining in the System Debt Service Subaccount when the System Refunding Portion of the Bonds and interest thereon are paid shall be used consistent with the Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the System Debt Service Subaccount shall be used solely to pay the principal and interest on the System Refunding Portion of the Bonds or any other Bonds hereafter issued and made payable from the Fund.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (a) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (b) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Fund (or any

other City account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable “temporary periods” or “minor portion” made available under the federal arbitrage regulations. In addition, the proceeds of the Bonds and money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the “Code”).

16. Covenants Relating to the Improvement Refunding Portion of the Bonds.

(a) Special Assessments. The City has heretofore levied special assessments pursuant to the Prior 2008A Bonds Resolution, which were pledged to the payment of the principal and interest on the Prior 2008A Bonds and, after the 2008A Crossover Date, the uncollected special assessments for the Prior 2008A Bonds are now pledged to the payment of principal and interest on the Improvement Refunding Portion of the Bonds. The special assessments are such that if collected in full they will produce, together with the other sums pledged to the payment of the Improvement Refunding Portion of the Bonds and other revenues herein pledged, at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Improvement Refunding Portion of the Bonds. The special assessments were levied as provided below, payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rate shown opposite such years:

<u>Improvement Designations</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>	<u>Rate</u>
3 rd and 5 th Street Improvements	2007 – 2029	2008 – 2030	\$707,372	5.75%

(b) Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Improvement Refunding Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached schedule

The tax levies are such that if collected in full they, together with estimated collections of special assessments herein pledged for the payment of the Improvement Refunding Portion of the Bonds, together with the other sums pledged to the payment of the Improvement Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Improvement Refunding Portion of the

Bonds. The tax levies shall be irrevocable so long as any of the Improvement Refunding Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

Upon payment of the Prior 2008A Bonds, the uncollected taxes levied in the Prior Resolution authorizing the issuance of the Prior 2008A Bonds which are not needed to pay the Prior 2008A Bonds as a result of the Refunding shall be canceled.

(c) General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Improvement Refunding Portion of the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Improvement Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Improvement Refunding Portion of the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Improvement Debt Service Subaccount when a sufficient balance is available therein.

17. Covenants Relating to the System Refunding Portion of the Bonds.

(a) Pledge of System Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the System are sufficient to pay when due the principal of and interest on the System Refunding Portion of the Bonds and a sum at least five percent in excess thereof and the net revenues of the System are hereby pledged for the payment of the System Portion of the Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the System Refunding Portion of the Bonds as the same become due. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient, in addition to all other sources, for the payment of the System Refunding Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues of the System may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the System Refunding Portion of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues of the System adequate to pay the principal and interest when due on the System Refunding Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

(c) Excess System Net Revenues. Net revenues of the System in excess of those required for the foregoing may be used for any proper purpose.

(d) General Obligation Pledge. For the prompt and full payment of the principal of and interest on the System Refunding Portion of the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the net revenues of the System pledged to the payment of the principal and interest on the System Refunding Portion of the Bonds, together with other funds irrevocably appropriated to the System Debt Service Subaccount, shall at any time be insufficient to pay the principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the System Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the System Refunding Portion of the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the System Debt Service Subaccount when a sufficient balance is available therein.

18. Securities; Escrow Agent. Securities, if any, purchased from moneys in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, Section 475.67, Subdivision 8, and any amendments or supplements thereto. The City Council has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable financial institution to act as escrow agent.

19. Escrow Agreement. On or prior to the delivery of the Bonds the Mayor and Administrator-Clerk shall, and are hereby authorized and directed to, execute on behalf of the City the Escrow Agreement. The Escrow Agreement is hereby approved and adopted and made a part of this resolution, and the City covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

20. Redemption of Prior Bonds. The Prior Bonds shall be redeemed and prepaid in accordance with the terms and conditions set forth in the Notices of Call for Redemption, in the form attached to the Escrow Agreement, which terms and conditions are hereby approved and incorporated herein by reference. The Notices of Call for Redemption shall be given pursuant to the Escrow Agreement.

21. Prior Bonds; Security. Until retirement of the Prior Bonds, all provisions theretofore made for the security thereof shall be observed by the City and all of its officers and agents.

22. Supplemental Resolution. The Prior Resolutions are hereby supplemented to the extent necessary to give effect to the provisions of this resolution.

23. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any Bonds,

subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

24. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Washington County, Minnesota, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered in the County Auditor's Bond Register.

25. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

26. Negative Covenant as to Use of Proceeds and Projects. The City hereby covenants not to use the proceeds of the Bonds or to use the Projects financed by the Prior 2008A Bonds, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Projects, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

27. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States, if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- (a) the Bonds are issued by a governmental unit with general taxing powers;
- (b) no Bond is a private activity bond;
- (c) ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and

(d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

(e) there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;

(f) the aggregate face amount of the Bonds does not exceed \$5,000,000;

(g) each of the Refunded Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;

(h) the average maturity of the Improvement Refunding Portion of the Bonds does not exceed the average maturity of the Refunded 2008A Bonds; and

(i) the average maturity of the System Refunding Portion of the Bonds does not exceed the average maturity of the Refunded 2010A Bonds; and

(j) no part of the Improvement Refunding Portion of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded 2008A Bonds were issued; and

(k) no part of the System Refunding Portion of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded 2010A Bonds were issued.

28. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

(a) the Bonds are issued after August 7, 1986;

(b) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(c) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501I(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2015 will not exceed \$10,000,000;

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2015 have been designated for purposes of Section 265(b)(3) of the Code; and

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

29. Official Statement. The Official Statement relating to the Bonds prepared and distributed by the Purchaser is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

30. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) to provide or cause to be provided, to the Municipal Securities Rulemaking Board, by filing at www.emma.msrb.org, (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Administrator-Clerk of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

31. Governmental Bonds Post-Issuance Compliance Policies and Procedures. The City hereby approves the Governmental Bonds Post-Issuance Compliance Policies and Procedures in substantially the form presented to the City Council.

32. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

33. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

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

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF WASHINGTON
CITY OF LAKELAND

I, the undersigned, being the duly qualified and acting Administrator-Clerk of the City of Lakeland, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and sale of \$1,260,000 General Obligation Crossover Refunding Bonds, Series 2015A.

WITNESS my hand on July 21, 2015.

Administrator-Clerk

TAX LEVY SCHEDULE

<u>LEVY YEAR</u>	<u>COLLECTION YEAR</u>	<u>AMOUNT</u>
2015	2016	\$49,675.50
2016	2017	49,289.63
2017	2018	48,903.75
2018	2019	48,352.50
2019	2020	47,801.25
2020	2021	47,066.25
2021	2022	46,331.25
2022	2023	50,662.50
2023	2024	49,612.50
2024	2025	48,562.50
2025	2026	47,512.50
2026	2027	51,502.50
2027	2028	50,085.00
2028	2029	48,667.50

7D



TO: Mayor and City Council
FROM: Sandie Thone, City Administrator/Clerk
RE: Building Official and Inspection Services
DATE: July 21, 2015

Background

In January of 2012 the City of Lakeland entered into an Agreement for Building Inspection Services with the City of Bayport. The agreement had been updated to include increased fees from the previous agreement for services which was entered into in 2007 between the cities. Lakeland has agreements in place covering Lakeland Shores and Lake St. Croix Beach as well.

Discussion

The following documents have been included for your review:

- i) Copy of the 2012 Agreement for Building Inspection Services
- ii) MN State Building Code Jurisdiction for the City of Lakeland
- iii) MN §326B.133 Building Officials
- iv) Notice of Designation or Vacancy of Certified Building Official

Options are being reviewed and council is considering whether the city may want to exercise its contractual right under the agreement IV. EFFECTIVE AND TERMINATION DATES (2) with Bayport to provide the 60-day written notice to terminate the agreement and therefore the building inspection services now provided by the City of Bayport. Per MN §326B.133, Subdv. 1 this would require the city to designate a building official to perform building inspection services. Per MN §326B.133, Subdv. 7 the city would be required to notify the Commissioner of Labor and Industry of a vacancy and/or designation within 15-days. If the city fails to have a person in place to perform building inspection services for any period of time the state building official may use state employees to perform the duties of the building official until the municipality makes a temporary or permanent designation.

Recommendation

Staff is requesting the city council make a decision on the status of the current agreement. If the city council makes the decision to terminate the *Agreement for Building Inspection Services* between the City of Bayport and the City of Lakeland under IV. (2) Effective and Termination Dates, the motion will serve as provision of the 60-day written notice to the City of Bayport of intention to terminate. Motion, Second and Majority vote required.

AGREEMENT FOR BUILDING INSPECTION SERVICES

THIS AGREEMENT made and entered into this 1st day of January, 2012 by and between the CITY OF BAYPORT, State of Minnesota (hereinafter referred to as "Bayport"), and the CITY OF LAKELAND, (hereinafter referred to as "Lakeland").

WITNESSETH:

WHEREAS, Lakeland has requested Bayport to provide building inspection services to be performed within its service area; and,

WHEREAS, Bayport wishes to contract with Lakeland to perform building inspection services within the service areas; and,

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between Bayport and Lakeland as follows:

I.

SCOPE OF SERVICES

1. Bayport agrees to provide building inspection services for Lakeland. Except as otherwise specifically set forth herein, building inspection services shall only include those types of duties and functions customarily rendered by the building officials under law, and shall not include services which are normally provided by the State of Minnesota such as electrical inspections and issuances of electrical permits nor shall it include such services which are normally provided by Washington County Department of Health including, but not limited to, hazardous property inspection for the purposes of Minnesota Statute §463.15, et. seq., nor shall it provide for septic system inspection or permit issuance therefore.

2. Services shall include maintaining regular office hours at offices of the City of Lakeland, plan review, preparation of documentation required for the filing of State Surcharge reports and fee calculations.

3. The standards of performance, method of providing building inspection services and other matters incident to the performance of services under this Agreement, including personnel to be employed, shall be those established by the Department of Administration for the State of Minnesota.

4. Under this Agreement, Bayport will receive all applications for building permits for all projects within Lakeland as required by existing laws, codes and ordinances, with such applications being received by Bayport after they have been first reviewed by Lakeland for purposes of planning, zoning, subdivision and other local code regulations and requirements. All applications for permits whether or not they require variances, conditional use permits or other special permits under existing ordinances of Lakeland shall first be approved by Lakeland prior to submission of applications for building permits to the Building Official. The Building Official for Bayport shall examine such applications to determine compliance with the existing building code.

5. All applications for permits which require variances, conditional use permits or other special permits under existing ordinances of Lakeland shall first be resolved by Lakeland prior to the issuance of building permits by the building official. No building permit shall be issued until the office of Lakeland City Clerk or other Lakeland designated official has executed a written consent to issuance thereon.

