

City of Ramsey
Agenda
City Council Work Session
Tuesday, November 10, 2015

5:30 pm
Lake Itasca Room 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Topics for Discussion**
 1. Recognition of Guest
 2. Discussion and Review of 2016 Proposed General/EDA Budgets and Levies
 3. Review Special Assessments Policy
 4. Discussion Regarding the Employee Sick Leave for Wellness Policy
- 3. Topics for Future Discussion**
 1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 11/10/2015

Information

Title:

Recognition of Guest

Purpose/Background:

Purpose: The purpose of this Topic Report is to allow Council to recognize a special guest.

Background: Master Sergeant John Graw, a World War II Veteran, recently moved from another community to the City of Ramsey. His family has requested that the City welcome him to his new community, and this agenda item recognizes Mr. Graw for his service to our Country (on the eve of Veteran's Day), welcome him to the City of Ramsey, and presents him with a ceremonial "key to the City" which was provided by the family for staff and Council to sign.

Timeframe:

15 minutes

Funding Source:

None required.

Responsible Party(ies):

City Administrator Ulrich

Outcome:

To welcome and recognize World War II Veteran Master Sergeant John Graw for his services to our Nation.

Attachments

No file(s) attached.

Form Review

Inbox

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 11/04/2015

Reviewed By

Kurt Ulrich

Date

11/04/2015 04:24 PM

Started On: 11/04/2015 11:41 AM

Meeting Date: 11/10/2015

Information

Title:

Discussion and Review of 2016 Proposed General/EDA Budgets and Levies

Purpose/Background:

Purpose: Further Review of Proposed 2016 General Fund Budget and 2016 Property Tax Levy.

The City Council adopted the proposed 2016 General Fund Budget and levy at its regular meeting of September 22, 2015. The City received preliminary tax capacity numbers from the County and the proposed 2016 tax capacity rate, based on the approved preliminary levies, would be 44.307%, however, recommended reductions (see below) will lower that to 44.027%. Staff had previously estimated a proposed tax capacity rate, based upon the preliminary levy, of 43.862%.

The budgets (General Fund and EDA Fund) are attached. They reflect a decrease of \$64,773 over the preliminary budget reviewed and adopted on September 22, 2015. The revisions include a current General Fund budget of \$11,074,101 versus \$11,136,874 previously, and an EDA Fund budget of \$83,618 versus \$85,618 previously. The reductions were from individual department line-item budget reductions and a proposed position reclassification being eliminated.

With the \$64,773 budget reductions, the proposed 2016 tax levy will be reduced from \$10,176,817 to \$10,112,044, and the tax rate, is estimated at 44.027%.

It is recommended that the City Council identify any additional budget items that they would like staff to specifically address prior to the public hearing on December 8.

Timeframe:

30-45 minutes

Funding Source:

Responsible Party(ies):

Finance Director

Outcome:

Review of budget documents and determination of final 2016 General Fund/EDA Fund Budgets and 2016 Payable levy.

Attachments

2016 Proposed General/EDA Fund Budgets

Levy Summary from 9-22-15 to 11-10-15

Tax Capacity Summary

Home Value Comparison

Form Review

Inbox

Kurt Ulrich

Form Started By: Diana Lund

Final Approval Date: 11/05/2015

Reviewed By

Kurt Ulrich

Date

11/05/2015 03:18 PM

Started On: 11/04/2015 02:32 PM

FUND GENERAL

DEPARTMENT:

N/A

FUNCTION:

N/A

REVENUES						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
9101	4011	CURRENT-AD VALOREM TAXES	\$ 5,719,801	\$ 6,821,570	\$ 7,228,690	\$ 407,120
9101	4012	DELINQUENT-AD VALOREM TAXES	60,718	75,000	75,000	-
9101	4014	FISCAL DISPARITIES	1,355,851	1,100,000	1,200,000	100,000
9101	4015	EXCESS TAX INCREMENTS	119,556	10,000	10,000	-
9101	4018	PENALTY/INT-AD VALOREM TAXES	16,081	20,000	20,000	-
9101	401A	CURRENT-UNCOLLECTED ALLOWANCE		(100,000)	(100,000)	-
9101	4140	CREDIT CARD PROCESSING FEES	(7,210)	(7,000)	(10,000)	(3,000)
9101	4155	LIQUOR-ON SALE	43,550	42,000	42,000	-
9101	4156	LIQUOR-OFF SALE	948	1,100	1,100	-
9101	4159	MECHANICAL LICENSE	8,850	8,000	8,000	-
9101	4163	PAWNSHOP LICENSE	7,121	8,000	8,000	-
9101	4164	CIGARETTE SALES LICENSE	2,062	4,000	3,000	(1,000)
9101	4165	REFUSE HAULERS LICENSE	350	500	500	-
9101	4166	MOTOR VEHICLES LICENSE	5,832	6,000	6,000	-
9101	4168	PEDDLERS LICENSE	1,700	1,500	1,500	-
9101	4169	GASOLINE SALES LICENSE	1,769	2,500	2,000	(500)
9101	4170	OTHER BUSINESS LICENSES & PERM	780	1,500	1,000	(500)
9101	4171	INVESTIGATIVE FEES	2,609	-	-	-
9101	4205	BUILDING PERMIT	226,624	235,032	235,000	(32)
9101	4206	PLUMBING PERMIT	30,077	20,000	30,000	10,000
9101	4207	ANIMAL LICENSE	851	1,000	1,000	-
9101	4208	HEATING PERMIT	31,894	20,000	30,000	10,000
9101	4209	CONDITIONAL USE PERMIT	6,130	4,000	4,000	-
9101	4211	SIGN PERMITS	2,725	2,000	2,000	-
9101	4212	RENTAL LICENSE	2,700	10,000	5,000	(5,000)
9101	4213	FIRE PERMIT	4,666	5,000	5,000	-
9101	4214	ELECTRICAL INSPECTION PERMIT	42,158	20,000	40,000	20,000
9101	4220	SEPTIC SYSTEM PERMIT	22,880	20,000	20,000	-
9101	4221	URBAN SEWER PERMIT	4,697	5,000	5,000	-
9101	4222	URBAN WATER PERMIT	6,175	5,000	5,000	-
9101	4230	OTHER NON-BUSINESS LIC & PERM	1,385	2,000	2,000	-
9101	4253	FEDERAL EXCISE TAX REFUND	7,217	7,000	7,000	-
9101	4262	LOCAL GOVERNMENT AID	91,381	110,350	111,305	955
9101	4263	MARKET VALUE HOMESTEAD CREDIT	2,268	-	-	-
9101	4268	MSA FOR STREETS	140,000	140,000	140,000	-
9101	4269	POLICE - INSURANCE PREMIUM TAX	164,378	150,000	165,000	15,000
9101	4271	POST BOARD REIMBURSEMENT	6,758	7,500	7,500	-
9101	4272	STATE EXCISE TAX REFUND	271	250	250	-
9101	4273	OTHER STATE GRANTS & AIDS	20,203	3,500	3,500	-
9101	4287	OTHER LOCAL GOVERNMENT GRANTS	-	-	8,000	8,000
9101	4304	RENTAL FEES - REAL PROPERTY	5,765	7,500	7,500	-

FUND GENERAL

DEPARTMENT:

N/A

FUNCTION:

N/A

REVENUES						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
9101	4305	RENTAL FEES	150,635	124,000	135,000	11,000
9101	4306	ZONING & SUBDIVISION FEES	1,950	-	-	-
9101	4307	PLAN CHECKING FEES	96,144	75,000	110,000	35,000
9101	4308	SALES OF MAPS & PUBLICATIONS	1,951	1,000	1,000	-
9101	4309	ASSESSMENT SEARCHES	2,485	3,500	3,000	(500)
9101	4312	GENERAL GOVERNMENT STAFF TIME	15,369	8,000	10,000	2,000
9101	4326	SPECIAL POLICE SERVICES	25,176	5,000	5,000	-
9101	4327	SPECIAL FIRE PROTECTION SERVIC	56,545	35,000	40,000	5,000
9101	4328	ACCIDENT REPORTS	2,417	1,200	1,500	300
9101	4329	OPEN BURN PERMIT FEES	1,350	1,000	1,200	200
9101	4330	OTHER PUBLIC SAFETY	8,547	7,000	8,000	1,000
9101	4337	ENGINEERING	257,570	274,000	274,000	-
9101	4338	PLAN & SPECIFICATION FEES	340	500	500	-
9101	4339	OTHER PUBLIC WORKS	8,537	8,000	8,000	-
9101	4347	OTHER CULTURE-RECREATION	8,642	5,000	7,000	2,000
9101	4452	COURT FINES	67,820	67,000	67,000	-
9101	4453	OTHER FINES & FORFEITS	515	-	-	-
9101	4454	ADMINISTRATIVE FINES	3,881	4,000	4,000	-
9101	4604	SURCHARGES	780	750	750	-
9101	4605	ELECTION FILING FEES	35	-	50	50
9101	4609	OTHER MISCELLANEOUS REVENUES	66,317	12,000	15,000	3,000
9101	4701	INTEREST ON INVESTMENTS	209,969	60,000	160,000	100,000
9101	4901	TRANSFER IN FROM OTHER FUNDS	931,934	962,007	892,256	(69,751)
Total Revenue			\$ 10,080,480	\$ 10,423,759	\$ 11,074,101	\$ 650,342

FUND GENERAL

DEPARTMENT:
FUNCTION:

MAYOR AND COUNCIL
GENERAL GOVERNMENT

BUDGET SUMMARY:

Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0111	6104	PART TIME-WAGES & SALARIES	\$ 44,000	\$ 44,000	\$ 44,000	\$ -
0111	6121	PERA CONTRIBUTIONS	900	900	900	-
0111	6122	FICA/MEDICARE CONTRIBUTIONS	3,366	3,366	3,366	-
0111	6133	WORKERS COMP INSURANCE PREMIUM	89	154	154	-
0111	6247	HAPPY DAYS SUPPLIES	7,000	10,000	10,000	-
0111	6249	MISCELLANEOUS OPERATING SUPPLY	12,593	14,100	14,500	400
0111	6315	MISCELLANEOUS PROFESSIONAL SER	11,750	-	12,250	12,250
0111	6322	POSTAGE	-	-	-	-
0111	6331	TRAVEL & LODGING	-	2,500	7,500	5,000
0111	6335	TRAINING	955	2,500	2,500	-
0111	6361	GENERAL LIABILITY/PROPERTY INS	1,142	1,350	1,300	(50)
0111	6451	MEMBERSHIP DUES	35,883	41,088	41,985	897
Total Expenditure			\$ 117,678	\$ 119,958	\$ 138,455	\$ 18,497

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Mayor	1.00	1.00	1.00	-
Council	6.00	6.00	6.00	-
	7.00	7.00	7.00	-

BUDGET HIGHLIGHTS

- Bi-Annual Resident Survey: \$12,500 (Offset with an annual \$3,400 state contribution)
- **2015-2018 Strategic Plan:** Travel for Lobbying for Improvements to Highway 10: \$5,000

GOALS OF CURRENT YEAR BUDGET:

- Establish and implement a Strategic Action Plan
- Establish legislative priorities for the City
- Maintain a stable tax levy rate
- Advocate for Highway 10 Improvements at the State and Federal Level

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Tax Levy Rate	44.24%	42.26%	43.00%
Sale of City Owned Land (Net land proceeds, dollars)	\$ 154,000	\$ 3,219,468	\$ 1,500,000
Sale of City Owned Land (acres)	0.81	32.87	15
State and Federal Funding Allocated for U.S. Highway 10 (dollars)	\$ 6,147,000	\$ 21,633,308	\$ 5,000,000

FUND GENERAL

DEPARTMENT:
FUNCTION:

COMMISSIONS
GENERAL GOVERNMENT

BUDGET SUMMARY:

Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0114	6105	TEMPORARY-WAGES & SALARIES	\$ 4,175	\$ 8,660	\$ 8,660	\$ -
0114	6122	FICA/MEDICARE CONTRIBUTIONS	319	663	663	-
0114	6133	WORKERS COMP INSURANCE PREMIUM	17	50	69	19
0114	6322	POSTAGE	-	-	-	-
0114	6361	GENERAL LIABILITY/PROPERTY INS	44	75	75	-
Total Expenditure			\$ 4,555	\$ 9,448	\$ 9,467	\$ 19

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Charter Commission Members	9.00	9.00	9.00	-
Planning Commission Members	7.00	7.00	7.00	-
	16.00	16.00	16.00	-

BUDGET HIGHLIGHTS

- No changes

GOALS OF CURRENT YEAR BUDGET:

- Assist the City Council in the implementation of the City's 3-Year Strategic Action Plan
- Implement individual commissions' work plans and missions
- Implement and manage individual commissions' budgets

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
# of Meetings: Charter Commission	3	1	1
# of Meetings: Economic Development Authority Commission	10	11	11
# of Meetings: Environmental Policy Board Commission	10	10	10
# of Meetings: Parks and Recreation Commission	10	10	10
# of Meetings: Planning Commission	12	12	12
# of Meetings: City Council Regular Session	23	22	22
# of Meetings: City Council Work Session	31	30	30
# of Meetings: Public Works Committee	9	10	10
# of Meetings: Housing & Redevelopment Authority	16	0	0

FUND GENERAL

DEPARTMENT:

ADMINISTRATION

FUNCTION:

GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0130	6102	F.T. REGULAR-WAGES & SALARIES	\$ 384,916	\$ 455,762	\$ 546,729	\$ 90,967
0130	6103	FULL TIME-REGULAR-OVERTIME	120	-	2,000	2,000
0130	6104	PART TIME-WAGES & SALARIES	12,159	-	-	-
0130	6105	TEMPORARY-WAGES & SALARIES	11,129	12,480	14,560	2,080
0130	6108	SEVERANCE PAY	54	-	-	-
0130	6121	PERA CONTRIBUTIONS	28,162	34,183	41,155	6,972
0130	6122	FICA/MEDICARE CONTRIBUTIONS	30,341	37,580	46,321	8,741
0130	6123	ICMA RETIREMENT TRUST	2,000	2,000	2,000	-
0130	6131	GROUP INSURANCE	31,816	38,851	61,434	22,583
0130	6133	WORKERS COMP INSURANCE PREMIUM	1,838	3,558	3,006	(552)
0130	6203	DUPLICATING SUPPLY & COPY PAPE	1,712	5,000	2,500	(2,500)
0130	6204	STATIONERY, ENVELOPES & FORMS	2,263	1,400	2,500	1,100
0130	6208	MISCELLANEOUS OFFICE SUPPLIES	5,757	4,800	5,500	700
0130	6246	MARKETING	-	-	10,000	10,000
0130	6249	MISCELLANEOUS OPERATING SUPPLY	4,491	4,750	4,750	-
0130	6305	MEDICAL/PSYCHOLOGICAL FEES	15,958	13,500	16,000	2,500
0130	6306	PERSONNEL TESTING & RECRUITMT	921	1,600	2,000	400
0130	6315	MISCELLANEOUS PROFESSIONAL SER	43,842	48,220	48,000	(220)
0130	6321	TELEPHONE	1,321	1,700	1,700	-
0130	6322	POSTAGE	926	1,000	1,000	-
0130	6323	CELLULAR PHONES	1,761	2,500	2,250	(250)
0130	6331	TRAVEL & LODGING	406	4,000	2,000	(2,000)
0130	6334	MILEAGE REIMBURSEMENT	52	-	300	300
0130	6335	TRAINING	13,125	16,500	15,000	(1,500)
0130	6352	GENERAL NOTICE & PUBLIC INFOR	1,604	1,500	2,000	500
0130	6353	ORDINANCE PUBLICATION	696	1,500	1,500	-
0130	6354	HELP WANTED ADVERTISEMENTS	2,791	2,000	2,500	500
0130	6361	GENERAL LIABILITY/PROPERTY INS	7,372	6,700	8,100	1,400
0130	6405	OFFICE & DATA PROCESSING EQUIP	12,097	13,000	13,500	500
0130	6451	MEMBERSHIP DUES	2,726	3,250	3,500	250
0130	6452	SUBSCRIPTIONS	872	850	2,000	1,150
0130	6489	OTHER CONTRACTED SERVICES	4,240	10,000	-	(10,000)
Total Expenditure			\$ 627,468	\$ 728,184	\$ 863,805	\$ 135,621

FUND GENERAL

DEPARTMENT:
FUNCTION:

ADMINISTRATION
GENERAL GOVERNMENT

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
City Administrator	1.00	1.00	1.00	-
Assistant City Administrator/Econ Dev Dir	-	1.00	1.00	-
Human Resources Manager	1.00	1.00	1.00	-
City Clerk	1.00	1.00	1.00	-
Office Assistant	0.62	1.00	1.00	-
Administrative Clerks	1.30	1.00	1.00	-
Mgmt Intern	0.50	0.50	0.50	-
Assistant to City Administrator - Management Analyst	1.00	-	-	-
Public Information & Events Specialist I	-	1.00	-	(1)
Public Information & Events Specialist II	-	-	1.00	1
Receptionist	1.00	1.00	1.00	-
	7.42	8.50	8.50	-

BUDGET HIGHLIGHTS	
•	2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
•	Reclass Public Information & Events Specialist I to Public Information & Events Specialist II: \$5,207

GOALS OF CURRENT YEAR BUDGET:	
•	Oversee implementation of the Council Strategic Action Plan and Legislative Priorities
•	Optimize use of non-city funding through joint projects, grants, and partnerships
•	Actively participate in effort to secure funding for U.S. Highway 10 improvements
•	Develop metric to ensure proper public safety staffing levels based on quantifiable growth thresholds
•	Evaluate staffing deployment and process effectiveness in Community Development
•	Identify opportunities for community volunteer work
•	Develop and adopt a City-wide communications plan
•	Develop a staff and citizen recognition program
•	Initiate a strategy to highlight City employees and job duties

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Strategic action plan items completed (all departments)	37 of 72	12 of 36	24 of 36
Strategic action plan items completed (Admin only)	24 of 35	5 of 14	10 of 14
Turnover rate in staff (w/out layoffs)	2.8%	NA	NA

FUND GENERAL

DEPARTMENT:
FUNCTION:

ELECTIONS
GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0141	6102	F.T. REGULAR-WAGES & SALARIES	\$ 12,326	\$ 3,584	\$ 13,183	\$ 9,599
0141	6103	FULL TIME-REGULAR-OVERTIME	675	-	-	-
0141	6104	PART TIME-WAGES & SALARIES	725	-	-	-
0141	6105	TEMPORARY-WAGES & SALARIES	23,418	-	27,000	27,000
0141	6121	PERA CONTRIBUTIONS	995	269	989	720
0141	6122	FICA/MEDICARE CONTRIBUTIONS	1,065	274	3,074	2,800
0141	6133	WORKERS COMP INSURANCE PREMIUM	150	27	300	273
0141	6208	MISCELLANEOUS OFFICE SUPPLIES	-	-	300	300
0141	6249	MISCELLANEOUS OPERATING SUPPLY	1,276	25	1,500	1,475
0141	6281	SMALL TOOLS & MINOR EQUIPMENT	3,686	-	-	-
0141	6322	POSTAGE	1,278	15	200	185
0141	6361	GENERAL LIABILITY/PROPERTY INS	448	150	500	350
0141	6451	MEMBERSHIP DUES	220	260	300	40
0141	6580	OTHER EQUIPMENT	-	5,850	5,850	-
Total Expenditure			\$ 46,262	\$ 10,454	\$ 53,196	\$ 42,742

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> Election Year

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> To run a smooth election, making it a positive experience for our voters To maintain 100% vote count accuracy To hire qualified Election Judges

Performance Measurements:	2014 Actual	2015 Estimate	2016 Projected
Number of Votes	8,416	No Election	14,000
Number of Voters registered Eletion Day	492	No Election	1,000
Number of Wards	4	4	4
Number of Precincts	8	8	8
Percent Voting	58%	No Election	79%

FUND GENERAL

DEPARTMENT: FINANCE
FUNCTION: GENERAL GOVERNMENT

BUDGET SUMMARY:

Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0153	6102	F.T. REGULAR-WAGES & SALARIES	\$ 199,867	\$ 223,229	\$ 235,220	\$ 11,991
0153	6121	PERA CONTRIBUTIONS	14,409	16,742	17,642	900
0153	6122	FICA/MEDICARE CONTRIBUTIONS	14,678	18,319	19,110	791
0153	6131	GROUP INSURANCE	25,109	30,877	31,256	379
0153	6133	WORKERS COMP INSURANCE PREMIUM	962	1,753	1,346	(407)
0153	6204	STATIONERY, ENVELOPES & FORMS	1,154	900	1,000	100
0153	6208	MISCELLANEOUS OFFICE SUPPLIES	120	800	500	(300)
0153	6302	AUDITING & ACCOUNTING SERVICES	27,200	28,000	28,500	500
0153	6321	TELEPHONE	451	600	500	(100)
0153	6322	POSTAGE	2,020	2,400	2,400	-
0153	6335	TRAINING	883	3,500	2,000	(1,500)
0153	6352	GENERAL NOTICE & PUBLIC INFOR	1,223	1,200	1,300	100
0153	6361	GENERAL LIABILITY/PROPERTY INS	4,025	4,300	4,300	-
0153	6451	MEMBERSHIP DUES	529	500	600	100
0153	6489	OTHER CONTRACTED SERVICES	3,064	3,500	3,500	-
Total Expenditure			\$ 295,694	\$ 336,620	\$ 349,174	\$ 12,554

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Finance Director	1.00	1.00	1.00	-
Asst. Finance Director	1.00	1.00	1.00	-
Accountant I	1.00	1.00	-	(1.00)
Accountant II	-	-	1.00	1.00
Senior Accounting Clerk	-	-	1.00	1.00
Accounting Clerk	0.70	1.00	-	(1.00)
	3.70	4.00	4.00	-

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- Reclass Accountant I to Accountant II: \$1,440
- Reclass Accounting Clerk to Senior Accounting Clerk: \$1,867

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> • Prepare an all-inclusive integrated budget document • Review and update city fund policies • Continued long-term financial planning (5-Year Budget & CIP) • Continued CAFR award recognition • Present budget for Distinguished Budget Recognition award • Ensure compliance with state and federal laws

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Average Rate of Return	1.42%	1.50%	1.80%
Bond Rating	AA+	AA+	AA+
Vendor Checks Issued	2,764	2,847	2,932

FUND GENERAL

DEPARTMENT:
FUNCTION:

ASSESSING
GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0155	6489	OTHER CONTRACTED SERVICES	\$ 134,984	\$ 136,000	\$ 137,000	\$ 1,000
Total Expenditure			\$ 134,984	\$ 136,000	\$ 137,000	\$ 1,000

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> Inflationary adjustment only

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Increase number of in-person assessment appraisals to better reflect market values

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Number of Assessed Parcels - Residential Properties	8,308	8,433	8,559
Number of Assessed Parcels - Commercial Properties	345	350	355

FUND GENERAL

DEPARTMENT:

LEGAL

FUNCTION:

GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0161	6304	LEGAL FEES	\$ 122,341	\$ 132,000	\$ 134,000	\$ 2,000
0161	6361	GENERAL LIABILITY/PROPERTY INS	1,199	1,200	1,300	100
Total Expenditure			\$ 123,540	\$ 133,200	\$ 135,300	\$ 2,100

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> Slight increase due to request for services outside of retainer

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Ensure city compliance with all laws

FUND GENERAL

DEPARTMENT:

PLANNING AND ZONING

FUNCTION:

GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0191	6102	F.T. REGULAR-WAGES & SALARIES	\$ 110,025	\$ 125,861	\$ 209,569	\$ 83,708
0191	6105	TEMPORARY-WAGES & SALARIES	10,395	24,960	14,560	(10,400)
0191	6121	PERA CONTRIBUTIONS	7,859	9,440	15,718	6,278
0191	6122	FICA/MEDICARE CONTRIBUTIONS	8,987	12,310	18,904	6,594
0191	6131	GROUP INSURANCE	16,360	18,187	34,479	16,292
0191	6133	WORKERS COMP INSURANCE PREMIUM	570	1,207	1,293	86
0191	6208	MISCELLANEOUS OFFICE SUPPLIES	295	600	1,500	900
0191	6249	MISCELLANEOUS OPERATING SUPPLY	1,008	2,000	2,000	-
0191	6315	MISCELLANEOUS PROFESSIONAL SER	6,965	20,000	20,000	-
0191	6321	TELEPHONE	387	1,000	500	(500)
0191	6322	POSTAGE	449	600	750	150
0191	6323	CELLULAR PHONES	654	1,000	1,500	500
0191	6325	LONG DISTANCE CHARGES	-	100	-	(100)
0191	6331	TRAVEL & LODGING	427	2,000	1,500	(500)
0191	6334	MILEAGE REIMBURSEMENT	-	500	500	-
0191	6335	TRAINING	1,685	3,000	3,000	-
0191	6352	GENERAL NOTICE & PUBLIC INFOR	1,010	1,500	1,500	-
0191	6361	GENERAL LIABILITY/PROPERTY INS	1,660	2,000	2,000	-
0191	6451	MEMBERSHIP DUES	595	1,500	1,500	-
0191	6452	SUBSCRIPTIONS	476	600	850	250
0191	6471	BOOKS & PAMPHLETS	142	350	350	-
Total Expenditure			\$ 169,949	\$ 228,715	\$ 331,973	\$ 103,258

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Economic Development Manager	1.00	-	-	-
City Planner (Funded under Dept 461)	1.00	1.00	1.00	-
Community Development Director	1.00	1.00	1.00	-
Community Development Assistant	1.00	1.00	1.00	-
Code Enforcement License Coordinator	-	-	1.00	1.00
Planning Intern	0.50	0.50	0.50	-
Rental License Intern	0.50	0.50	-	(0.50)
	5.00	4.00	4.50	0.50

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- **2015-2018 Strategic Plan:** Full-Time Code Enforcement License Coordinator: \$58,046 (net of rental license intern)

GOALS OF CURRENT YEAR BUDGET:

- All Land Use Applications processed with 60 days
- Plan Review completed within 10 business days
- Complete preliminary drafts of the Comprehensive Plan Update
- Centralize Code Enforcement Program within the Division (from Police Department)
- Code Enforcement case compliance within 14 days (nuisance) to 30 days (buildings).

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Number of Land Use Applications	40	43	45
Number of Permits	1898	2000	2250
Number of Code Enforcement Cases	617	625	650

FUND GENERAL

DEPARTMENT:

DATA PROCESSING

FUNCTION:

GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0192	6102	F.T. REGULAR-WAGES & SALARIES	\$ 61,504	\$ 68,776	\$ 73,917	\$ 5,141
0192	6104	PART TIME-WAGES & SALARIES	15,145	22,183	34,425	12,242
0192	6121	PERA CONTRIBUTIONS	5,438	6,822	8,126	1,304
0192	6122	FICA/MEDICARE CONTRIBUTIONS	5,709	6,958	8,288	1,330
0192	6131	GROUP INSURANCE	9,623	10,104	11,493	1,389
0192	6133	WORKERS COMP INSURANCE PREMIUM	378	728	867	139
0192	6206	FILM, MICROFILM, TAPES, DISKS	107	-	-	-
0192	6208	MISCELLANEOUS OFFICE SUPPLIES	19	300	300	-
0192	6249	MISCELLANEOUS OPERATING SUPPLY	1,509	600	300	(300)
0192	6281	SMALL TOOLS & MINOR EQUIPMENT	31,576	30,000	41,300	11,300
0192	6321	TELEPHONE	8,667	14,000	12,000	(2,000)
0192	6335	TRAINING	-	500	2,500	2,000
0192	6361	GENERAL LIABILITY/PROPERTY INS	4,340	4,000	4,600	600
0192	6405	OFFICE & DATA PROCESSING EQUIP	192,189	199,469	208,120	8,651
0192	6580	OTHER EQUIPMENT	-	31,000	-	(31,000)
0192	6585	COMPUTER HARDWARE/SOFTWARE	110,024	29,000	-	(29,000)
Total Expenditure			\$ 446,228	\$ 424,440	\$ 406,236	\$ (18,204)

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
IT Manager	1.00	1.00	1.00	-
IT Tech	0.50	0.50	0.50	-
	1.50	1.50	1.50	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> • 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases • 2015-2018 Strategic Plan: Cameras for Elm Crest Park & Municipal Center Front Lot: \$13,800 • LOGIS Application Support Contract - \$10,195 Increase • No Capital Purchases for 2016

GOALS OF CURRENT YEAR BUDGET:

- Ensure all city staff have the technology resources available to them to provide efficient service.
- Maintain and implement current technologies into the existing work environments and infrastructure.
- Identify any opportunities for improvement and seek out solutions to improve city services.

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Number of Physical Servers	5	7	9
Number of Desktop PCs / Laptops	130	142	152
Number of Phones	95	95	98
Number of Mobile Phones	59	61	63
Number of Tablets	2	5	6
Number of Wireless Access Points	7	8	10

FUND GENERAL

DEPARTMENT: GENERAL GOVERN. BUILDINGS
FUNCTION: GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0194	6102	F.T. REGULAR-WAGES & SALARIES	\$ 92,086	\$ 108,596	\$ 111,193	\$ 2,597
0194	6103	FULL TIME-REGULAR-OVERTIME	1,230	-	-	-
0194	6104	PART TIME-WAGES & SALARIES	18,457	24,080	25,810	1,730
0194	6107	OVERTIME-PART TIME	236	-	-	-
0194	6121	PERA CONTRIBUTIONS	8,080	9,951	10,275	324
0194	6122	FICA/MEDICARE CONTRIBUTIONS	8,258	10,150	10,776	626
0194	6131	GROUP INSURANCE	23,758	24,957	22,986	(1,971)
0194	6133	WORKERS COMP INSURANCE PREMIUM	4,397	7,218	5,527	(1,691)
0194	6221	CLEANING SUPPLIES	1,776	2,500	2,500	-
0194	6223	GASOLINE	3,130	3,000	3,000	-
0194	6225	DIESEL FUEL	214	2,000	2,000	-
0194	6231	UNIFORMS & TURN-OUT GEAR	-	-	1,500	1,500
0194	6249	MISCELLANEOUS OPERATING SUPPLY	12,262	13,000	13,000	-
0194	6257	OTHER VEHICLE PARTS	399	1,000	1,500	500
0194	6259	BUILDING MAINT/REPAIR SUPPLIES	4,711	5,000	5,200	200
0194	6275	OTHER EQUIPMENT PARTS	-	-	-	-
0194	6281	SMALL TOOLS & MINOR EQUIPMENT	1,889	4,000	4,000	-
0194	6323	CELLULAR PHONES	1,177	1,500	1,500	-
0194	6361	GENERAL LIABILITY/PROPERTY INS	11,710	16,000	16,000	-
0194	6371	ELECTRIC UTILITIES	88,673	102,000	100,000	(2,000)
0194	6372	WATER/IRRIGATION	3,292	6,000	4,000	(2,000)
0194	6373	GAS	37,515	37,000	39,000	2,000
0194	6374	REFUSE/RECYCLING	3,576	6,000	4,500	(1,500)
0194	6381	BUILDING & STRUCTURE REPAIR	9,774	10,000	10,000	-
0194	6382	MACHINERY & EQUIPMENT REPAIR	11,320	10,000	10,000	-
0194	6388	OTHER VEHICLE REPAIR	445	1,000	1,000	-
0194	6415	OTHER EQUIPMENT RENTAL	619	1,000	1,000	-
0194	6417	UNIFORM RENTAL	-	-	-	-
0194	6489	OTHER CONTRACTED SERVICES	8,724	70,000	70,000	-
Total Expenditure			\$ 357,708	\$ 475,952	\$ 476,267	\$ 315

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Building Maintenance Supervisor	1.00	1.00	1.00	-
Building Maintenance Worker	2.50	2.63	2.63	-
	3.50	3.63	3.63	-

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- Increase in parking ramp maintenance costs: \$13,741

GOALS OF CURRENT YEAR BUDGET:

- Clean and maintain our municipal buildings to the highest level possible
- Continue to prepare and support voting precincts during elections
- Respond to all maintenance requests in a timely manner

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Buildings Maintained	12	12	12
Rooms Prepared for Meetings Annually	1118	1175	1210
Maintenance Request Cleared	48	40	40

FUND GENERAL

DEPARTMENT:
FUNCTION:

NEWSLETTER
GENERAL GOVERNMENT

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0195	6102	F.T. REGULAR-WAGES & SALARIES	\$ 2,373	\$ 10,077	\$ 10,278	\$ 201
0195	6121	PERA CONTRIBUTIONS	172	756	771	15
0195	6122	FICA/MEDICARE CONTRIBUTIONS	196	771	786	15
0195	6133	WORKERS COMP INSURANCE PREMIUM	10	77	82	5
0195	6322	POSTAGE	5,808	6,750	10,500	3,750
0195	6352	GENERAL NOTICE & PUBLIC INFOR	19,247	21,000	33,000	12,000
0195	6361	GENERAL LIABILITY/PROPERTY INS	272	400	400	-
Total Expenditure			\$ 28,078	\$ 39,831	\$ 55,817	\$ 15,986

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> 2015-2018 Strategic Plan: Increase Communications: Restore full color newsletter back to 6 publications Increase costs of \$12,000 for printing & \$3,750 for postage

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Restore publications of the newsletter to six, full size, color issues Improve appearance and content of newsletter

Performance Measurements:	2014 Actual	2015 Estimate	2016 Projected
Number of newsletters completed annually	6	6	6
Number of full color newsletters completed annually	4	6	6
Number of pages published annually	80	80	100
Annual number of purchased advertisements	46	50	70

FUND GENERAL

DEPARTMENT:

POLICE PROTECTION

FUNCTION:

PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0211	6102	F.T. REGULAR-WAGES & SALARIES	\$ 1,869,182	\$ 1,955,335	\$ 2,130,552	\$ 175,217
0211	6103	FULL TIME-REGULAR-OVERTIME	62,930	75,000	65,000	(10,000)
0211	6104	PART TIME-WAGES & SALARIES	47,268	53,442	51,993	(1,449)
0211	6105	TEMPORARY-WAGES & SALARIES	7,476	-	-	-
0211	6106	OVERTIME-TEMPORARY	170	-	-	-
0211	6108	SEVERANCE PAY	-	-	-	-
0211	6121	PERA CONTRIBUTIONS	278,822	311,023	344,828	33,805
0211	6122	FICA/MEDICARE CONTRIBUTIONS	43,491	48,094	47,566	(528)
0211	6131	GROUP INSURANCE	198,492	215,606	205,407	(10,199)
0211	6133	WORKERS COMP INSURANCE PREMIUM	42,452	53,673	54,599	926
0211	6204	STATIONERY, ENVELOPES & FORMS	1,399	1,700	1,700	-
0211	6206	FILM, MICROFILM, TAPES, DISKS	237	1,000	1,500	500
0211	6207	TRAINING SUPPLIES	720	3,000	2,500	(500)
0211	6208	MISCELLANEOUS OFFICE SUPPLIES	2,484	4,000	4,000	-
0211	6223	GASOLINE	66,997	80,000	70,000	(10,000)
0211	6227	LUBRICANTS & ADDITIVES	910	1,100	1,100	-
0211	6229	SHOP MATERIALS	964	700	1,000	300
0211	6231	UNIFORMS & TURN-OUT GEAR	27,764	18,750	24,500	5,750
0211	6233	BATTERIES	1,003	1,000	1,000	-
0211	6235	AMMUNITION	10,782	9,500	9,500	-
0211	6237	CRIME SCENE KIT MATERIALS	535	1,000	750	(250)
0211	6239	FIRST AID SUPPLIES	1,949	1,700	1,700	-
0211	6249	MISCELLANEOUS OPERATING SUPPLY	6,905	6,000	6,000	-
0211	6251	BATTERIES	238	600	600	-
0211	6253	BRAKES	1,598	2,500	2,000	(500)
0211	6255	TIRES	3,093	8,000	8,200	200
0211	6257	OTHER VEHICLE PARTS	11,334	6,000	8,000	2,000
0211	6259	BUILDING MAINT/REPAIR SUPPLIES	-	200	200	-
0211	6275	OTHER EQUIPMENT PARTS	245	500	1,000	500
0211	6281	SMALL TOOLS & MINOR EQUIPMENT	33,018	14,000	26,000	12,000
0211	6315	MISCELLANEOUS PROFESSIONAL SER	2,307	3,000	5,000	2,000
0211	6321	TELEPHONE	2,384	2,700	2,700	-
0211	6322	POSTAGE	1,275	1,500	1,500	-
0211	6323	CELLULAR PHONES	7,977	8,000	8,000	-
0211	6331	TRAVEL & LODGING	3,772	3,600	4,000	400
0211	6334	MILEAGE REIMBURSEMENT	307	500	500	-
0211	6335	TRAINING	18,127	23,000	22,500	(500)
0211	6361	GENERAL LIABILITY/PROPERTY INS	34,709	37,000	38,000	1,000
0211	6382	MACHINERY & EQUIPMENT REPAIR	120	500	500	-
0211	6383	OFFICE EQUIPMENT REPAIR	-	250	250	-
0211	6386	BRAKE REPAIR	-	1,000	1,000	-
0211	6387	TIRE MOUNTING & BALANCING	-	-	-	-
0211	6388	OTHER VEHICLE REPAIR	8,823	7,000	9,000	2,000

0211	6389	TOWING SERVICES	11	500	500	-
0211	6405	OFFICE & DATA PROCESSING EQUIP	2,994	5,000	4,000	(1,000)
0211	6413	OFFICE EQUIPMENT RENTAL	6,387	5,000	6,500	1,500
0211	6415	OTHER EQUIPMENT RENTAL	16,086	22,500	26,000	3,500
0211	6451	MEMBERSHIP DUES	3,103	3,000	3,500	500
0211	6489	OTHER CONTRACTED SERVICES	3,449	4,500	5,000	500
0211	6550	MOTOR VEHICLES	86,715	45,000	92,000	47,000
0211	6580	OTHER EQUIPMENT		65,406	51,906	(13,500)
0211	6603	OTHER L.T. OBLIGATION PRINCIPA	8,716	4,525	-	(4,525)
Total Expenditure			\$ 2,929,720	\$ 3,116,904	\$ 3,353,551	\$ 236,647

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Police Chief	1.00	1.00	1.00	-
Captain	2.00	2.00	2.00	-
Sergeant	4.00	4.00	4.00	-
Patrol Officer	16.00	16.00	17.00	1
Drug Task Force Officer	-	-	1.00	1
Crime Prevention Specialist	1.00	1.00	-	(1)
Community Service Officers (2)	1.00	1.00	1.00	-
Clerical/Support Personnel	3.00	3.00	3.00	-
	28.50	28.00	29.00	1

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- **2015-2018 Strategic Plan:** Full-Time Drug Task Force Officer: \$82,435 (salary & uniform)
- Maintenance costs for shared Public Safety Data System - \$8,500 Increase
- Police department policy/procedures recodification and software system (Lexipol) -\$6,800
- **2015-2018 Strategic Plan:** Elimination of Code Enforcement Intern: (\$15,851)

GOALS OF CURRENT YEAR BUDGET:

- Reduce Illegal drug activity in the community
- Adequately staff public safety based on changing demographics
- Leverage technology to create operational efficiencies
- Enhance traffic safety in the community

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Police Department Activity			
Traffic Arrests	3351	4017	4097
Motor Vehicle Accidents	400	416	424
Criminal Incidents	1310	1191	1215
Non-Criminal Incidents	6840	6979	7119
Ordinance Complaints	629	691	705

Total	12530	13294	13560
<i>State CPM Performance Measurement Results</i>	2012	2013	2014
Part 1 and Part 2 Crime Rates (per 1000)	22.20/26.30	17.3/25.43	1 yr lag
Part 1 and Part 2 Crime Clearance Rates (per 1000)	41%	51%	1 yr lag
Average police response times	8:36	NA	1 yr lag

FUND GENERAL

DEPARTMENT:
FUNCTION:

FIRE PROTECTION
PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0220	6102	F.T. REGULAR-WAGES & SALARIES	\$ 160,797	\$ 175,209	\$ 182,432	\$ 7,223
0220	6103	FULL TIME-REGULAR-OVERTIME	83	-	-	-
0220	6104	PART TIME-WAGES & SALARIES	192,871	200,906	237,355	36,449
0220	6105	TEMPORARY-WAGES & SALARIES	699	-	-	-
0220	6121	PERA CONTRIBUTIONS	24,549	27,885	30,558	2,673
0220	6122	FICA/MEDICARE CONTRIBUTIONS	14,844	17,266	20,294	3,028
0220	6131	GROUP INSURANCE	12,942	23,896	25,497	1,601
0220	6132	DISABILITY INSURANCE	-	1,300	1,300	-
0220	6133	WORKERS COMP INSURANCE PREMIUM	14,215	27,049	18,468	(8,581)
0220	6206	FILM, MICROFILM, TAPES, DISKS	-	100	100	-
0220	6208	MISCELLANEOUS OFFICE SUPPLIES	619	950	1,000	50
0220	6223	GASOLINE	13,034	14,500	13,500	(1,000)
0220	6225	DIESEL FUEL	5,262	6,500	5,500	(1,000)
0220	6231	UNIFORMS & TURN-OUT GEAR	14,757	15,000	15,000	-
0220	6233	BATTERIES	-	500	500	-
0220	6239	FIRST AID SUPPLIES	1,226	1,500	1,500	-
0220	6249	MISCELLANEOUS OPERATING SUPPLY	20,246	17,000	19,000	2,000
0220	6255	TIRES	-	6,000	1,000	(5,000)
0220	6257	OTHER VEHICLE PARTS	10,457	8,000	8,000	-
0220	6266	SCBA-PARTS	7,827	5,500	6,000	500
0220	6275	OTHER EQUIPMENT PARTS	262	2,000	2,000	-
0220	6281	SMALL TOOLS & MINOR EQUIPMENT	33,083	22,000	25,000	3,000
0220	6302	AUDITING & ACCOUNTING SERVICES	3,400	3,400	3,400	-
0220	6315	MISCELLANEOUS PROFESSIONAL SER	17,623	-	-	-
0220	6321	TELEPHONE	1,512	1,500	1,500	-
0220	6322	POSTAGE	155	500	500	-
0220	6323	CELLULAR PHONES	1,707	2,000	5,000	3,000
0220	6335	TRAINING	20,314	18,000	20,000	2,000
0220	6361	GENERAL LIABILITY/PROPERTY INS	16,068	22,000	19,000	(3,000)
0220	6371	ELECTRIC UTILITIES	24,458	24,000	24,000	-
0220	6372	WATER/IRRIGATION	94	100	100	-
0220	6373	GAS	14,341	14,000	14,000	-
0220	6374	REFUSE/RECYCLING	782	800	800	-
0220	6388	OTHER VEHICLE REPAIR	21,258	24,000	24,000	-
0220	6405	OFFICE & DATA PROCESSING EQUIP	-	6,470	6,500	30
0220	6451	MEMBERSHIP DUES	1,109	1,600	1,600	-
0220	6452	SUBSCRIPTIONS	117	1,000	1,000	-
0220	6471	BOOKS & PAMPHLETS	205	600	600	-
0220	6489	OTHER CONTRACTED SERVICES	5,392	7,500	7,500	-
0220	6580	OTHER EQUIPMENT	-	56,900	106,900	50,000
Total Expenditure			\$ 656,308	\$ 757,431	\$ 850,404	\$ 92,973

PERSONNEL COMPLEMENT

FUND GENERAL

DEPARTMENT:
FUNCTION:

FIRE PROTECTION
PUBLIC SAFETY

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Fire Chief	1.00	1.00	1.00	-
Fire Marshall	1.00	1.00	1.00	-
Fire Tec Secretary	-	-	0.50	0.50
Firefighters	7.58	7.58	7.58	-
	9.58	9.58	10.08	0.50

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- 12.3% On-Call Rate Increase: \$17,490
- Part-Time Fire Tech Secretary not budgeted in 2015, hired midyear in 2015, full year in 2016
- Capital Equipment of Fire Vehicle #559 box needing replacement earlier than the 2018 estimated date: \$50,000

GOALS OF CURRENT YEAR BUDGET:

- Continue proactive inspection programs
- Enhance public education including seniors presentations

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Number of Calls for Service	486	500	500
Number of On-Call Firefighters	48	54	55

FUND GENERAL

DEPARTMENT:

PROTECTIVE INSPECTIONS

FUNCTION:

PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0240	6102	F.T. REGULAR-WAGES & SALARIES	\$ 122,888	\$ 164,976	\$ 185,265	\$ 20,289
0240	6103	FULL TIME-REGULAR-OVERTIME	396	-	-	-
0240	6104	PART TIME-WAGES & SALARIES	-	-	-	-
0240	6105	TEMPORARY-WAGES & SALARIES	9,578	12,480	-	(12,480)
0240	6121	PERA CONTRIBUTIONS	9,003	12,373	13,895	1,522
0240	6122	FICA/MEDICARE CONTRIBUTIONS	9,166	13,575	14,172	597
0240	6131	GROUP INSURANCE	27,262	46,024	34,740	(11,284)
0240	6133	WORKERS COMP INSURANCE PREMIUM	692	1,348	1,482	134
0240	6204	STATIONERY, ENVELOPES & FORMS	-	750	750	-
0240	6208	MISCELLANEOUS OFFICE SUPPLIES	360	500	750	250
0240	6223	GASOLINE	2,850	3,000	3,000	-
0240	6231	UNIFORMS & TURN-OUT GEAR	-	500	500	-
0240	6249	MISCELLANEOUS OPERATING SUPPLY	1,591	2,000	2,500	500
0240	6315	MISCELLANEOUS PROFESSIONAL SER	49,530	60,000	60,000	-
0240	6321	TELEPHONE	447	600	600	-
0240	6322	POSTAGE	1,168	2,000	2,000	-
0240	6323	CELLULAR PHONES	968	1,500	2,000	500
0240	6334	MILEAGE REIMBURSEMENT	-	500	500	-
0240	6335	TRAINING	1,245	3,000	3,000	-
0240	6361	GENERAL LIABILITY/PROPERTY INS	2,649	3,200	3,200	-
0240	6451	MEMBERSHIP DUES	425	1,000	1,000	-
0240	6471	BOOKS & PAMPHLETS	-	1,000	1,000	-
Total Expenditure			\$ 240,218	\$ 330,326	\$ 330,354	\$ 28

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Building Official	1.00	1.00	1.00	-
Building Inspections Intern	0.50	0.50	0.50	-
Permit Technician	1.00	1.50	2.00	0.50
Code Enforcement Intern	0.50	0.50	-	(0.50)
Inspectors	0.75	0.25	0.25	-
	3.75	3.75	3.75	-

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- **2015-2018 Strategic Plan:** Part-Time Permit Tech to Full-Time: \$36,287
- Building intern and part-time inspector not included in budget

GOALS OF CURRENT YEAR BUDGET:

- Complete standard plan review within 10 business days.
- Inspections scheduled no longer than 48 hours out (excluding weekends).
- Determine if any changes to residential rental licensing program is warranted.
- Move business licensing program to the division (from Administrative Services).
- Determine appropriate software system to administer applications.

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
New Residential Units	66	50	75
Total Permits	1898	2000	2250
Number of Inspections	5149	6500	6750

FUND GENERAL

DEPARTMENT:
FUNCTION:

CIVIL DEFENSE
PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0250	6251	BATTERIES	\$ 601	\$ 2,000	\$ 1,800	\$ (200)
0250	6275	OTHER EQUIPMENT PARTS	1,008	4,000	3,800	(200)
0250	6361	GENERAL LIABILITY/PROPERTY INS	50	100	100	-
0250	6371	ELECTRIC UTILITIES	1,026	1,200	1,200	-
0250	6382	MACHINERY & EQUIPMENT REPAIR	2,481	5,000	5,000	-
Total Expenditure			\$ 5,166	\$ 12,300	\$ 11,900	\$ (400)

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> No changes

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Maintain infrastructure of siren warning system

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Number of Sirens	17	17	17

FUND GENERAL

DEPARTMENT:
FUNCTION:

TRAFFIC ENGINEERING
PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0260	6102	F.T. REGULAR-WAGES & SALARIES	\$ 24,224	\$ 55,373	\$ 46,385	\$ (8,988)
0260	6103	FULL TIME-REGULAR-OVERTIME	-	-	-	-
0260	6105	TEMPORARY-WAGES & SALARIES	107	-	-	-
0260	6121	PERA CONTRIBUTIONS	1,643	4,153	3,479	(674)
0260	6122	FICA/MEDICARE CONTRIBUTIONS	1,710	4,236	3,549	(687)
0260	6133	WORKERS COMP INSURANCE PREMIUM	1,317	4,125	1,235	(2,890)
0260	6249	MISCELLANEOUS OPERATING SUPPLY	13,427	20,750	20,000	(750)
0260	6271	SIGN REPAIR MATERIALS	249	3,400	3,000	(400)
0260	6361	GENERAL LIABILITY/PROPERTY INS	586	1,000	1,000	-
0260	6371	ELECTRIC UTILITIES	10,946	6,000	12,000	6,000
0260	6382	MACHINERY & EQUIPMENT REPAIR	6,997	7,800	7,800	-
0260	6489	CONTRACTED SERVICES	-	-	3,000	3,000
Total Expenditure			\$ 61,206	\$ 106,837	\$ 101,448	\$ (5,389)

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Continue to meet FHWA guidelines for traffic signage Replace damaged or defective signs within 48 hours Bring signage up to current standards on all reconstruct and overlay projects Continue to support Engineering and Community Development departments with traffic issues

Performance Measurements:	2014 Actual	2015 Estimate	2016 Projected
Total sign making hours	606	650	610
Number of Traffic Signs in System	2300	2360	2390
Number of Traffic Counts Performed	15	90	15

FUND GENERAL

DEPARTMENT:

ANIMAL CONTROL

FUNCTION:

PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0270	6249	MISCELLANEOUS OPERATING SUPPLY	\$ 488	\$ 500	\$ 500	\$ -
0270	6281	SMALL TOOLS & MINOR EQUIPMENT	-	250	250	-
0270	6489	OTHER CONTRACTED SERVICES	4,761	7,500	7,300	(200)
Total Expenditure			\$ 5,249	\$ 8,250	\$ 8,050	\$ (200)

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> No changes

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Provide animal containment services to residents

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Animal Complaints	463	451	460
Number of Animals Impounded	48	48	49
Number of Animals Released to Owners	44	46	47
Number of Euthanizations	4	2	0