6. Bayport shall provide and issue all building permits as required by the existing building codes and shall maintain a duplicate record of all such permits and inspections related thereto. Bayport shall on a monthly basis submit a report to Lakeland as to individual building permits issued, but shall not be required to compile statistic data or otherwise submit reports on behalf of Lakeland to the State of Minnesota, the Metropolitan Council or other state agencies and departments except as otherwise provided herein.

7. Pursuant to this Agreement, Bayport shall provide necessary plan check services as required by laws, regulations and ordinances.

8. Bayport shall provide all job site inspections on projects under permit as is required by existing building codes and City ordinances and such other reasonable inspections as may be deemed necessary by him or her in order to ensure compliance with the building code, and upon completion of each project shall issue a certificate of occupancy for said project. No certificate of occupancy shall be issued until any and all fees and charges due the City of Lakeland have been paid in full.

9. Bayport shall collect all fees for building applications and charges to be collected incident to the administration of building inspection services contained herein according to the schedule of fees and charges agreed by both parties which is annexed hereto as Exhibit "A" and incorporated by reference herein. All such fees shall be remitted to the City Treasurer of Lakeland.

10. Bayport shall collect all building permit surcharge fees, sewer availability charges and city fees as may be required by statute, regulation, or ordinance and shall remit same to the City Treasurer of Lakeland pursuant to this agreement.

11. Bayport shall not be required to routinely attend Lakeland's staff, Planning Commission, City Council or review meetings except for preconstruction meetings on projects; however, the City Council may periodically require attendance at said meetings. Lakeland shall provide input from their fire department(s), police department(s), zoning administrator(s) and other staff members appropriate to each building permit application to Bayport as may be reasonably required.

12. Bayport shall have the exclusive authority to determine interpretations and applications of the building code to projects within Lakeland. Notwithstanding the forgoing, the Building Inspector shall confer with the City Zoning Administrator of Lakeland before issuing any such interpretations and applications of the building code on projects within Lakeland. Bayport shall also have the right to issue stop orders on any project determined not to be in compliance with the terms and provisions of the building code. Enforcement of building code requirements by way of judicial action for either criminal or civil sanction shall remain the exclusive responsibility of Lakeland.

13. Building inspection services shall include heating, ventilation, air conditioning inspections as well as plumbing inspections associated with building permits to be issued on residential or commercial projects.

14. Upon completion of any project, the Building Official shall issue a certificate of occupancy and forward a copy thereof to the Lakeland City Clerk's office.

II.

SCHEDULE OF FEES AND CHARGES

1. Fees and charges shall be collected by the Building Official from the Applicant upon issuance of the building permit and shall be collected by the Building Official from the Applicant by either cash or check made payable to Lakeland. Where building applicants submit a building permit with a cash application fee, an appropriate receipt shall be issued by Bayport to acknowledge its receipt.

2. The valuation for permit purposes shall be determined by the Building Official and shall be calculated by multiplying the square foot area of the proposed structure times the building valuation factor as published annually by the Building Codes and Standards Division of the State of Minnesota Department of Administration. The building permit fees shall be those listed in 1997 edition of the Uniform Building Code.

3. Where work for which a permit is required has been started or proceeded prior to obtaining said permit, special investigation shall be made before a permit may be issued for such work and the investigation fee shall be equal to the amount of permit fee required by the code and shall be collected whether or not a permit is subsequently issued. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of the code nor from any penalty prescribed by law. All such investigation fees shall be treated as any other building permit fees collected under this contract.

4. The fees and charges set forth on Exhibit "A" are exclusive of fees and charges required by the State of Minnesota for electrical permits and inspections. All work on sites where building permits have been issued prior to this contract shall be paid in the amount of \$49.00 per inspection.

5. At the discretion of the Building Official, additional charges not to exceed actual expenses received may be made in instances where repeated violations of the building code and/or ordinances necessitate a number of compliance re-inspections. Such charges shall be payable by the permittee prior to the issuance of the certificate of occupancy and shall remain the exclusive property of Bayport.

6. Bayport and Lakeland agree that the fees for building inspection services contained herein shall be as is set forth within Exhibit "A" annexed hereto and incorporated by reference herein. Bayport shall collect all fees on behalf of Lakeland for applications for building inspection services and building permits and account for same to Lakeland.

7. Bayport shall also conduct plumbing, heating, ventilation and air conditioning inspections pursuant to the building code within Lakeland. Fees for plumbing, heating, ventilation, and air conditioning inspections as well as fire protection systems, shall be those adopted by Lakeland during the term of this Contract. HVAC and plumbing fees shall be treated as building fees for the purpose of this contract.

8. During the term of this contract, Bayport shall receive 37% of the gross building permit fees and 100% of the plan check fees annually collected within Lakeland.

9. Payment to Bayport by Lakeland shall be made monthly, as with all municipal bills. For purposes of administrative processing of payments, the parties shall use a reporting cutoff date as of the second Tuesday of each month. The City Treasurer may require Bayport to provide and sign documentation as may be required by law prior to issuing any payment to him/her under the terms of this contract.

III.

GENERAL TERMS AND CONDITIONS

The parties further agree as follows:

1. Lakeland shall not assume any liability for the direct payment of any salary, wage or other compensation to Bayport or any employee or assistant s/he uses to perform building inspection services pursuant to this Agreement.