FUND GENERAL

DEPARTMENT: COMMUNITY ORIENTATING POLICE
FUNCTION: PUBLIC SAFETY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0280	6204	STATIONERY, ENVELOPES & FORMS	\$ -	\$ 250	\$ 250	\$ -
0280	6206	FILM, MICROFILM, TAPES, DISKS	-	50	50	-
0280	6241	COMMUNITY POLICING SUPPLIES	6,025	4,700	6,800	2,100
0280	6281	SMALL TOOLS & MINOR EQUIPMENT	-	100	100	-
0280	6291	CULVERTS, SIGNS, STREET SUPPLY	60	-	-	-
0280	6322	POSTAGE	36	200	200	-
0280	6331	TRAVEL & LODGING	99	400	400	-
0280	6335	TRAINING	335	500	500	-
0280	6361	GENERAL LIABILITY/PROPERTY INS	66	100	100	-
0280	6451	MEMBERSHIP DUES	155	50	200	150
0280	6471	BOOKS & PAMPHLETS	-	100	100	-
Total Expenditure			\$ 6,776	\$ 6,450	\$ 8,700	\$ 2,250

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> No major changes

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Increase participation in community based programs

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
# of participants attending Kids Safety Camp	127	138	141
# of car seat inspections	28	51	52
# of car seat inspections	28	51	52
Night to Unite - # of Parties	47	43	44
# of animals served at Pet Clinics	290	260	265

FUND GENERAL

DEPARTMENT:
FUNCTION:

ENGINEERING
PUBLIC WORKS

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0301	6102	F.T. REGULAR-WAGES & SALARIES	\$ 161,834	\$ 180,246	\$ 190,284	\$ 10,038
0301	6103	FULL TIME-REGULAR-OVERTIME	13,903	18,000	18,000	-
0301	6105	TEMPORARY-WAGES & SALARIES	8,327	29,120	29,120	-
0301	6106	OVERTIME-TEMPORARY	17	-	-	-
0301	6121	PERA CONTRIBUTIONS	12,574	14,868	15,621	753
0301	6122	FICA/MEDICARE CONTRIBUTIONS	12,228	17,394	18,161	767
0301	6131	GROUP INSURANCE	35,462	38,599	41,807	3,208
0301	6133	WORKERS COMP INSURANCE PREMIUM	951	1,862	2,022	160
0301	6205	DRAFTING SUPPLIES	-	500	500	-
0301	6208	MISCELLANEOUS OFFICE SUPPLIES	939	1,500	1,000	(500)
0301	6223	GASOLINE	3,668	6,000	5,000	(1,000)
0301	6231	UNIFORMS & TURN-OUT GEAR	1,176	1,800	2,200	400
0301	6249	MISCELLANEOUS OPERATING SUPPLY	175	2,000	1,500	(500)
0301	6257	OTHER VEHICLE PARTS	641	1,500	1,500	-
0301	6281	SMALL TOOLS & MINOR EQUIPMENT	59	2,000	1,000	(1,000)
0301	6315	MISCELLANEOUS PROFESSIONAL SER	5,545	25,000	20,000	(5,000)
0301	6321	TELEPHONE	965	1,000	1,000	-
0301	6322	POSTAGE	455	750	1,000	250
0301	6323	CELLULAR PHONES	2,954	4,000	4,000	-
0301	6331	TRAVEL & LODGING	-	500	500	-
0301	6335	TRAINING	1,226	5,000	2,500	(2,500)
0301	6361	GENERAL LIABILITY/PROPERTY INS	2,928	5,000	4,000	(1,000)
0301	6405	OFFICE & DATA PROCESSING EQUIP	1,878	7,200	5,500	(1,700)
0301	6451	MEMBERSHIP DUES	747	800	1,100	300
0301	6471	BOOKS & PAMPHLETS	-	250	500	250
0301	6550	MOTOR VEHICLES	-	27,200	-	(27,200)
Total Expenditure			\$ 268,652	\$ 392,089	\$ 367,815	\$ (24,274)

FUND GENERAL

DEPARTMENT:
FUNCTION:

ENGINEERING
PUBLIC WORKS

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
City Engineer	1.00	1.00	1.00	-
Senior Engineering Tech	-	1.00	1.00	-
Engineering Tech IV	1.00	-	-	-
Engineering Tech II	1.00	1.00	1.00	-
Engineering Tech III	-	1.00	1.00	-
Civil Engineer II	1.00	1.00	-	(1)
Civil Engineer IV	-	-	1.00	1
Administrative Assistant	1.00	1.00	1.00	-
Interns (2)	0.30	1.00	1.00	-
	5.30	7.00	7.00	-

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases
- Civil Engineer II reclassified to Civil Engineer IV: \$2,928
- No capital purchases for 2016

GOALS OF CURRENT YEAR BUDGET:

- Develop and implement a long-term trail maintenance program
- Develop and implement a long-term stormwater pond maintenance program
- Conduct CSAH 5/Nowthen Blvd. transportation corridor study and develop improvements program
- Conduct TH 47 transportation corridor study and develop improvements program
- Develop and plan for key infrastructure improvements (AUAR, utilities, transportation)
- Work with other cities/regulating agencies to identify sustainable regional water supply solutions

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Active Engineering Projects	12	11	11
Completed Engineering Projects	5	7	6

FUND GENERAL

DEPARTMENT:
FUNCTION:

STREET MAINTENANCE
PUBLIC WORKS

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0311	6102	F.T. REGULAR-WAGES & SALARIES	\$ 311,874	\$ 352,341	\$ 360,810	\$ 8,469
0311	6103	FULL TIME-REGULAR-OVERTIME	450	2,000	2,000	-
0311	6105	TEMPORARY-WAGES & SALARIES	3,378	11,440	19,200	7,760
0311	6108	SEVERANCE PAY	4,068	-	-	-
0311	6121	PERA CONTRIBUTIONS	22,358	26,576	27,210	634
0311	6122	FICA/MEDICARE CONTRIBUTIONS	23,117	29,077	30,404	1,327
0311	6131	GROUP INSURANCE	66,680	72,548	66,250	(6,298)
0311	6133	WORKERS COMP INSURANCE PREMIUM	20,411	27,542	20,136	(7,406)
0311	6208	MISCELLANEOUS OFFICE SUPPLIES	296	300	300	-
0311	6221	CLEANING SUPPLIES	-	200	200	-
0311	6223	GASOLINE	9,460	9,000	9,000	-
0311	6225	DIESEL FUEL	27,161	28,000	28,000	-
0311	6227	LUBRICANTS & ADDITIVES	3,613	4,300	4,300	-
0311	6229	SHOP MATERIALS	2,877	4,000	4,000	-
0311	6231	UNIFORMS & TURN-OUT GEAR	2,045	2,500	2,800	300
0311	6249	MISCELLANEOUS OPERATING SUPPLY	7,440	8,000	8,000	-
0311	6257	OTHER VEHICLE PARTS	27,245	25,000	25,000	-
0311	6259	BUILDING MAINT/REPAIR SUPPLIES	3,122	6,000	6,000	-
0311	6261	SAND & GRAVEL	-	3,000	1,000	(2,000)
0311	6265	ASPHALT	12,655	25,000	20,000	(5,000)
0311	6267	OTHER STREET MAINTENANCE SUPPL	1,997	2,100	2,100	-
0311	6269	LANDSCAPE MATERIALS	13,620	7,500	7,500	-
0311	6275	OTHER EQUIPMENT PARTS	-	500	500	-
0311	6281	SMALL TOOLS & MINOR EQUIPMENT	1,264	12,000	14,000	2,000
0311	6315	MISCELLANEOUS PROFESSIONAL SER	22,453	20,000	24,000	4,000
0311	6321	TELEPHONE	1,014	1,100	1,100	-
0311	6322	POSTAGE	81	100	100	-
0311	6323	CELLULAR PHONES	2,685	3,500	3,500	-
0311	6335	TRAINING	2,554	4,500	4,000	(500)
0311	6361	GENERAL LIABILITY/PROPERTY INS	21,798	25,000	25,000	-
0311	6371	ELECTRIC UTILITIES	7,285	9,200	8,500	(700)
0311	6372	WATER/IRRIGATION	1,624	500	1,700	1,200
0311	6373	GAS	7,269	8,650	8,650	-
0311	6374	REFUSE/RECYCLING	1,842	2,200	2,200	-
0311	6381	BUILDING & STRUCTURE REPAIR	5,240	10,000	10,000	-
0311	6382	MACHINERY & EQUIPMENT REPAIR	1,868	5,000	5,000	-
0311	6387	TIRE MOUNTING & BALANCING	130	600	600	-
0311	6388	OTHER VEHICLE REPAIR	8,042	8,000	8,000	-
0311	6404	MACHINERY & EQUIPMENT	990	1,400	1,400	-
0311	6415	OTHER EQUIPMENT RENTAL	5,579	5,100	5,500	400
0311	6417	UNIFORM RENTAL	4,959	4,400	5,000	600
0311	6451	MEMBERSHIP DUES	50	300	300	-
0311	6488	STREET MAINTENANCE CONTRACT	512,125	500,000	500,000	-
0311	6489	OTHER CONTRACTED SERVICES	-	30,000	50,000	20,000
0311	6540	HEAVY MACHINERY	227,137	192,507	247,000	54,493
0311	6580	OTHER EQUIPMENT	-	74,100	5,100	(69,000)
Total Expenditure			\$ 1,399,856	\$ 1,565,081	\$ 1,575,360	\$ 10,279

FUND GENERAL

DEPARTMENT:

STREET MAINTENANCE

FUNCTION:

PUBLIC WORKS

BUDGET SUMMARY:

Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
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PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Public Works Superintendent	1.00	1.00	1.00	-
Heavy Equipment Operator	1.00	1.00	1.00	-
Mechanic	1.00	1.00	2.00	1.00
PW Maintenance Worker	4.00	4.00	4.00	-
Temporary - Streets (3)	-	0.50	0.92	0.42
	7.00	7.50	8.92	1.42

BUDGET HIGHLIGHTS

<ul style="list-style-type: none"> • 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases • Full-Time Public Works Maintenance worker: \$64,853 • Public Works Maintenance Worker reclass to mechanic: \$3,551 • Additional Contract for Spray patching: \$20,000 • Professional Services for possible public works campus: \$30,000 • Capital Equipment of a snowplow truck & 1-ton truck
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GOALS OF CURRENT YEAR BUDGET:

<ul style="list-style-type: none"> • Maintain and improve city's rating of 7.0 average of road condition • Increase use of contracted services on pothole repair (velocity patching) • Increase prevenative maintenace to prolong the life of our public streets • Maintain our city vehicles and equipment to the highest level possible

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Crack filling (miles)	6.48	12.8	7
Sealcoating (miles)	7.55	7.73	7.5
Asphalt patching (tons)	207	180	150

FUND GENERAL

DEPARTMENT:

SNOW & ICE REMOVAL

FUNCTION:

PUBLIC WORKS

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0312	6102	F.T. REGULAR-WAGES & SALARIES	\$ 97,518	\$ 72,565	\$ 78,257	\$ 5,692
0312	6103	FULL TIME-REGULAR-OVERTIME	14,447	13,000	13,000	-
0312	6105	TEMPORARY-WAGES & SALARIES	5,109	8,000	10,000	2,000
0312	6121	PERA CONTRIBUTIONS	8,463	6,417	6,844	427
0312	6122	FICA/MEDICARE CONTRIBUTIONS	9,560	7,158	7,746	588
0312	6133	WORKERS COMP INSURANCE PREMIUM	6,463	7,836	6,736	(1,100)
0312	6223	GASOLINE	-	3,000	3,000	-
0312	6225	DIESEL FUEL	27,719	24,000	24,000	-
0312	6229	SHOP MATERIALS	320	500	500	-
0312	6257	OTHER VEHICLE PARTS	49,581	27,000	27,000	-
0312	6261	SAND & GRAVEL	3,949	2,000	4,000	2,000
0312	6263	SALT	153,891	105,600	106,000	400
0312	6267	OTHER STREET MAINTENANCE SUPPL	3,280	3,700	3,700	-
0312	6361	GENERAL LIABILITY/PROPERTY INS	7,188	8,000	7,400	(600)
0312	6388	OTHER VEHICLE REPAIR	7,995	10,000	10,000	-
0312	6489	OTHER CONTRACTED SERVICES	1,262	12,600	8,000	(4,600)
Total Expenditure			\$ 396,745	\$ 311,376	\$ 316,183	\$ 4,807

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Clearing of the parking ramp utilizing PW Staff (full time, temporary on call, and seasonal staff) Discontinue contracted snow removal in the parking ramp Continue to monitor and reduce salt usage Continue to complete citywide plowing in 8 hours or less Upgrade weather service to MDSS (maintenance decision support software) Equip cul-de-sac trucks and sidewalk plowing equipment with AVL to track snow removal operations

Performance Measurements:	2014 Actual	2015 Estimate	2016 Projected
Miles of Streets Plowed	172.8	175	175

Cul-de-sacs	271	271	275
Salt/Sand Purchased (tons)	1800	1200	1200
Snow Removal Hours	4253	4000	4000
Full Scale Plowing Events	16	7	8 to 12

FUND GENERAL

DEPARTMENT:

PARK & RECREATION

FUNCTION:

PARKS AND RECREATION

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0452	6102	F.T. REGULAR-WAGES & SALARIES	\$ 307,468	\$ 312,634	\$ 386,859	\$ 74,225
0452	6103	FULL TIME-REGULAR-OVERTIME	1,125	1,000	1,000	-
0452	6105	TEMPORARY-WAGES & SALARIES	81,026	91,390	93,218	1,828
0452	6121	PERA CONTRIBUTIONS	22,341	23,523	29,090	5,567
0452	6122	FICA/MEDICARE CONTRIBUTIONS	29,546	30,984	36,801	5,817
0452	6131	GROUP INSURANCE	44,852	40,603	60,666	20,063
0452	6133	WORKERS COMP INSURANCE PREMIUM	10,615	17,922	17,743	(179)
0452	6208	MISCELLANEOUS OFFICE SUPPLIES	647	400	400	-
0452	6223	GASOLINE	20,954	21,000	23,000	2,000
0452	6225	DIESEL FUEL	7,385	6,500	7,000	500
0452	6229	SHOP MATERIALS	1,306	2,000	2,000	-
0452	6231	UNIFORMS & TURN-OUT GEAR	2,414	3,000	3,000	-
0452	6249	MISCELLANEOUS OPERATING SUPPLY	39,428	35,000	40,000	5,000
0452	6257	OTHER VEHICLE PARTS	6,121	14,000	14,000	-
0452	6265	ASPHALT	18,554	25,000	30,000	5,000
0452	6268	IRRIGATION SUPPLIES	-	-	10,000	10,000
0452	6269	LANDSCAPE MATERIALS	15,023	12,000	15,000	3,000
0452	6281	SMALL TOOLS & MINOR EQUIPMENT	2,280	2,000	2,000	-
0452	6315	MISCELLANEOUS PROFESSIONAL SER	7,236	35,000	45,000	10,000
0452	6321	TELEPHONE	784	800	800	-
0452	6322	POSTAGE	47	200	100	(100)
0452	6323	CELLULAR PHONES	2,621	3,000	3,000	-
0452	6335	TRAINING	385	2,000	2,000	-
0452	6361	GENERAL LIABILITY/PROPERTY INS	10,228	10,500	11,500	1,000
0452	6371	ELECTRIC UTILITIES	21,773	21,000	22,000	1,000
0452	6372	WATER/IRRIGATION	4,526	20,000	6,000	(14,000)
0452	6373	GAS	4,146	4,500	5,000	500
0452	6374	REFUSE/RECYCLING	2,030	2,000	2,100	100
0452	6381	BUILDING & STRUCTURE REPAIR	13,781	7,000	13,000	6,000
0452	6382	MACHINERY & EQUIPMENT REPAIR	1,284	1,000	1,500	500
0452	6388	OTHER VEHICLE REPAIR	716	3,000	2,000	(1,000)
0452	6415	OTHER EQUIPMENT RENTAL	10,009	8,400	9,500	1,100
0452	6416	MACHINERY RENTAL	100	800	600	(200)
0452	6417		1,132	650	650	-
0452	6451	MEMBERSHIP DUES	293	350	350	-
0452	6489	OTHER CONTRACTED SERVICES	38,849	40,000	45,000	5,000
0452	6540	HEAVY MACHINERY	32,803	-	-	-
0452	6580	OTHER EQUIPMENT	-	18,000	-	(18,000)
Total Expenditure			\$ 763,828	\$ 817,156	\$ 941,877	\$ 124,721

PERSONNEL COMPLEMENT

	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Park Maintenance Worker	4.00	5.00	5.00	-
Utilities Maintenance Worker (Enterprise Funded)	3.00	3.00	3.00	-
Utilities Supervisor (Enterprise Funded)	1.00	1.00	1.00	-
Park Supervisor/Assistant PW Superintendent	1.00	1.00	1.00	-
Temporary - Parks	2.47	2.47	2.47	-
Parks Intern	0.50	0.50	0.50	-
	11.97	12.97	12.97	-

BUDGET HIGHLIGHTS

- 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases

GOALS OF CURRENT YEAR BUDGET:

- Begin implementation of new trail maintenance policy developed in 2015
- Continue to coordinate trail, sidewalk, parking lot and rink snow removal with city-wide snow plowing for
- Continue to work year-round with the athletic associations in the provision of youth recreation
- Complete a citizen survey to identify community need for recreation programming (children to adults)
As a sub-set of preparations for the 2018 Comprehensive Plan update; align public engagement opportunities with Community Development to determine a vision for future parks, trails and public open space
- Continue organizing a Master Park and Trail Plan, including cost estimates for the emerging future vision
- Complete the Mississippi River Trail to Sherburne County

Performance Measurements:

	2014 Actual	2015 Estimate	2016 Projected
Number of City Parks	23	23	23
Number of Athletic Fields Maintained	40	42	42
Number of Playgrounds Maintained	16	17	17
Miles of Trails Maintained	38	39.5	41
Total Acreage Mowed	150.11	150.11	150.11

FUND GENERAL

DEPARTMENT:

COMMUNITY PROGRAMS

FUNCTION:

PARKS AND RECREATION

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0455	6489	OTHER CONTRACTED SERVICES	\$ 8,199	\$ 9,775	\$ 12,000	\$ 2,225
Total Expenditure			\$ 8,199	\$ 9,775	\$ 12,000	\$ 2,225

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> Contribution to Family Promise in Anoka County -\$3,000

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Increase citizens knowledge of programs offered

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Number of People Served	198	205	215

FUND GENERAL

DEPARTMENT: ENVIRONMENTAL SERVICES
FUNCTION: PARKS AND RECREATION

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0461	6102	F.T. REGULAR-WAGES & SALARIES	\$ 65,143	\$ 65,365	\$ 69,940	\$ 4,575
0461	6121	PERA CONTRIBUTIONS	4,717	4,902	5,246	344
0461	6122	FICA/MEDICARE CONTRIBUTIONS	4,579	5,001	5,350	349
0461	6131	GROUP INSURANCE	3,563	3,726	4,129	403
0461	6133	WORKERS COMP INSURANCE PREMIUM	301	379	560	181
0461	6208	MISCELLANEOUS OFFICE SUPPLIES	55	100	100	-
0461	6231	UNIFORMS & TURN-OUT GEAR	-	100	100	-
0461	6249	MISCELLANEOUS OPERATING SUPPLY	-	250	250	-
0461	6281	SMALL TOOLS & MINOR EQUIPMENT	-	250	250	-
0461	6315	MISCELLANEOUS PROFESSIONAL SER	-	700	700	-
0461	6321	TELEPHONE	31	250	250	-
0461	6322	POSTAGE	13	100	100	-
0461	6331	TRAVEL & LODGING	19	250	250	-
0461	6334	MILEAGE REIMBURSEMENT	151	50	50	-
0461	6335	TRAINING	205	500	500	-
0461	6352	GENERAL NOTICE & PUBLIC INFOR	92	200	200	-
0461	6361	GENERAL LIABILITY/PROPERTY INS	779	1,000	1,000	-
0461	6451	MEMBERSHIP DUES	170	600	600	-
Total Expenditure			\$ 79,818	\$ 83,723	\$ 89,575	\$ 5,852

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
Personnel: See Community Development	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> 2% COLA, Steps, 2088 Hours (FT) due to Leap Year and Health Insurance Rate Increases

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Formalize involvement in development review process. Complete update to natural resource component of the Comprehensive Plan. Complete communication plan for water resources.

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Wetland related assistance:	10	15	18
Shoreland and Wild and Scenic related assistance (landowner contacts)	3	5	6
Floodplain related assistance:			
Landowner Contacts	30	35	40
FEMA Application Assistance	5	6	8
Forestry related assistance (Oak wilt, DED, EAB, general tree concerns)	25	30	40
Public Education Articles (water resources, forestry, sustainability)	3	4	6

FUND GENERAL

DEPARTMENT:

EXPENDITURE RESERVE

FUNCTION:

MISCELLANEOUS/CONTINGENCY

BUDGET SUMMARY:						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
0892	6101	TEMPORARY-WAGES & SALARIES	\$ -	\$ 4,683		\$ (4,683)
0892	6315	MISCELLANEOUS PROFESSIONAL SER	-	25,774	27,025	1,251
0892	6603	OTHER L.T. OBLIGATION PRINCIPA	78,649	123,169	123,169	-
0892	6820	OPERATING TRANSFERS TO OTHER F	686,900	109,633		(109,633)
Total Expenditure			\$ 765,549	\$ 263,259	\$ 150,194	\$ (113,065)

PERSONNEL COMPLEMENT				
	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
No personnel budgeted to this business unit	-	-	-	-
	-	-	-	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> \$8,200 for Possible Market Rate Adjustments

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Minimize unbudgeted/unallocated expenses

FUND ECONOMIC DEVELOPMENT AUTHORITY

DEPARTMENT

N/A

FUNCTION:

N/A

REVENUES						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
9230	4011	CURRENT-AD VALOREM TAXES	\$ 102,442	\$ 116,444	\$ 73,618	\$ (42,826)
9230	4012	DELINQUENT-AD VALOREM TAXES	1,108	-	-	-
9230	4014	FISCAL DISPARITIES	17,852	-	-	-
9230	4273	OTHER STATE GRANTS & AIDS	12,239	-	-	-
9230	4609	OTHER MISCELLANEOUS REVENUES	198	-	-	-
9230	4701	INTEREST ON INVESTMENTS	27,357	3,000	10,000	7,000
9230	4901	TRANSFER IN FROM OTHER FUNDS	-	87,857	-	(87,857)
Total Revenue			\$ 161,196	\$ 207,301	\$ 83,618	\$ (123,683)

EXPENDITURES						
Business Unit	Object Account	Description	2014 Budget Final (Actuals)	2015 Adopted Budget	2016 Requested Budget	Increase (Decrease) from Prior Year
9230	6102	F.T. REGULAR-WAGES & SALARIES	\$ 37,061	\$ 103,645	\$ -	\$ (103,645)
9230	6105	TEMPORARY-WAGES & SALARIES	1,025	6,000	5,700	(300)
9230	6121	PERA CONTRIBUTIONS	2,687	7,569	-	(7,569)
9230	6122	FICA/MEDICARE CONTRIBUTIONS	2,931	8,545	206	(8,339)
9230	6131	GROUP INSURANCE	2,357	11,118	-	(11,118)
9230	6133	WORKERS COMP INSURANCE PREMIUM	178	774	22	(752)
0130	6246	MARKETING	-	-	3,000	3,000
9230	6249	MISCELLANEOUS OPERATING SUPPLY	8,761	10,750	13,000	2,250
9230	6304	LEGAL FEES	1,073	1,500	-	(1,500)
9230	6315	MISCELLANEOUS PROFESSIONAL SER	30,990	45,000	47,000	2,000
9230	6322	POSTAGE	118	250	250	-
9230	6323	CELLULAR PHONES	-	700	-	(700)
9230	6331	TRAVEL & LODGING	157	1,000	4,040	3,040
9230	6335	TRAINING	652	2,000	5,000	3,000
9230	6361	GENERAL LIABILITY/PROPERTY INS	960	2,000	1,100	(900)
9230	6371	ELECTRIC UTILITIES	968	1,150	1,150	-
9230	6439	OTHER MISCELLANEOUS	158,702	1,000	1,000	-
9230	6451	MEMBERSHIP DUES	850	1,000	1,850	850
9230	6452	SUBSCRIPTIONS	-	300	300	-
Total Expenditure			\$ 249,470	\$ 204,301	\$ 83,618	\$ (120,683)

FUND ECONOMIC DEVELOPMENT AUTHORITY

DEPARTMENT

N/A

FUNCTION:

N/A

PERSONNEL COMPLEMENT				
Economic Development Commission Members	7.00	7.00	7.00	-
	7.00	7.00	7.00	-

BUDGET HIGHLIGHTS
<ul style="list-style-type: none"> Increase in travel

GOALS OF CURRENT YEAR BUDGET:
<ul style="list-style-type: none"> Growth of the City's tax base Growth in the City's quantity of jobs Improved quality of life Sale of City owned land Review existing events and consider reducing where appropriate (EDA Biz Expo) Recruit new industrial and retail businesses Establish a new business park

Performance Measurements:			
	2014 Actual	2015 Estimate	2016 Projected
Sale of ALL City owned land (acres)	0.81	32.87	15
Sale of COR City owned land (Net land proceeds, dollars)	\$ 154,000	\$ 3,219,468	\$ 1,300,000
Sale of COR City owned land (acres)	0.81	18.01	13
Estimated Market Value (all)	\$ 1,795,400	\$ 2,025,977,100	\$ 2,100,000,000
Estimated Market Value (Commercial/ Industrial)	\$ 242,466,700	\$ 249,153,900	\$ 275,000,000
Unemployment Rates	5,736	TBD	6,000
Employment (total)	3.8%	TBD	3.75%
Building Permits Valuation (Commercial Industrial, all permits)	\$ 4,269,392	TBD	\$ 5,500,000
Building Permits Valuation (Commercial, new build/ build-out, private sector only)	\$ 2,581,764	TBD	\$ 3,000,000

LEVY SUMMARY:			
	2015 Adopted	9/22/2015 2016 Proposed	11/10/2015 2016 Proposed
<u>Proposed Tax Levies:</u>			
General Fund Levy	\$ 7,921,570	\$ 8,491,463	\$ 8,428,690
EDA Levy	116,444	75,618	73,618
Debt Service Levies:			
CIP Bond (Fire Station #1)	147,630	147,420	147,420
2013 Capital Equipment Certificates	74,820	74,505	74,505
2014 Capital Equipment Certificates	99,144	103,441	103,441
Lease Revenue Bond (Municipal Ctr)	1,048,213	1,072,013	1,072,013
2014 Road Reconstruction Debt	-	103,144	103,144
CIP Bond (Fire Station #2)	-	109,213	109,213
Total Proposed Levy	\$ 9,407,821	\$ 10,176,817	\$ 10,112,044

2016 Amended Levy after county #'s Oct 28, 2015 for 11-10-15 worksession				Estimated 2015	Estimated
	Certified	Fiscal Disp	Local Levy	Taxable Value	Tax Capacity
General	8,428,690	1,238,961	7,189,729	19,633,996	36.619%
EDA	73,618	17,291	56,327	19,633,996	0.287%
Bonds	1,609,736	211,563	1,398,173	19,633,996	7.121%
	10,112,044	1,467,815	8,644,229		44.027%

2016 Proposed LEVY with county #'s Oct 28, 2015				Estimated 2015	Estimated
	Certified	Fiscal Disp	Local Levy	Taxable Value	Tax Capacity
General	8,491,463	1,248,188	7,243,275	19,633,996	36.891%
EDA	75,618	17,761	57,857	19,633,996	0.295%
Bonds	1,609,736	211,563	1,398,173	19,633,996	7.121%
	10,176,817	1,477,512	8,699,305		44.307%

2016 Proposed LEVY-For September 22 adoption				Estimated 2015	Estimated
	Certified	Fiscal Disp	Local Levy	Taxable Value	Tax Capacity
General	8,491,463	1,371,531	7,119,932	19,578,196	36.367%
EDA	75,618	14,339	61,279	19,578,196	0.313%
Bonds	1,609,736	203,631	1,406,105	19,578,196	7.182%
	10,176,817	1,589,501	8,587,316		43.862%

2015 Adopted Levy				16.16% Increase	Estimated
	Certified	Fiscal Disp	Local Levy	Estimated 2015 Taxable Value	Tax Capacity
General	7,921,570	1,279,483	6,642,087	18,605,528	35.700%
EDA	116,444	22,081	94,363	18,605,528	0.508%
Bonds	1,369,807	244,114	1,125,693	18,605,528	6.051%
	9,407,821	1,545,678	7,862,143		42.259%

2014 Adopted Levy				Estimated 2014	Estimated
	Certified	Fiscal Disp	Local Levy	Taxable Value	Tax Capacity
General	7,201,730	1,367,492	5,834,238	16,017,461	36.424%
EDA	121,783	18,065	103,718	16,017,461	0.648%
Bonds	1,240,828	93,399	1,147,429	16,017,461	7.164%
	8,564,341	1,478,956	7,085,385		44.235%

1% point deduction = For General Levy
 \$190,000 = for debt levy

Proposed Property Taxes - Tax Capacity Based Only

(Not Including School District School Ref)
(Holds County & School Levies constant)

2016 Proposed Levy of \$10,176,817 - 8.17% Increase (Used for 9-22-15 Preliminary Adoption)

2015 House Value	2015 Taxes 42.59% (Tax Capacity Based Only)	2015 City Portion of Taxes (A)	2016 House Value	2016 Taxes 43.86% (Tax Capacity Based Only)	2016 City Portion of Taxes (B)	City Portion Increase Over 2015	% Increase City Portion Only
\$ 161,685	\$ 1,758	\$ 689	\$ 165,609	\$ 1,822	\$ 726	\$ 38	5.50%
\$ 172,694	\$ 1,878	\$ 736	\$ 175,637	\$ 1,932	\$ 770	\$ 35	4.72%
\$ 183,500 **	\$ 1,770	\$ 693	\$ 192,100	\$ 2,113	\$ 842	\$ 149	21.52%
\$ 213,678	\$ 2,324	\$ 910	\$ 221,635	\$ 2,438	\$ 972	\$ 62	6.79%
\$ 225,791	\$ 2,455	\$ 962	\$ 232,458	\$ 2,558	\$ 1,020	\$ 58	6.07%
\$ 248,122	\$ 2,698	\$ 1,057	\$ 254,335	\$ 2,798	\$ 1,116	\$ 59	5.57%
\$ 255,752	\$ 2,782	\$ 1,090	\$ 271,230	\$ 2,984	\$ 1,190	\$ 100	9.19%
\$ 339,900	\$ 3,696	\$ 1,448	\$ 347,530	\$ 3,823	\$ 1,524	\$ 77	5.30%

**Median Value Home in Ramsey was \$183,500 for Pay 2015 and \$192,100 for Pay 2016

(A) City Portion of taxes for 2015 calculates to 39.166%

Proposed Property Taxes - Tax Capacity Based Only

Using Anoka County Preliminary Levy #'s for all jurisdictions

2016 Proposed Levy of \$10,112,044 - 7.49% Increase For 11-10-15 Worksession

2015 House Value	2015 Taxes 42.59% (Tax Capacity Based Only)	2015 City Portion of Taxes (A)	2016 House Value	2016 Taxes 44.03% (Tax Capacity Based Only)	2016 City Portion of Taxes (B)	City Portion Increase Over 2015	% Increase City Portion Only
\$ 161,685	\$ 1,758	\$ 689	\$ 165,609	\$ 1,816	\$ 729	\$ 40	5.88%
\$ 172,694	\$ 1,878	\$ 736	\$ 175,637	\$ 1,926	\$ 773	\$ 38	5.11%
\$ 183,500 **	\$ 1,770	\$ 693	\$ 192,100	\$ 2,107	\$ 846	\$ 153	22.01%
\$ 213,678	\$ 2,324	\$ 910	\$ 221,635	\$ 2,430	\$ 975	\$ 65	7.17%
\$ 225,791	\$ 2,455	\$ 962	\$ 232,458	\$ 2,550	\$ 1,024	\$ 62	6.46%
\$ 248,122	\$ 2,698	\$ 1,057	\$ 254,335	\$ 2,789	\$ 1,120	\$ 63	5.95%
\$ 255,752	\$ 2,782	\$ 1,090	\$ 271,230	\$ 2,974	\$ 1,194	\$ 104	9.57%
\$ 339,900	\$ 3,696	\$ 1,448	\$ 347,530	\$ 3,811	\$ 1,530	\$ 82	5.68%

(A) City Portion of taxes for 2016 calculates to 40.143%

Meeting Date: 11/10/2015

Information

Title:

Review Special Assessments Policy

Purpose/Background:

Purpose:

The purpose of this case is to review the Special Assessments Policy and discuss whether modifications are warranted based on the first year's application of the policy to applicable 2015 City Improvement Projects.

Background:

At the conclusion of the Assessment Hearings for the 2015 street improvement projects, the City Council requested a meeting with Staff to review the contents and implementation of the Special Assessments Policy.

Policy Development

Attached is the Special Assessments Policy (Policy) adopted by the City Council on December 9, 2014 and amended on January 13, 2015 (Amended Section 6 to reflect accurate rate of interest). The Policy was developed and implemented to help offset a portion of the costs associated with overlaying and reconstructing the 176-plus miles of existing City streets. The following chronology outlines the development process that was followed prior to adoption and implementation of the Policy.

May 20, 2014 - Public Works Committee directs City Staff to develop a Special Assessments Policy to establish the City's process for levying special assessments against properties benefiting from Improvement Projects including street reconstruction projects. As was also discussed, even if special assessments are not utilized to fund street improvement projects, it would be advantageous for the City to have an adopted Special Assessments Policy.

June 25, 2014 - Charter Commission amends Section 8.4.5 of the City Charter by increasing the percentage of property owners required to petition against City Council initiated public improvements utilizing special assessments as a funding source from greater than 50% to at least 60%. While this action will make it slightly more difficult for property owners to petition against Council initiated improvements utilizing special assessments for partial funding, it still will not prevent petitions from occurring.

August 14, 2014 - Public Works Committee reviews the first draft of the Special Assessments Policy, which was developed using the model Special Assessments Policy by Ehlers and Associates, Inc. as posted on the League of Minnesota Cities (LMC) web site. A copy of this model policy is attached for reference. Since two voting members were absent, Staff was directed to bring the draft Policy back for review again at a later date. The Committee did however provide several comments including that all applicable MSA funds must first be applied to the City's share of the project costs, that no conflicts can exist between the Policy and the City Charter, and that the Policy should provide as much flexibility as possible in considering existing property sizes, shapes, development status (developed vs. undeveloped), etc. when levying assessments.

September 16, 2014 - Public Works Committee reviews the draft Special Assessments Policy and directs Staff to revise the draft Policy incorporating proposed assessment percentages and by using Staff's proposed recommendations for assessment methods. Staff was then directed to bring the draft Policy to a future City Council Work Session for review and input from the full Council.

October 14, 2014 - City Council reviews the draft Special Assessments Policy at work session and provides additional comments for incorporation into the draft policy for consideration at a future work session.

November 18, 2014 - City Council reviews the draft Special Assessments Policy at work session and provides additional comments for incorporation into the draft policy based on input from City Attorney Langel and Mr. Jason Messner of Patchin, Messner and Dodd, a firm specializing in real estate appraisals. Based on their input, Staff was directed to provide Policy language allowing Council to order appraisal consultations on improvement projects as needed to help verify that the amount of the special assessments will not exceed the benefit to the property. As discussed, typical fees for special benefit consultations range from \$5,000 to \$7,000 depending on the type and scope of the public improvement project.

December 9, 2014 – City Council adopts the final draft of the Special Assessments Policy which incorporated comments received from the Public Works Committee and City Council.

January 13, 2015 - City Council adopts Resolution #15-01-016 amending Section 6: #4: Interest of the Special Assessment policy. The amendment was to reflect the accurate rate of interest to be charged on bonded projects.

The City Attorney reviewed the Policy prior to adoption to ensure proper legal form and conformance with the special assessment requirements outlined in Chapter 8 of the Ramsey City Charter, which is attached for reference.

Attached is the Special Assessments Guide (SAG) as developed and distributed by the League of Minnesota Cities (LMC) which assisted with the development of the Special Assessments Policy.

Policy Implementation / Lessons Learned

The current Policy was implemented in 2015 and was successfully applied to three separate improvement projects. These included the 2015 Street Maintenance Program – Division B (Overlays), the reconstruction of Garnet Street and 168th Avenue, and the reconstruction of Jarvis Street. Following the application of the policy with these projects, staff recommends reviewing and modifying several sections of the policy prior to approving proposed 2016 City Improvement Projects to ensure that the policy is adequate to address anticipated project elements.

All 2015 improvement projects levied special assessments against benefiting parcels based on the "per lot" method of assessment. This means each property was assessed an equal amount regardless of parcel size, location, orientation, or front footage. Staff believes this assessment method worked well for the 2015 projects, which all served residential properties. Staff will therefore propose using the same method on future projects as long as lot sizes area reasonably similar and the resulting benefit to each lot appears to be generally equal.

Special assessments were only applied to properties having direct Access to an improved street. The intent of this is to assess each property for one reconstruction and two overlay improvement projects over the service life of the improved street serving the property, or the street the property directly accesses. However, this becomes an issue when a property has direct access to two or more streets. And the issue can be compounded further when more than one street that the property accesses is improved at the same time. The 2015 overlay projects included numerous corner lots, but none had access to more than one street receiving improvements. The 2015 street reconstruction projects included several corner lots, but again none had access to more than one street being improved.

Policy Modification Highlights

At this time, staff recommends reviewing several sections of the Policy to allow the Policy to be modified prior to Council approval of any of the 2016 proposed improvement projects as needed. These sections include:

Section 1 – No modifications are recommended at this time.

Section 2 – No modifications are recommended at this time.

Section 3 – No modifications are recommended at this time. It is important to note that the language in Section 3 referencing a four-fifths majority vote comes directly from State statute 429.031 and therefore cannot be modified.

Section 4 – Several errors were discovered in the special assessment improvement project general process language. Staff will make the necessary modifications and will highlight them within an updated draft Policy to be presented at a future work session.

Section 5 – No modifications are recommended at this time.

Section 6 – No modifications are recommended at this time.

Section 7 – No modifications are recommended at this time.

Section 8 – No modifications are recommended at this time.

Section 9 – No modifications are recommended at this time.

Section 10 – No modifications are recommended at this time. While the City did not assess residential properties for 25% of either of the street reconstruction projects, the completed benefit appraisal consultation reports determined that the properties did benefit in an amount that would have warranted an assessment of 25% of eligible project costs. As was discussed during the assessment hearings for the 2015 improvement projects, staff will likely recommend adopting increased proposed assessment amounts with the 2016 street reconstruction improvement project, though the amount assessed cannot exceed the benefit to the property. And as before, staff will recommend the use of a benefit appraisal consultation for the 2016 street reconstruction project.

Section 11 – No modifications are recommended at this time.

Timeframe:

Staff estimates up to 10 minutes will be required for presenting this item, with another 15 minutes for discussion.

Funding Source:

Any modifications made to the Special Assessments Policy will be completed as part of Staff's normal duties.

Responsible Party(ies):

City Engineer Westby will present and lead discussion on this case. City Administrator Ulrich, Finance Director Lund, and City Attorney Langel will be available to respond to questions if needed.

Outcome:

Direct staff to research potential modifications to the Special Assessments Policy for further discussion.

Attachments

[Assessment Policy](#)

[LMC SA Guide](#)

Form Review

Inbox	Reviewed By	Date
Diana Lund	Diana Lund	11/05/2015 12:29 PM
Kurt Ulrich	Kurt Ulrich	11/05/2015 02:58 PM
Form Started By: Bruce Westby		Started On: 11/03/2015 02:18 PM
Final Approval Date: 11/05/2015		



SPECIAL ASSESSMENTS POLICY AND PROCEDURES FOR PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

- SECTION 1. General Policy Statement.
- SECTION 2. Improvements and Maintenance Costs Eligible for Special Assessment.
- SECTION 3. Initiation of Public Improvement Projects.
- SECTION 4. Public Improvement Procedures.
- SECTION 5. Financing of Public Improvements.
- SECTION 6. General Assessment Policies.
- SECTION 7. Methods of Assessment.
- SECTION 8. Standards for Public Improvement Projects.
- SECTION 9. Policies of Reassessment.
- SECTION 10. Assessment Computations.
- SECTION 11. Deferment of Assessments.

SECTION 1. GENERAL POLICY STATEMENT.

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City for levying special assessments are those specified by the City Charter and Minnesota Statutes Chapter 429, which provide that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past or through a particular parcel is not the controlling factor in determining the amount to be assessed. However, in many cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, will focus on calculating the proportionate cost of providing the improvement, provided the cost does not exceed the increase in property market value resulting from the improvement. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations that may require special consideration and discretion by City staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.

Subd. 1. Public improvements, and related acquisition, construction, extension, and maintenance of such improvements, authorized by Minnesota Statutes, Sections 429.021 and 459.14, subd. 7, that are eligible for special assessment within the City include the following:

1. Streets, sidewalks, pavement, curbs and gutters, including the beautification thereof.
2. Parking lots.
3. Water works systems and appurtenances, within and without the corporate limits.
4. Sanitary sewer and storm sewer systems including appurtenances, within and without the corporate limits.
5. Street boulevard trees.
6. Street lights, street lighting systems and special lighting systems.
7. Steam heating mains.
8. Parks, playgrounds, and recreational facilities, including the purchase of equipment, within or without the corporate limits.
9. Abatement of nuisances, including but not limited to, draining and filling swamps, marshes, and ponds on public and private property.
10. Dikes and other flood control works.
11. Retaining walls and area walls.
12. A pedestrian skyway system upon a petition pursuant to section 429.031, subdivision 3.
13. Underground pedestrian concourses.
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing buildings upon a petition pursuant to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.

Subd. 2. The City is also authorized by ordinance adopted pursuant to Minnesota Statutes Section 429.101 to recover, through special assessment, certain costs, including the following:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26.
4. Installation or repair of water service lines, street sprinkling, sweeping, or other dust treatment of streets.
5. The trimming and care of trees and the removal of unsound trees from any street.
6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. The operation of a street lighting system.
9. The operation and maintenance of a fire protection or a pedestrian skyway system.

SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of not less than 50% in frontage of the property abutting the proposed improvement in accordance with the provisions of Section 8.4.2 of the City Charter.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required and is in accordance with the provisions of Chapter 8 of the City Charter.
3. A resolution ordering any improvements initiated by the Council requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements petitioned for by owners of not less than 50% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.

The following is the general procedure followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City. **Applicable state law and City Charter provisions take precedence over the following general procedure.**

1. Staff reviews the petition or Developer's request for submission to Council.
2. Council accepts or rejects the petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners signed the petition. If the petition or request is accepted, Council orders the preparation of a feasibility report.
3. Staff prepares the feasibility report. The report shall preliminarily evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. Council may refer the report to the Planning and Zoning Commission.
4. Council accepts or rejects the feasibility report. If accepted, Council orders a public hearing on the improvements.
5. Staff posts and publishes the hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
6. Council conducts a public hearing.
7. Within six (6) months of the hearing date, but no sooner than sixty (60) days after per City Charter § 8.4.1, Council adopts or rejects a resolution ordering the improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in Minn. Stat. § 429.041, prepares a bid tabulation, makes a recommendation to City Council for award, and prepares a proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.

8. Council reviews the proposed assessment roll and orders an assessment hearing.
9. Staff publishes a hearing notice and mails notice of the hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.
10. Council conducts the assessment hearing and adopts, revises, or rejects the resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
11. Council awards contracts based on the bids received.
12. Staff certifies the assessment roll to the County Auditor.
13. Staff supervises construction and prepares payments.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.

The City encourages public improvement projects when the area benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owners.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing assessment is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can cause an undue hardship on the City.

It is the policy of the City to not defer assessments except in cases where hardship to senior citizens 65 years of age or older, or persons retired by virtue of a permanent and total disability, would result. Also, the City Council may elect to defer assessments on undeveloped land for a specified length of time or until the lands are developed. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS.

The cost of any improvement shall be assessed based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. **Project Cost.** The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement (direct costs), plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property (indirect costs). The finance charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges.

2. **City Cost.** The “city cost” of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by the improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, or for any other reason determined by the City, the City, through the use of other funds, may pay such “city cost.”
3. **Assessable Cost.** The “assessable cost” of an improvement is equal to the “project cost” minus the “city cost.”
4. **Interest.** The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be equal to the interest rate of the bonds plus 2% (2% above bond rate), rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the U.S. Treasury rate (10-year for 10 year assessment; 15-Year for 15 year assessment) plus 2 percentage points.
5. **Prepayment.** Property owners may pay their assessments in full, interest free, for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel that are to become due in the following year.
6. **Extensions.** Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future extension immediately based on the value of benefit received.
7. **Project Assistance.** If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the “city cost” of the improvement. If the financial assistance received is greater than the “city cost,” the remainder of the aid will be placed in the Public Improvement Revolving Fund to be applied towards other City projects.
8. **Assessable Property.** Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.
9. **Individual Benefits.** The City may construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example would be utility service lines running from the main lines to the property.
10. **Benefit Appraisals.** In the event that City staff has doubt as to whether the proposed assessments exceed the special benefits to the property(ies) in question, the City Council may order benefit appraisals or benefit appraisal consultations as deemed necessary to support the proposed assessments. As a general rule, benefit appraisals or benefit appraisal consultations may be ordered when the proposed assessment exceeds \$5,000 for a standard city street

reconstruction project on a residential lot, or \$20,000 per acre for commercial or industrial property.

11. **Condemnation Awards.** A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City.
12. **Subgrade Corrections.** All costs relative to subgrade soil corrections deemed necessary to construct or reconstruct City streets will be considered a “city cost” and will not be assessed.
13. **Rural to Urban Conversion.** All costs relative to converting an existing rural street section to an urban street section by filling roadside drainage ditches and adding curb and gutter and storm sewer will be considered a “city cost” and will not be assessed.
14. **Oversizing.** All costs relative to oversizing an existing City street by increasing the width of the street and/or the load carrying capacity of the pavement section will be considered a “city cost” and will not be assessed.

SECTION 7. METHODS OF ASSESSMENT.

Subd. 1. General Statement. There are three different methods of assessment: adjusted front footage, area, and per lot. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments along with other applicable assessment criteria.

Subd. 2. Policy Statement. The following methods of assessment, as described and defined below, are hereby established as the preferred methods of assessment in the City.

A. “Adjusted Front Footage” Method of Assessment.

The “adjusted front footage” method of assessment is based on the quotient of the “assessable cost” divided by the total assessable frontage benefiting from the improvement. This method is typically applied to commercial, industrial, and multi-family residential properties. For the purpose of determining the “assessable frontage,” all properties, including those owned by governmental entities, shall have their frontages included in such calculation.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, an “adjusted front footage” will be determined. The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area. The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available plat and section maps and will be rounded down to the nearest foot dimension with any excess fraction deleted.

1. ***Rectangular Interior Lots.*** The rectangular lot is defined as having no more than 2 feet of difference between the front and rear lot lines. The adjusted front footage is the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the “odd shaped lot” method shall be used.

2. *Odd Shaped Lots.* For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 2 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by dividing the area of the lot by 12,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 65 feet will give the adjusted front footage.
3. *Corner Lot Adjustment.* For street and trail assessments, the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage. Sanitary sewer and watermain will only be assessed on the short side of a corner lot.
4. *Zonal Assessment.* When the street along the long side of a corner lot is improved, the cost shall be assessed equally to all lots within ½ block in each direction of the street improved. This method may be selected rather than the “corner lot adjustment”.
5. *Double Fronting Lots.* When a lot has frontage on two streets, the lot is subject to assessments for improvements to both streets, consistent with this policy, regardless of the timing of the improvements.

B. “Area” Method of Assessment.

The “area” method of assessment is based on the number of square feet or acres within the boundaries of the appropriate property lines of the parcels benefiting from the project. This method is most often applied to commercial and industrial lots. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received.

All properties included in the benefited area, including those owned by governmental entities, churches, etc., shall be assessable. The following items may not be included in area calculations: public right-of-ways, and natural waterways, swamps and lakes and other wetlands designated by the Minnesota Department of Natural Resources or the City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

C. “Per Lot” Method of Assessment.

The “per lot” method of assessment is based on equal assessment of all lots within the benefited area. This method is typically applied to single-family residential lots with similar sizes and configurations. The “assessment per lot” shall be the quotient of the “assessable cost” divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the “lots” or “parcels” all parcels, including those owned by governmental entities, shall be included in such calculations.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS.

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

A. Surface Improvements

Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and include, but are not limited to, trees, lighting, sidewalks, trails, signing, street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds. Surface improvements shall also normally include aggregate or granular base materials for bituminous and concrete pavements.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete or bituminous curbing, or concrete curb and gutter, shall be installed at the same time as street surfacing.

B. Sub-Surface Improvements

Sub-surface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and appurtenant infrastructure, and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk utility to the property line of all planned service locations such as residences or buildings on properties whose owner has requested service shall be installed in conjunction with the construction of the mains.

C. Subgrade Improvements

Subgrade improvements shall normally include such items as subgrade corrections (removing layers/pockets of unsuitable soils and replacing them with aggregate base, select granular material, or other more suitable soils) and installation of geotextile fabrics.

Policy Statement. Prior to construction or completion of subgrade improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

SECTION 9. POLICIES OF REASSESSMENT.

The City shall design public improvements to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the resolution ordering improvement and preparation of plans.

Policy Statement

The following are the “life expectancies” or “service lives” of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.

1. Sidewalks and Trails – 30 years.
2. Street improvements, including surfacing and curb and gutter – 60 years.
3. Ornamental street lighting – 30 years.
4. Water Mains – 60 years.
5. Sanitary Sewers – 60 years.
6. Storm Sewers – 60 years.

SECTION 10. ASSESSMENT COMPUTATIONS.

The following is the typical city assessment for various specified improvements. The City Council reserves the right to vary from the following computations when conditions warrant. All computations are subject to the criteria set forth in Section 1.