2. Bayport shall not assume any liability to supervise or enforce regulations of Lakeland or the State affecting zoning, planning, subdivision, wetland or surface water management. Lakeland shall also be solely responsible to determine compliance with regulations of the Minnesota Department of Natural Resources, the Middle St. Croix Valley Water Management Organization, Minnesota Department of Transportation, Washington County and other regulatory bodies and political subdivisions having jurisdictional authority within the cities affecting development of lands.

3. Lakeland shall assume full responsibility for providing to Bayport a current and up-to-date copy of their zoning and subdivision regulations, zoning and subdivision maps, comprehensive plans, and other regulations on development adopted within the cities.

4. All contractors performing construction services within Lakeland shall be required to provide evidence of licensing and insurance as required by City Ordinance or State law. Lakeland shall confirm with Bayport all such license and insurance compliance prior to authorizing issuance of a permit to any contractor performing work within the jurisdictional limits of Lakeland.

5. Lakeland shall be solely responsible for direct payment of any fees or charges to the State of Minnesota or any of its subdivisions and Washington County as may be required by law affecting development and issuance of building permits within its borders.

6. Lakeland and its employees shall cooperate with Bayport in the orderly performance of services to be provided for herein.

7. All applications for building permits and building inspection forms to be utilized hereunder shall be maintained at the Lakeland City offices.

8. Lakeland, its officers, agents and employees shall not assume liability for any intentional or negligent act of Bayport or any of its officers, agents or employees; and Bayport herewith agrees to hold Lakeland, their officers, agents and employees harmless from any intentional or negligent act of any employee of Bayport, his/her assistants and agents and further agrees to defend Lakeland, its officers, agents and employees, from any claim for damages resulting from the negligent act of Bayport, its officers, agents or employees in performance of this Agreement.

9. Bayport, its officers, agents and employees shall not assume liability for any intentional or negligent act of Lakeland or any of their officers, agents or employees and Lakeland herewith agrees to hold Bayport, its officers, agents and employees harmless from any intentional or negligent act of any employee of Lakeland, their officers, agents and further agree to defend Bayport, its officers, agents and employees, from any claim for damages resulting from the negligent act of Lakeland, its officers, agents or employees in performance of this Agreement.

10. It is understood this Agreement contains the entire agreement between Lakeland and Bayport and that no statement, promise or inducements have been made to any party hereto, or any officer, agent or employee of either party hereto which is not contained within this written Agreement. This Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed herein. It is expressly understood between the parties hereto and this understanding should be considered in interpreting the provisions of this Agreement, that upon notice given by any party hereto, later negotiations may be undertaken for the purpose of revising, adding to or striking any provision or provisions of this Agreement which appear unworkable or insufficient to perfect, maintain and ensure the purpose of this Agreement, and any change to the original provisions of the Agreement mutually acceptable to both parties shall be written and attached to this Agreement as provided above and any such revision, addition or deletion shall only apply to the provision so revised, added or deleted, and the remainder of this Agreement shall remain in full force and effect.

IV.

EFFECTIVE AND TERMINATION DATES

1. **Effective Date.** This Agreement shall be in effect as of the date of its execution between the parties as set forth above.
2. **Termination.** This Agreement shall continue unless otherwise terminated by either party upon sixty (60) days written notice to the other.

V.

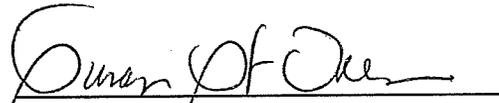
ADDITIONAL PROVISIONS

1. **Arbitration.** In the event of any dispute arising between the parties as it affects the interpretation, construction or application of this Agreement to the extent the same cannot be resolved by negotiation between the parties, the same shall be submitted to the American Arbitration Association for purposes of binding arbitration and the cost thereof shall be equally born by the parties.
2. **Insurance.** Bayport shall maintain insurance in the minimum amounts as specified by Minnesota Statute §466.04 and shall designate Lakeland as an additional insured under any and all such policies. Bayport shall annually provide a certificate of insurance to Lakeland verifying all such coverage's. In

the event of a notice of claim being filed with either party affecting or arising out of the operation of this Agreement for the provision of building inspection services to the cities by Bayport, copies of all notices of claim shall be provided both parties to this Agreement.

3. Storage of Closed Files. All original building records shall remain the exclusive property of Lakeland. Upon the completion of building inspection services as it affects individual projects, Bayport may retain Lakeland's files for temporary storage purposes for a reasonable period of time as may be determined in the discretion of Lakeland. Notwithstanding the foregoing, all files shall be delivered to the office of the City Clerk of Lakeland on request of Lakeland. All open and closed files affecting building inspection services to be provided to Lakeland pursuant to the terms and provisions of this Agreement shall remain the exclusive property of Lakeland from which the file was generated, and Lakeland shall remain as the exclusive and responsible authority to respond to request for public or private data as is otherwise specified and provided for within Minnesota Statute §13.01, et seq.

CITY OF BAYPORT


Susan St. Ores, Mayor

Attest:


Mitch Berg, City Administrator

CITY OF LAKELAND


Brian Zeller, Mayor

Attest:

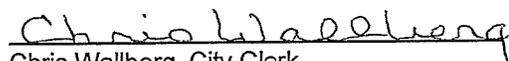

Chris Wallberg, City Clerk

EXHIBIT A
FEES AND CHARGES

Building Permit Fees (Extracted from 1997 Uniform Building Code Table 1-A):

Total Valuation	Fee
\$1.00 to \$500.00	\$23.00
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00, or fraction thereof, including \$2,000.00
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000.00	\$391.25 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00
\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,000.00 to 1,000,000.00	\$3,237.50 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.15 for each additional \$1,000.00, or fraction thereof

See Page 2 For More Information

Building Permit Fees (Extracted from 1997 Uniform Building Code Table 1-A):

Other Inspections and Fees:
(1) Inspections outside of normal business hours \$47.00 per hour*
(2) Reinspection fees \$47.00 per hour*
(3) Inspections for which no fee is specifically \$47.00 per hour* indicated (minimum charge—one-half hour)
(4) Additional plan review required by changes, \$47.00 per hour* additions or revisions to plans
(5) For use of outside consultants for plan Actual costs** checking and inspections or both
(6) Plan review fees shall be paid at the time of submitting the documents for plan review. Said plan review fee shall be 65% of the building permit fee as shown in Table 1-A. The plan review fees specified in this section are separate fees from the permit fees specified in 1997 UBC Table 1-A and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in Table 1 A.
(7) Plan review fee for similar plans 25% of plan review fee for master plan
(8) Whenever any work for which a permit is required by this code has been commenced without first obtaining a permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be equal to the amount of the permit fee required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in Table 1-A. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor any penalty prescribed by law.
(9) The building official may authorize a refunding of any fee paid hereunder which was erroneously paid or collected or according to the following:
(a) No more than 80% of the permit fee paid when no work has been done under a permit issued in accordance with this code
(b) No more than 80% of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any plan review is done.
(c) No refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of fee payment.
(10) Applications for which no permit is issued within 180 days following the date of application shall expire by limitation, and plans and other data submitted for review may thereafter be returned to the applicant or destroyed by the building official. The building official may extend the time for action by the applicant for a period not exceeding 180 days on request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. No application shall be extended more than once. In order to renew action on an application after expiration, the applicant shall resubmit plans and pay a new plan review fee.
(11) Minor improvements per statute 16B.665, that 5% of the cost of the improvement, comply with the following: <u>installation, or replacement or \$15, whichever is greater, plus \$.50</u>
(a) no modification to electric/gas service state surcharge
(b) total cost of \$500.00 or less, excluding the cost of the fixture or appliance
(c) is improved, installed, or replaced by the homeowner or licensed contractor

* Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

** Actual costs include administrative and overhead costs



Local Code Lookup

Minnesota State Building Code Jurisdiction Directory

Use the search tool below to display jurisdiction directory information for a specific city or township and county.

CITY: LAKELAND TOWNSHIP: N/A COUNTY: WASHINGTON BUILDING OFFICIAL: JOHN BUCKLEY B.O. PHONE: (651) 436-1405

BUILDING CODES

HAS ADOPTED THE BUILDING CODE: YES JURISDICTION USING OPTIONAL BUILDING CODES: 1306 SUB PART 2: NO 1306 SUB PART 3: NO

For construction projects other than those listed below under "STATE PROJECTS" contact your local Building Department for regulations and/or requirements.

ACCESSIBILITY ENFORCED: LOCAL

BLEACHER SAFETY ENFORCED: LOCAL

STATE PROJECTS

State projects are public buildings and state licensed facilities that fall under the authority of the Department of Labor and Industry Construction Codes and Licensing Division. These building types and facilities are defined below.

Public building - "Public Building" means: (A) a building and its grounds, the cost of which is paid for by the state or state agency, regardless of its costs; and (B) a school district building project the cost of which is \$100,000 or more.

State licensed facility - "State licensed facility" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, free-standing outpatient surgical center, correctional facility, boarding care home, or residential hospice.

For each state project an initial application must be submitted to Construction Codes and Licensing Division. Upon review the applicant will be notified if any of the work will be delegated to the municipality.

For state application and permit information go to <http://www.dli.mn.gov/CCLD/Codes.asp>

ELECTRICAL

AUTHORITY:	STATE	LOCAL INSP. NAME:	STATE AREA REP.:	STEVE DUDLEY
STATE INSP. NAME:	JOSEPH WHEATON	LOCAL INSP. PHONE:	AREA REP. PHONE:	(507) 595-3313
STATE INSP. PHONE:	(612) 866-3784	LOCAL FORMS:	NO	
STATE FORMS:	YES	LOCAL FEES:	NO	
STATE FEES:	YES			

For state application and permit information go to <http://www.dli.mn.gov/CCLD/Electrical.asp>

PLUMBING

MUNICIPALITY REVIEWS PLANS FOR STATE PROJECTS:	NO	MUNICIPALITY INSPECTS STATE PROJECTS:	NO
MUNICIPALITY REVIEWS PLANS FOR NON-STATE PROJECTS:	NO	MUNICIPALITY INSPECTS NON-STATE PROJECTS:	YES
		STATE INSPECTOR NAME:	JIM PETERSON
		MUNICIPALITY INSPECTOR NAME:	JOHN BUCKLEY

For state application and permit information go to <http://www.dli.mn.gov/CCLD/Plumbing.asp>

HIGH-PRESSURE PIPING INSPECTION AREAS

INSPECTOR	TERRITORY	PHONE NUMBER	EMAIL ADDRESS
Todd Green, chief HPP inspector	Northwest	(651) 284-5124 cell: (218) 403-0281	todd.a.green@state.mn.us
Earl Gruis	West and southwest	(612) 590-5160	earl.gruis@state.mn.us
Duane Burbank	East central and northeast	(320) 515-0084	duane.burbank@state.mn.us
Mike Little	Southeast MN and south metro	(651) 303-5470	michael.little@state.mn.us