A. Street and Curb and Gutter Improvements

1. ***New Construction.*** New streets are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will normally be assessed by the adjusted front footage method for commercial, industrial and multi-family residential properties, or by the per lot method for single-family residential properties, however other methods including the area method may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs that are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.
2. ***Reconstruction and Overlays.*** Street reconstructions and overlays, including the associated removal and replacement of curb and gutter, are assessed 25% to the abutting benefited properties or as otherwise determined by Council ordered benefit appraisals.
3. ***Gravel Streets.*** Upgrading existing gravel streets by adding pavement, curb and gutter, and storm sewer are assessed 50% to the abutting benefited properties or as otherwise determined by Council ordered benefit appraisals.
4. ***Seal Coats.*** Sealcoats are not assessed.
5. ***Alleys.*** Upgrading existing gravel alleys by adding pavement is assessed 50% to all lots abutting on the alley in the block being improved or as otherwise determined by Council ordered benefit appraisals. Reconstructing existing paved alleys is 25% assessed to all lots abutting on the alley or as otherwise determined by Council ordered benefit appraisals.

B. Sidewalks and Trails

1. ***New Construction.*** New sidewalks and trails are not assessed to the abutting property on which the sidewalk is located, but rather are funded 100% by the City. In new subdivisions, the City will require the developer to finance sidewalk and trail improvements rather than assessing the cost.
2. ***Reconstruction.*** Replacement sidewalks are assessed 25% to the abutting property owner and 75% City funded.

C. Storm Sewer Improvements

Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all unplatted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule approved by the City Council.

Normally, storm sewers are assessed on an area basis (square foot or acres), but in certain situations the per lot method or adjusted front footage method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is paid for entirely through the Stormwater Utility Fund.

D. Sanitary Sewer Assessments

Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains. Sanitary sewer assessments must conform to Chapter 8 of the City Charter.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied on all un-platted property at the time of platting and on re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule approved by the City Council. Services installed to individual properties are assessed to the benefiting property as allowed under Chapter 8 of the City Charter.

Normally, sanitary sewers are assessed on an area basis (square foot or acres), but in certain situations the per lot method or adjusted front footage method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is funded entirely by the City through the sewer enterprise funds.

Individual sanitary sewer service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing private sanitary services, but do not have mainline sewers adjacent to, across or abutting their property lines pay 0% of the assessment rate for the new mainline sanitary sewer, and 100% of the cost associated with replacing the service lines.

Any existing sanitary sewer service lines found to be defective as part of a project are replaced as part of the project and are assessed to the benefiting property as allowed under Chapter 8 of the City Charter.

Property owners electing to connect to City sewer during street reconstruction projects will receive a credit to offset those costs that would have been incurred by the City to reconstruct the street and boulevard after connecting to City sewer if the street were not being reconstructed. The amount of the credit will be set in the annual fee schedule approved by the City Council. Connecting to City sewer requires a City water connection.

E. Watermain Assessments

Assessments for watermains in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains. Watermain assessments must conform to Chapter 8 of the City Charter.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area water charges shall be levied on all un-platted property at the time of platting and on re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule approved by the City Council. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermains are assessed on a per lot basis, but in certain situations the area or adjusted front footage method may be utilized at the City Council's discretion.

The replacement of existing watermains is funded entirely by the City through the water enterprise funds.

Lateral benefit from major trunk watermains is assessed to properties benefited by the watermain. Lateral watermain assessments are based on the costs for an equivalent 8-inch diameter watermain for residential properties and for an equivalent 12-inch diameter watermain for commercial/industrial properties.

Individual water service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing private water services, but do not have

mainline watermains adjacent to, across or abutting their property lines pay 0% of the assessment rate for the new watermain but 100% of the cost associated with replacing their service lines.

Any existing water service lines found to be defective as part of the project, are replaced as part of the project and are assessed directly to the benefiting property as allowed under Chapter 8 of the City Charter.

Property owners electing to connect to City water during street reconstruction projects will receive a credit to offset those costs that would have been incurred by the City to reconstruct the street and boulevard after connecting to City water if the street were not being reconstructed. The amount of the credit will be set in the annual fee schedule approved by the City Council.

F. Street Boulevard Trees

All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

G. Street Lights

All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations, unless otherwise directed by the City Council. In new subdivisions, the City will require the developer to finance street light improvements rather than assessing the cost.

H. Other Improvements

Based on the City Council's determination, any other eligible improvements may be fully assessed or assessed in part.

SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS.

Subd. 1. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Clerk is hereby authorized to record the deferment of special assessments where all of the following conditions are met:

1. The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability at the time the assessment is adopted.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his or her principal place of residence.
5. The average annual payment for assessments levied against the subject property exceed one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

Subd. 2. The deferment shall be granted for as long a period of time as the hardship exists and the conditions in subdivision 1 remain true. It shall be the duty of the applicant to notify the City Clerk of any change in his or her status that would affect eligibility for deferment.

Subd. 3. The entire amount of deferred special assessments shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Clerk shall add thereto interest accruing from the first date the applicant loses eligibility at the rate as defined in section 6.4 and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

Subd. 4. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.

State Law References(s): Minn. Stat. § 435.193, Senior Citizens or retired & disabled persons hardship special assessment deferral.

*Original Adoption: 12/9/14 by Resolution #14-12-250

*Amended: 1/13/15 by Resolution #15-01-016 – *Section 6 - #4 Interest to reflect interest rate on bonded projects*



INFORMATION MEMO

Special Assessment Guide

Discusses city authority to levy special assessments for local improvements like streets, waterworks, sanitary sewer and more. It defines special assessments, gives a synopsis of the procedure, discusses challenges by property owners, levying and collecting assessments, borrowing, making corrections, and applicability to tax exempt and railroad properties. Links to complete set of forms.

The League thanks the following professionals for their contributions to this memo: Lee Gustafson, Professional Engineer, City Engineers Association of Minnesota; Corrine A. Heine, Attorney, Kennedy & Graven, Chartered; Julie Jeffrey-Schwartz, Certified General Appraiser, President, Lake State Realty Services, Inc.

RELEVANT LINKS:

[Minn. Stat. ch. 429.](#)

See Section VIII: *Charter cities.*

I. What are special assessments?

Special assessments are a charge imposed on properties for a particular improvement that benefits the owners of those selected properties. The authority to use special assessments originates in the state constitution which allows the state legislature to give cities and other governmental units the authority “to levy and collect assessments for local improvements upon property benefited thereby.” The legislature confers that authority to cities in Minnesota Statutes Chapter 429. Court decisions and attorney general opinions interpreting the statute add complexity to the issue.

A charter city may choose to use either Chapter 429 or provisions of the charter to assess for local improvements but even so state law requires that charter cities follow state law in certain steps of the proceedings, as discussed subsequently.

To ensure full protection for property owners, state law and courts applying that law insist on strict compliance with complex procedural requirements. Because these requirements have legal implications, city councils should have the city attorney guide assessment proceedings.

Special assessments have three distinct characteristics:

- They are a levy a city uses to finance, or partially finance, a particular public improvement program.
- The city levies the charge only against those particular parcels of property that receive some special benefit from the program.
- The amount of the charge bears a direct relationship to the value of the benefits the property receives.

This material is provided as general information and is not a substitute for legal advice. Consult your attorney for advice concerning specific situations.

RELEVANT LINKS:

[*Buzick v. City of Blaine*, 505 N.W.2d 51 \(Minn. 1993\).](#)

[*EHW Properties v. City of Eagan*, 503 N.W.2d 135 \(Minn. Ct. App. 1993\).](#)
[*Schumacher v. City of Excelsior*, 427 N.W.2d 235 \(Minn. 1988\).](#) [*Tri-State Land Co. v. City of Shoreview*, 290 N.W.2d 775 \(Minn. 1980\).](#)

[*Buettner v. City of St. Cloud*, 277 N.W.2d 199 \(Minn. 1979\).](#)
[*Southview County Club. v. City of Inver Grove Heights*, 263 N.W. 2d 385 \(Minn. 1978\).](#)
[Minn. Const. art X, § 1.](#)

A. What do special assessments pay for?

Special assessments have a number of important uses:

- The most typical use is to pay for infrastructure in undeveloped areas of a city, particularly when the city is converting new tracts of land to urban or residential use. Special assessments frequently pay for opening and surfacing streets; installing utility lines and constructing curbs, gutters, and sidewalks.
- Special assessments may partially underwrite the cost of major maintenance programs. Cities often finance large scale repairs and maintenance operations on streets, sidewalks, sewers, and similar facilities in part with special assessments.
- Another use of special assessments is the redevelopment of existing neighborhoods. Cities use special assessments when areas age and the infrastructure needs updating.

B. The special benefit test

Special assessments reflect the influence of a specific local improvement on the value of selected property. No matter what method the city uses to establish the amount of the assessment, the real measure of benefit is the increase in the market value of the land because of the improvement.

Under the special benefit test, special assessments are presumptively valid if:

- The land receives a special benefit from the improvement.
- The assessment does not exceed the special benefit measured by the increase in market value due to the improvement.
- The assessment is uniform as applied to the same class of property, in the assessed area.

Because special assessments are appealable to district court, it is important that the city considers the benefit to the property as a result of the specific improvement. Councils often do this by retaining a qualified, licensed appraiser. At the hearings on the assessments the appraiser presents a written or oral report on the increase in market value as a result of the improvement.

A special assessment that exceeds the special benefit is a taking of property without fair compensation and violates both the Fourteenth Amendment of the United States Constitution and the Minnesota Constitution. Property assessed must enjoy a corresponding benefit from the local improvement. This is a different concept than property tax valuation. The Minnesota Constitution states: “The Legislature may authorize municipal corporations to levy and collect assessments for local improvements upon property benefited thereby without regard to cash valuation.”

RELEVANT LINKS:

[*Ewert v. City of Winthrop*](#), 278 N.W.2d 545 (Minn. 1979).

[*Bisbee v. City of Fairmont*](#), 593 N.W.2d 714 (Minn. Ct. App. 1999). [*Quality Homes, Inc. v. Village of New Brighton*](#), 289 Minn. 274, 193 N.W.2d 555 (1971). [*Anderson v. City of Bemidji*](#), 295 N.W.2d 555 (Minn. 1980). [*Village of Edina v. Joseph*](#), 264 Minn. 84, 119 N.W.2d 809 (Minn. 1962).

[*Roberts v. City of Crystal Lake*](#), 2003 WL 22481335, A03-172 (Minn. Ct. App. Nov. 4, 2003). [*Allen v. City of Minneapolis*](#), 2003 WL 1962012, C1-02-1506 (Minn. Ct. App. April 23, 2003). [*Haverberg v. City of Madison*](#), 2003 WL 178797, C8-02-1146 (Minn. Ct. App. Jan. 28, 2003).

[*Eagle Creek Townhomes v. City of Shakopee*](#), 614 N.W.2d 246 (Minn. Ct. App. 2000). [*Shorma Family Trust v. Maine Township*](#), 2002 WL 555323, C9-01-1548 (Minn. Ct. App. April 16, 2002). [*Belanger v. City of Long Lake*](#), 2000 WL 563896, C1-99-1347 (Minn. Ct. App. May 9, 2000). [*Reiling v. City of Lino Lakes*](#), 2000 WL 69384, C7-99-1594 (Minn. Ct. App. Apr. 11, 2000). [*Anderson v. City of Buffalo*](#), 2000 WL 31791, C7-99-641 (Minn. Ct. App. Jan. 18, 2000). [*Rohling v. City of Champlin*](#), 1999 WL 71484, C3-98-1209 (Minn. Ct. App. Feb. 16, 1999) (unpublished decision). [*Gullard v. City of Lake Park*](#), 1997 WL 457453, C8-97-207 (Minn. Ct. App. Aug. 12, 1997). [*In re Appeal by Eastside Development*](#), C4-01-582; C6-01-583 2001 WL 1035280 (Minn. Ct. App. 2001)(unpublished decision).

As the courts have made clear, the special benefit is the increase in market value of the land as a result of the improvement.

If a city's assessment is challenged in district court, the assessment roll constitutes prima facie (or initial) proof that an assessment does not exceed the special benefit. The party contesting the assessment must introduce evidence sufficient to overcome that presumption. If the evidence as to the special benefit is conflicting it is the responsibility of the district court to determine whether the assessment exceeds the market value increase and, if so, by what amount.

For this reason, the city's assessment method should approximate market analysis. A formula that does not consider an analysis of the increase in market value of each parcel may be invalid. For instance, a method that bases assessment amounts on the average costs of street improvement projects from previous years and doesn't take into consideration the cost of the currently proposed project has been found arbitrary and invalid on its face.

Courts often uphold special assessments based on evidence from a city's qualified and licensed appraiser that the assessment did not exceed the increase in market value as a result of the improvement.

However, in recent unpublished opinions, the appellate courts have routinely upheld decisions that went against the city because the district court found a lack of adequate evidence of a market value increase equal to or exceeding the amount of the special assessment.

RELEVANT LINKS:

In re Appeal by Eastside Development, 2001 WL 1035280, C4-01-582 (Minn. Ct. App. Sept. 11, 2001).
Blomquist v. City of Eagan, 2001 WL 436187, C2-00-1591 (Minn. Ct. App. May 1, 2001).

Johnson v. City of Eagan, 584 N.W.2d 770 (Minn. 1998).

In re Village of Burnsville, 310 Minn. 32, 245 N.W.2d 445 (Minn. 1976).

Nordgren v. City of Maplewood, 326 N.W.2d 640 (Minn. 1982).

Minn. Stat. § 444.075.
Smith v. Spring Lake Township, 2001 WL 1464455, C0-01-370 (Minn. Ct. App. Nov. 20, 2001).

Am. Bank v. City of Minneapolis, 802 N.W.2d 781 (Minn. Ct. App. 2011).

Minn. Stat. § 471.345.
Minn. Stat. § 429.041, subd.1.

Especially with regard to street improvements, it may be very difficult to demonstrate that there is any significant increase in market value as a result of the resurfacing or reconstruction.

When a court disallows a portion of an assessment because it was in excess of the benefit to the specific property, the city may not try to recoup the disallowed amount through another method—such as by imposing a charge for a utility line on only that property and not on the other properties involved in the assessment. When the cost of an improvement exceeds the benefit, the difference must not be borne by a particular property, but instead by the city as a whole.

The Minnesota Supreme Court has held that connection charges, based on a different state law, are not assessments and may be imposed on top of prior assessments. One unpublished Court of Appeals decision, however, held that the cost of the connection charges should be included with the amount of special assessments in determining the special benefit to the property.

More recently, the Minnesota Court of Appeals has clarified that the special benefit test does not apply to unpaid special charges collected in the form of special assessments when defraying the cost of providing “police power” services such as removal of snow, weeds, or public nuisances.

C. Practical points to consider

The following three strategies help avoid the problem of proceeding on estimates that do not equal actual revenue.

1. Coordinating procedures

Chapter 429 allows coordinating the timelines of the special assessment and competitive bidding processes in a way that may protect the city from successful appeals and ensuing budget shortfalls. The city may determine the assessment amount and prepare the assessment roll before work on the local improvement even begins. The competitive bidding threshold for all cities, regardless of size, is \$100,000. Thus, special assessment projects must be bid if the estimated cost exceeds \$100,000. If needed, the city may advertise for bids and allow sufficient time after the bid closing date to permit the city to prepare the assessment roll based on the lowest responsible bid the city receives and to hold the assessment hearing (the second hearing) based on that low bid. The city then proceeds with the actual work of the project after certification of the assessment roll and the 30-day appeal period is over.

RELEVANT LINKS:

See Section II-A-2: *By council*.

Ruzic v. City of Eden Prairie,
479 N.W.2d 417 (Minn. Ct.
App. 1991).
[Minn. Stat. § 429.081.](#)
[Minn. Stat. § 462.3531.](#)
See [Form 2](#).

Using this “coordinated procedure” means the city knows both important numbers up front -- how much money will be available through special assessments and the cost of the local improvement. Because the time for appeals is over before the contract is issued, the city will not need to cover potential budget shortfalls that may occur if a property owner successfully challenges a special assessment or the lowest bid comes in higher than expected. This Guide and the forms attached track this coordinated procedural format.

For larger projects in particular, city councils should seriously consider having provisions in the specifications that give the city more time to accept or reject bids. Either the city can make the improvement contract conditional on the absence of objections filed within 30 days after the assessment hearing, or the city may specify (in the bid documents, or specifications) that the improvement work will not begin until 90 days after the city receives bids. Under both strategies, the council would not enter into a binding contract, nor would any improvement work start until after the improvement and assessment hearings and the time for appeals elapses.

2. Specially assessing less of the cost

The city can also avoid appeals by paying a substantial portion of the cost of all improvements out of general funds. The larger the portion of cost the city assumes, the less the chances that any individual assessment would exceed the benefit from the improvement as measured by the increase in market value. Indeed, the council can proceed with the proposed assessment based on estimates -- and plan to use monies from a reserve fund from general taxes and other uncommitted sources of revenue making up any difference between the assessments and the project cost.

3. Waivers

The council might obtain, under certain circumstances, waivers of rights to appeal before entering into the contract and ordering the improvement. Any waiver of rights is effective only for the amount of assessment agreed on by the city and property owners or developers. An effective waiver of rights of appeal is essentially a contract and may contain additional conditions providing for the increases in assessments that will not be subject to appeal; consult the city attorney for specific advice on effective waivers.