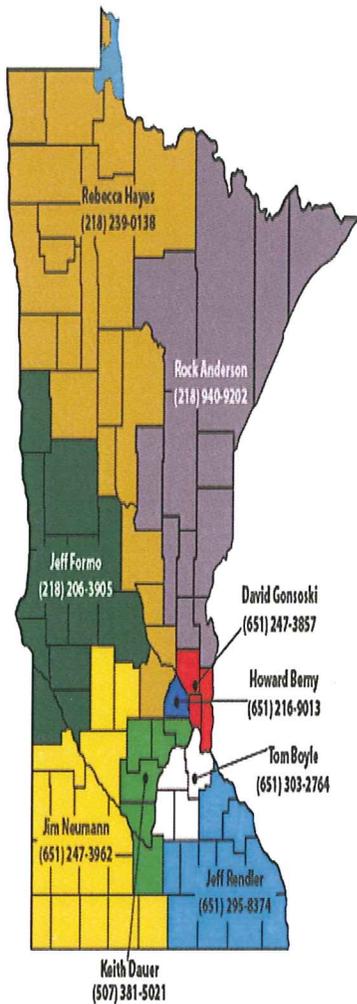
For the City of Minneapolis and the City of Saint Paul contact the local jurisdiction for non-state owned or non-state operated facilities.

For state application and permit information go to <http://www.dli.mn.gov/CCLD/Hpp.asp>

BOILER INSPECTION AREAS

INSPECTOR	TERRITORY	PHONE NUMBER	EMAIL ADDRESS
Joel Amato	Chief Boiler Inspector	(651) 284-5137	joel.amato@state.mn.us
Rock Anderson	Northeast	(218) 940-9202	rock.w.anderson@state.mn.us
Tom Boyle	Southeast metro	(651) 303-2764	tom.boyle@state.mn.us
Keith Dauer	Metro and south central	(507) 381-5021	keith.dauer@state.mn.us
Howard Berny	Hennepin County	(651) 216-9013	howard.j.berny@state.mn.us
Jeff Formo	West central	(218) 206-3905	jeffrev.formo@state.mn.us
Rebecca Hayes	Northwest	(218) 239-0138	rebecca.haves@state.mn.us

Jim Neumann Southwest (651) 247-3962 james.neumann@state.mn.us
 Jeff Rendler Southeast (651) 295-8374 jeff.rendler@state.mn.us
 David Gonsoski East metro (651) 247-3857 david.gonsoski@state.mn.us
 For state application and permit information go to <http://www.dli.mn.gov/CCLD/Boiler.asp>



ELEVATOR INSPECTION DISTRICTS

INSPECTOR **Maris Cinis** **PHONE NUMBER** **651-429-8594** **E-MAIL ADDRESS** Maris.T.Cinis@state.mn.us
 For state inspection and permit information go to <http://www.dli.mn.gov/cclcd/elevator.asp>

Elevator Inspectors

AREA	INSPECTOR	PHONE	EMAIL
Inspector Support	Tim Warren	651-274-1627	timothy.warren@state.mn.us
Southwestern MN	Kevin Grimm	320-367-2169	kevin.grimm@state.mn.us
South Central MN	Rick Tack	507-676-0850	richard.tack@state.mn.us
Southeastern MN	Gary Reeves	507-533-4280	gary.reeves@state.mn.us
Dakota, Goodhue, Wabasha Co	Brad Underdahl	507-327-0267	bradley.underdahl@state.mn.us
Northeastern MN	Lary Churchill	218-235-3703	larry.a.churchill@state.mn.us
Northwestern MN	Wolfe Clark	218-260-0622	wolfe.r.clark@state.mn.us
Central MN	Matt Piper	218-631-7727	matt.piper@state.mn.us
Wright, Hennepin, Sherburne	Patrick Johnson	651-200-5005	patrick.f.johnson@state.mn.us
Anoka, Chisago, Hennepin, Isanti Co	Mark Johnson	763-767-3848	m.a.johnson@state.mn.us
Bloomington, Richfield, Airport	Brian Harren	651-247-3757	brian.j.harren@state.mn.us
Washington, Dakota and Ramsey Co	Maris Cinis	651-429-8594	maris.t.cinis@state.mn.us
Hennepin Co	John Bennett	763-263-3036	john.r.bennett@state.mn.us
Hennepin Co	Donna Hix	651-276-7443	donna.hix@state.mn.us
Carver, Wright, Meeker, McLeod Co	Paul Andersen	952-471-2507	paul.r.andersen@state.mn.us
U of M, Ramsey Co	Todd King	651-247-6257	todd.king@state.mn.us

The areas defined above apply generally. For an accurate identification of inspection areas please go to the following link: <http://workplace.doli.state.mn.us/jurisdiction/>

[Authenticate](#)

2014 Minnesota Statutes

326B.133 BUILDING OFFICIALS.

Subdivision 1. **Designation.** Each municipality shall designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category created by statute or rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid to the commissioner.

Subd. 2. **Qualifications.** A building official, to be eligible for designation, must be certified and have the experience in design, construction, and supervision which the commissioner deems necessary and must be generally informed on the quality and strength of building materials, accepted building construction requirements, and the nature of equipment and needs conducive to the safety, comfort, and convenience of building occupants. No person may be designated as a building official for a municipality unless the commissioner determines that the official is qualified as provided in subdivision 3.

Subd. 2a. **Application; renewal; fees; expiration.** (a) An applicant for certification shall submit a completed application on a form approved by the commissioner to the department. The commissioner shall review applications for compliance with the requirements established by rule.

(b) Application for initial certification or renewal certification as a building official, building official-limited, or accessibility specialist shall be according to this section and sections [326B.092](#) to [326B.095](#).

(c) Fees shall be paid to the department according to section [326B.092](#).

(d) Unless revoked or suspended under this chapter, all certifications issued or renewed under this section expire two years from the date of original issuance and every two years thereafter.

Subd. 3. **Certification criteria.** The commissioner shall by rule establish certification criteria as proof of qualification pursuant to subdivision 2. The commissioner may:

(1) develop and administer written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

(2) accept documentation of successful completion of testing programs developed and administered by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or

(3) determine qualifications by satisfactory completion of clause (2) and a mandatory training program developed or approved by the commissioner.

Upon a determination of qualification under clause (1), (2), or (3), the commissioner shall issue a certificate to the building official stating that the official is certified. The commissioner or a designee may establish categories of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

Subd. 3a. **Certification categories.** (a) If a municipality has adopted or adopts the State Building Code, the responsibilities for code administration and enforcement are under the authority of its designated building official or the certified building official-limited.

(b) Certified building official. This certification is identified as "certified building official" on the certificate card. This certification is granted to an individual who has met the certified building official requirements established by rule and passed the written examination prepared by the state. A person with this certification may serve as the designated building official for any municipality. For the purposes of calculating fees under section [326B.092](#), certification as a building official is a master license.

(c) Certified building official-limited. This certification is identified as "certified building official-limited" on the certification card. This certification is granted to an individual who has met the certified building official-limited requirements established by rule and passed the written examination prepared by the state. An individual with this certification may perform code administration for one- and two-family dwellings, their accessory structures, and "exempt classes of buildings" as provided in Minnesota Rules, part 1800.5000, of the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design, and "facilities for persons with physical disabilities" that are governed by the State Building Code. Subject to the limitations of the building official-limited certification, an individual with this certification may serve as the designated building official for any municipality. Code administration for all other buildings must be performed by a certified building official as defined in paragraph (b). A certified building official-limited may conduct inspections for other structures regulated by the State Building Code under the direction of a designated certified building official or the state building official.

Subject to all other certification requirements, as of January 1, 2012, valid Class I certifications shall be included in the certified building official-limited category upon the next immediate renewal. For the purposes of calculating fees under section [326B.092](#), certification as a building official-limited is a journeyman license.

(d) Accessibility specialist. This certification is identified as accessibility specialist on the certification card. This certification is granted to an individual who has met the "accessibility specialist" requirements established by rule and passed the written examination prepared by the state. An individual with this classification is limited to the administration of those provisions of the State Building Code that provide access for persons with disabilities. For the purposes of calculating fees under section [326B.092](#), certification as an accessibility specialist is a journeyman license.

Subd. 4. **Duties.** Building officials shall, in the municipality for which they are designated, be responsible for all aspects of code administration for which they are certified, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

Subd. 5. **Grounds.** The commissioner may use any enforcement provision in section [326B.082](#) against an applicant or individual holding a certificate, if the applicant or individual:

(1) violates a provision of sections [326B.101](#) to [326B.194](#) or a rule adopted under those sections; or

(2) engages in fraud, deceit, or misrepresentation while performing the duties of a certified building official.

Nothing in this subdivision limits or otherwise affects the authority of a municipality to dismiss or suspend a building official at its discretion, except as otherwise provided for by law.

Subd. 6. **Action against unlicensed persons.** The commissioner may take any administrative action provided under section [326B.082](#), against an individual required to be certified under subdivision 3, based upon conduct that would provide grounds for action against a certificate holder under this section.

Subd. 7. **Vacancies.** In the event that a designated building official position is vacant within a municipality, that municipality shall designate a certified building official to fill the vacancy as soon as possible. The commissioner must be notified of any vacancy or designation in writing within 15 days. If the municipality fails to designate a certified building official within 15 days of the occurrence of the vacancy, the state building official may provide state employees to serve that function as provided in subdivision 1 until the municipality makes a temporary or permanent designation. Municipalities must not issue permits without a designated certified building official.

Subd. 8. **Continuing education requirements; extension of time.** (a) This subdivision establishes the number of continuing education units required within each two-year certification period.

A certified building official shall accumulate 16 continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000.

A certified building official-limited shall, in each year of the initial two-year certification period, accumulate eight continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000. Continuing education units shall be reported annually during the initial two-year certification period by the method established in rule. A certified building official-limited shall accumulate 16 continuing education units for each two-year certification period thereafter in any education program that is approved under Minnesota Rules, part 1301.1000.

An accessibility specialist must accumulate four continuing education units in any of the programs described in Minnesota Rules, part 1301.1000, subpart 1 or 2. The four units must be for courses relating to building accessibility, plan review, field inspection, or building code administration.

Continuing education programs may be approved as established in rule.

(b) Subject to sections [326B.101](#) to [326B.194](#), the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner to renew certification.

(c) The state building official may grant an extension of time to comply with continuing education requirements if the certificate holder requesting the extension of time shows cause for the extension. The request for the extension must be in writing. For purposes of this section, the certificate holder's current certification effective dates shall remain the same. The extension does not relieve the certificate holder from complying with the continuing education requirements for the next two-year period.

Subd. 9. [Repealed, [2010 c 347 art 3 s 75](#)]

Subd. 10. [Repealed, [2010 c 347 art 3 s 75](#)]

Subd. 11. **Failure to renew.** An individual who has failed to make a timely application for renewal of a certificate is not certified and must not serve as the designated building official for any municipality, or a certified building official, a certified building

official-limited, or an accessibility specialist until a renewed certificate has been issued by the commissioner.

History: 1984 c 544 s 70; 1984 c 578 s 1; 1984 c 655 art 2 s 13 subd 1; 1Sp1985 c 17 s 6; 1986 c 444; 1988 c 613 s 16; 1995 c 254 art 2 s 8-11; 1998 c 359 s 11,12; 1Sp2001 c 10 art 2 s 30; 2002 c 220 art 10 s 30,31; 2007 c 135 art 2 s 3; 2007 c 140 art 4 s 12,61; art 13 s 4; 2008 c 337 s 63; 2010 c 280 s 15; 2010 c 347 art 3 s 12-17,75,76; 2010 c 385 s 6

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Minnesota Department of Labor and Industry
 Construction Codes and Licensing Division
 Business Unit
 443 Lafayette Road North, St. Paul, MN 55155-4341
 Phone: (651) 284-5068 Fax: (651) 284-5749
 www.dli.mn.gov TTY: (651) 297-4198
 PRINT IN INK or TYPE your responses.



Notice of Designation or Vacancy Of Certified Building Official

To the Commissioner of Labor and Industry:

According to M.S. §326B.133, Subd. 1, which states:

Each municipality shall designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category established in rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities.

and further, according to M.S. §326B.133, Subd. 7, which states in part:

In the event that a designated building official position is vacant within a municipality, that municipality shall designate a certified building official to fill the vacancy as soon as possible. The commissioner must be notified of any vacancy or designation in writing within 15 days.

The administrative authority of the municipality of

Hereby notifies you, pursuant to M.S. §326B.133, that it has made one of the following designations (A or B selected):

A.

Municipality has designated

--	--

NAME (INCLUDE MIDDLE INITIAL)

CERTIFICATION NUMBER

as the municipality's building official, who in the municipality of

will be known as the

	TITLE	, effective		DATE
--	-------	-------------	--	------

MUNICIPALITY CONTACT INFORMATION

MUNICIPALITY STREET ADDRESS (do not provide a PO Box)				
CITY			STATE	ZIP
PHONE	FAX	E-MAIL		

MUNICIPAL BUILDING OFFICIAL CONTACT INFORMATION

BUILDING OFFICIAL STREET ADDRESS (do not provide a PO Box)				
CITY			STATE	ZIP
PHONE	FAX	E-MAIL		

OR B.

Municipality has a vacancy in the building official position. effective

DATE

Statutory definitions from M.S. §326B.103, Subd. 6 *Designate* "the formal designation by a municipality's administrative authority of a certified building official accepting responsibility for code administration."

Administrative authority "a municipality's governing body or their assigned administrative authority."

Please have person with administrative (appointing) authority sign. Form must be signed.

SIGNATURE OF ADMINISTRATIVE AUTHORITY	TITLE	DATE
---------------------------------------	-------	------

7F



TO: Mayor and City Council
 FROM: Sandie Thone, City Administrator/Clerk
 RE: Variance Escrow Refund: 737 Quentin Avenue
 DATE: July 21, 2015

Background

In August of 2014 the city received a variance application and fees in the amount of \$1,200 (\$400 non-refundable application fee and \$800 escrow funds) from John and Pam Ruprecht of 737 Quentin Avenue to remodel their primary residence. The application was preceded by the process of approving a formal Vegetation Management and Restoration Plan for the property. On April 21, 2015 the city council approved the variance to allow the removal of an existing home on the existing footings and foundation walls along with adding new construction on the non-river facing side of the lot. The total cost for the variance was in excess of \$20,000.00. This \$20,000 reflects an approximate breakdown of the following services:

Staff Time (Kline/Wallberg):	\$2,000
Legal (Johnson and Turner):	\$2,100
Engineering (SEH):	\$5,800
City Planner (SRF):	\$9,000
WMO:	\$1,200

Discussion

On June 30, 2015 John Ruprecht picked up his building permit for the project and paid the balance of variance escrow fees to clear his account. On July 6, 2015 he requested a meeting to discuss the charges incurred in processing and approving the variance. Staff met with him on July 16, 2015. The charges specifically disputed were those of nearly \$9,000 paid to the planning consultant for work on the project for the following:

- 1) 12 hours of restoration plan review in addition to review from the WMO 12 hours at \$98.60 per hour
- 2) 9.3 hours at \$128.64 per hour (no accounting for actual services performed)
- 3) Various mileage amounts for meetings

In addition, he noted inconsistencies in that other variances granted in the area did not incur any city staff time charges as a portion of the final escrow amount billed. In review of all charges and work performed, staff is recommending an escrow refund in the amount of \$2,500 to John and Pam Ruprecht which represents the disputed amounts charged in planning fees and mileage delineated above.

Recommendation

Staff recommends the city council consider granting a refund of variance escrow charges in the amount of \$2,500 to John and Pam Ruprecht. Motion, Second, and Majority Vote required.