D. Pros and cons of special assessments

Following is a summary of the advantages and disadvantages of special assessment financing. The council can avoid many of the disadvantages with adequate plans and a long-range capital improvement program.

Advantages of special assessment financing include:

RELEVANT LINKS:

- Special assessments are generally a dependable source of revenue.
- Special assessments are a means of raising money outside city debt and general property taxes. (Special assessment bonds do not count toward statutory debt limitations).
- Special assessments provide a means of levying charges for public services against property otherwise exempt from taxation.
- Special assessments lower the cost to the community of bringing undeveloped land into urban use.
- Charging the property owner for the benefit received prevents or minimizes the possibility that a property owner will reap a financial profit from the improvement at the expense of the general taxpayer.

Disadvantages of special assessment financing include:

- The difficulty and expense in establishing the special benefit to the property.
- The difficulties in special assessment administration. The administrative procedures require careful execution in order to avoid litigation.
- Cities have at times used special assessments to pay for premature public improvements. Because the city generally bears some of the cost of every public improvement, land speculators sometimes urge councils to do unjustifiable special assessment programs.
- The availability of special assessment financing often tempts city officials to underwrite the cost of governmental programs that should be an obligation of the entire city.
- Unless special assessments conform to a city's long-term financial and capital improvement plans, they can subject a city to two serious financial dangers. First, if a city frequently undertakes special assessment bond issues backed by the full faith and credit of a city in an unplanned manner, city credit might be overextended. This leads to higher interest charges on all city and school district borrowing and increases the possibility of default. Second, placing too heavy a burden on individual property owners (with special assessments and regular property taxes) runs the risk of increasing tax delinquencies and potentially jeopardizes a city's credit and borrowing position.
- From the council's point of view, the public's reaction to a proposed special assessment might be the most important determinative factor. While taxpayer resistance is usually minimal, this is not true in every instance. Special assessment programs receive much greater public support if the council adequately informs people of its intentions to make the improvement, the benefit the improvements will provide, and the necessary financial demands.

RELEVANT LINKS:

See Section I-B: *The special benefit test.*

[Minn. Stat. § 429.021.](#)

[Minn. Stat. § 429.021, subd. 1\(1\).](#)

E. Special assessment policies

Some cities have attempted to minimize the controversy over special assessment financing by adopting a special assessment policy (not an ordinance). Whatever the policy provides it must adhere to the rule that the amount of a special assessment cannot exceed the special benefit to the property as measured by increase in market value due to the improvement.

With frequent turnover on the council a policy may increase consistency in the use of financing improvements with special assessments. Justifying council decisions in a particular case may also be easier with a policy in place. An updated and current special assessment policy may also facilitate the development of a long-range capital program for public improvements.

A policy should reflect basic procedural decisions on financing local improvements -- decisions that the council must think through carefully, taking into account past practice, equity, revenue productivity, political acceptability, and the rest of the city's revenue system. Practically speaking, many city special assessment policies provide procedures for city-specific issues, such as assessing oddly shaped lots, corner lots, lots with septic systems and what method of assessment the city uses. (E.g. including but not limited to the area method of assessment, unit method or a per lot assessment). Cities may wish to work with citizens, appraisers, an attorney and city engineers to develop a special assessment policy that fits the unique needs of their city.

F. Programs cities may finance with special assessments

Generally, cities use special assessments to at least partially finance a variety of public improvements. Cities may also use special assessments to collect certain unpaid service charges, discussed in the next section.

1. Local improvements

Cities are statutorily authorized to finance the following public improvements at least partially through special assessments:

- **Streets, sidewalks, alleys, curbs and gutters:** Acquiring, opening, and widening streets and alleys; constructing, reconstructing, and maintaining sidewalks, streets, gutters, curbs, and vehicle parking strips. (These projects may include charges for beautification, storm sewers, or other street drainage systems, and installation of connections from utilities to curb lines).

RELEVANT LINKS:

[Minn. Stat. § 429.021, subd. 1\(2\).](#)

[Minn. Stat. § 429.021, subd. 1\(3\).](#)

[Minn. Stat. § 429.021, subd. 1\(4\).](#)

[Minn. Stat. § 429.021, subd. 1\(5\).](#)
[Minn. Stat. § 444.075.](#)
[A.G. Op. 387-B-10 \(Mar. 8, 1993\).](#)
[Minn. Stat. § 429.091, subd. 7a.](#)

[Minn. Stat. § 429.021, subd. 1\(6\).](#)

[Minn. Stat. § 429.021, subd. 1\(7\).](#)

[Minn. Stat. § 429.021, subd. 1\(8\).](#)

[Minn. Stat. § 429.021, subd. 1\(9\).](#)

[Minn. Stat. § 429.021, subd. 1\(10\).](#)

[Minn. Stat. § 429.021, subd. 1\(11\).](#)
[Minn. Stat. § 429.031, subd. 3.](#)

[Minn. Stat. § 429.021, subd. 1\(12\).](#)

[Minn. Stat. § 429.021, subd. 1\(13\).](#)

[Minn. Stat. § 429.021, subd. 1\(14\).](#)

- **Storm and sanitary sewer systems:** Acquisition, development, construction, reconstruction, extension, and maintenance of storm and sanitary sewer systems including outlets, treatment plants, pumps, lift stations, and storm water holding areas and ponds.
- **Steam heating mains:** Construction, reconstruction, extension, and maintenance.
- **Street lighting systems:** Installation, replacement, extension, and maintenance.
- **Waterworks systems:** Construction, reconstruction, extension, and maintenance. (This includes all appurtenances of a waterworks system, even the treatment plant). Special assessments may also pay for the infrastructure necessary to maintain water, sewer, and storm sewer systems; and for the payment of any obligations issued to pay the costs of the waterworks facilities and systems or to refund bonds issued for those purposes.
- **Parks, playgrounds, and recreational facilities:** To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.
- **Street trees:** Planting, trimming, care, and removal.
- **Abating nuisances:** Includes, but not limited to, draining and filling swamps, marshes, and ponds on public or private property.
- **Dikes and other flood control works:** Construction, reconstruction, extension, and maintenance.
- **Retaining and area walls, including highway noise barriers:** Construction, reconstruction, extension, and maintenance.
- **Pedestrian skyway systems:** Construction, reconstruction, maintenance, and promotion of bridges, overpasses, hallways, plazas, elevators, and escalators on public or private property. A petition for a pedestrian skyway system must meet unique statutory requirements.
- **Underground pedestrian concourses:** Construction, reconstruction, maintenance, and promotion of tunnels, arcades, plazas, elevators, and escalators.
- **Malls:** Acquisition, construction, improvement, alteration, extension, operation, maintenance, and promotion of public malls, plazas or courtyards.
- **District heating systems:** Construction, reconstruction, extension, and maintenance of district heating systems.

RELEVANT LINKS:

[Minn. Stat. § 429.021, subd. 1\(15\).](#) [Minn. Stat. § 429.031, subd. 3.](#)

[Minn. Stat. § 429.021, subd. 1\(16\).](#)

[Minn. Stat. § 429.021, subd. 1\(17\).](#)

[Minn. Stat. § 429.021, subd. 1\(18\).](#)

[Minn. Stat. § 429.021, subd. 1\(19\).](#)

[Minn. Stat. § 429.021, subd. 1\(20\).](#)
[Minn. Stat. § 429.031, subd. 3.](#)

[Minn. Stat. § 459.14.](#)

[Minn. Stat. § 429.031, subd. 3.](#)
[Minn. Stat. § 429.011, subd. 16.](#)

- **Fire protection systems:** Construction in existing buildings upon petition of owners. A petition for a fire protection system, on public or private property, must meet unique statutory requirements.
- **Highway sound barriers:** Acquisition, construction, reconstruction, improvement, alteration, extension, and maintenance of highway sound barriers.
- **Gas and electric distribution facilities:** Improvement, construction, reconstruction, extension, and maintenance of gas and electric distribution facilities owned by a municipal gas or electric utility.
- **Markers relating to 911 services:** Purchase, installation, and maintenance of signs, posts, and other address markers related to the operation of enhanced 911 services.
- **Internet access:** Improvements, construction, extension, and maintenance of facilities for Internet access, and other communication purposes, if the council finds that the facilities:
 - Are necessary to make Internet access (or other communications services) available that are not and will not be available through other providers or the private market in the reasonably foreseeable future.
 - Provide services that will not compete with service provided by private entities.
- **Burying overhead utility lines within the public right-of-way:** Cities can only finance the burying of overhead utility lines with special assessments in response to a petition from all the abutting landowners. In addition, burying the lines in the public right of way must exceed the utility's design and construction standards, or those set by law, tariff, or franchise. In that situation all or a portion of the costs associated with burying the lines, or altering a new or existing distribution system, can be specially assessed as agreed to with an electric utility, telecommunications carrier, or cable system.
- **Parking facilities:** Acquisition and construction.
- **On-site water contaminant systems:** Installation of publicly or privately owned pipes, wells, and other devices and equipment in or outside a building for the primary purpose of eliminating water contamination caused by lead or other toxic or health threatening substances in the water. A petition for an on-site water contaminant system must meet unique statutory requirements.

RELEVANT LINKS:

Minn. Stat. §§ 216C.435-.436. Minn. Stat. § 429.021, subd. 1(21). Minn. Stat. § 429.101, subd. 1(c).

Joint Indep. Sch. Dist. No. 287 v. City of Brooklyn Park, 256 N.W.2d 512 (Minn. 1977).
In re Village of Burnsville, 310 Minn. 32, 245 N.W.2d 445 (Minn. 1976).

Minn. Stat. § 429.101, subds. 1, 2.
Minn. Stat. § 412.221, subd. 6.

Minn. Stat. § 429.101, subd. 2.
Sykes v. Rochester, 787 N.W.2d 192 (Minn. Ct. App. 2010).

Minn. Stat. § 429.101, subd. 1(1).
Minn. Stat. § 429.101, subd. 1(2).
Minn. Stat. § 429.101, subd. 1(3).
Minn. Stat. § 429.101, subd. 1(4).

Minn. Stat. § 429.101, subd. 1(5).
Minn. Stat. § 429.101, subd. 1(6).
Minn. Stat. § 429.101, subd. 1(7).
Minn. Stat. § 429.101, subd. 1(8).

- **Energy improvement programs:** Cities may finance cost-effective energy improvements to certain single-family or multifamily residential dwellings, or commercial or industrial buildings, through revenue bonds funded by special assessments. Among other requirements of such a program is a petition by all owners of the qualifying real property requesting collections of repayments as special assessments as with other unpaid charges assessable under chapter 429.

Chapter 429 defines a number of projects as local improvements that may benefit the entire city, such as a sewage disposal plant, interceptor sewer or water treatment plant. The constitutional provision authorizing special assessments for local improvements may allow these kinds of projects as long as they confer a special benefit on assessed property that the improvements do not confer upon the city as a whole.

2. Assessing unpaid special service charges

Cities may, through an ordinance, require that property owners perform certain property-related special services -- or the ordinance can allow that the city performs the special services and sends a bill to property owner for the work. If the property owner fails to pay, the city may assess for all or any part of the unpaid charges as a special assessment against the property benefitted. When assessing unpaid service charges, cities must follow some, but not all, of the special assessment notice, hearing and calculation procedures in Chapter 429.

The law specifically lists the special services that cities can specially assess if not paid by the property owner or occupant. Statutory cities cannot add the following to this list, but charter cities may be able to add to it by charter amendment:

- Snow, ice and rubbish removal from sidewalks.
- Weed elimination from streets and private property.
- Removal or elimination of public health or safety hazards from private property, excluding any hazardous or substandard buildings.
- Installation and repair of water service lines, and sprinkling and dust treatments.
- Trimming and care of trees, and removal of unsound trees.
- Treatment and removal of insect-infested or diseased trees on private property and the repair of sidewalks and alleys.
- Operation of a street lighting system.
- Operation and maintenance of a fire protection or a pedestrian skyway system.

RELEVANT LINKS:

[Minn. Stat. § 429.101, subd. 1\(9\).](#)

[Minn. Stat. § 429.101, subd. 1\(10\).](#)

[Minn. Stat. § 429.101, subd. 1\(11\).](#)

[Minn. Stat. § 429.101, subd. 1\(12\).](#)

[Minn. Stat. § 443.015.](#)

[Minn. Stat. § 429.101, subd. 1\(b\).](#)

[Minn. Stat. § 429.101, subd. 2.](#) See also *Sykes v. Rochester*, 787 N.W.2d 192 (Minn. Ct. App. 2010). *Am. Bank v. City of Minneapolis*, 802 N.W.2d 781 (Minn. Ct. App. 2011).

[Minn. Stat. § 429.101, subd. 3.](#)

[Gadey v. City of Minneapolis](#), 517 N.W.2d 344 (Minn. Ct. App. 1994).

[Minn. Stat. ch. 429.](#)

[Minn. Stat. § 429.031.](#)

- Inspections related to a municipal housing maintenance code violation.
- Recovery of payments to rehabilitate and/or maintain safe and habitable housing conditions over the useful life of a house or land - including payment of utility bills and other services, even if provided by a third party in rental situations.
- Painting the exterior of a structure to remedy a municipal code violation.
- The recovery of delinquent vacant building registration fees under a municipal program designed to identify and register vacant buildings.
- Garbage collection and disposal.

Again, a city cannot exercise this authority until passing an authorizing ordinance providing that such matters are the responsibility of the property owner. (The ordinance cannot require that property owners perform street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal or the operation of a street lighting system.)

Unpaid charges collected as special assessments are subject to the same notice, hearing, and appeal requirements as any other special assessments. They are not, however, subject to the special benefit test.

Cities may issue bonds or other debt instruments to finance the cost of special services in the same manner as for local improvements, with three modifications:

- These obligations may not run for more than two years.
- The amount of debt a city issues at any one time may not exceed the estimated cost of the work it will do during the next six months.
- The council must set up a separate fund for each of the different services financed through this procedure.

II. Synopsis of procedures

The following discussion is a guide, but not legal advice, as to the proper fulfillment of special assessment procedures. The council should consult an attorney familiar with the individual project to make sure the city follows all legal procedures. If the proper procedures are not followed, a court may set the assessment aside and order a reassessment.

In general, Chapter 429 proposes the following steps.

A. Initiation of proceedings

Either a petition from affected property owners or the council initiates Chapter 429 proceedings.

RELEVANT LINKS:

[Minn. Stat. § 429.031, subd. 1\(f\).](#)
See [Form 3](#) (Petition for Local Improvement - more than 35% of property owners).

[A.G. Op. 396g7 \(June 9, 1958\).](#)

[City of Brainerd v. Brainerd Investments Partnership,](#)
(Minn. 2013).

[A.G. Op. 387-B-10 \(June 29, 1954\).](#) [A.G. Op. 408-C \(October 28, 1954\).](#)

See [Form 1](#) (Petition for Local Improvement - 100% of property owners).

[Minn. Stat. § 429.035.](#)
See [Form 4](#).
[Minn. Stat. § 429.036.](#)

[Minn. Stat. § 429.031, subd. 1\(f\).](#)
See [Form 4-A](#).
See Section II-D-1: *Voting requirements for ordering the improvement.*

1. By petition

If the council chooses to proceed with an improvement based on a petition (they are not required to do so) it must have the signatures of the owners of at least 35 percent in frontage of the property bordering the proposed improvements. Computing the 35 percent is not always easy.

The Minnesota Attorney General has opined that the 35 percent requirement applies to the entire area petitioning for the local improvement so each specific street need not meet it.

The Minnesota Supreme Court finds that the state may be an “owner” for purposes of this 35 percent petition. (The Court finds the statute unambiguous and refuses to consider extrinsic evidence by looking at three Attorney General Opinions. These Opinions suggested that neither the state nor the city is an “owner” for purposes of this 35 percent petition.)

If the council relies upon the petition as its basis for proceeding, it cannot make a substantial change in the nature of the improvement from that asked for in the petition. For example, it may not order an improvement for water and sewer when the petition has asked for water alone, or add curb and gutter to a petition for blacktop.

In some cases, for example buried utility lines, 100 percent of landowners must petition for an improvement.

The council must pass and publish a resolution determining whether the petition is legally sufficient or not. Any person directly affected by the resolution may challenge the council’s determination (as to the legal sufficiency of the petition) in district court. The appeal must be made within 30 days and include a bond of \$250.

2. By council

The council certainly may act on its own initiative in proposing a local improvement and ordering a feasibility report. As a practical note, an extraordinary majority vote from the council is not necessary to initiate the proceedings. (Later in the process, a four-fifths council vote will be required to pass the resolution ordering an improvement initiated by council). The council must calculate the cost of the improvement or direct staff to do so.

RELEVANT LINKS:

[Minn. Stat. § 429.031, subd. 1\(b\).](#)

[Minn. Stat. § 429.031, subd. 1\(d\).](#)

See [Form 5](#).

See Section I-B: *The special benefit test*.

B. Feasibility report

Whether initiated by petition or by council, Chapter 429 requires that the city engineer, or another person with similar skills, prepare what is commonly called a “feasibility report.” (Bond attorneys require a certified copy of a feasibility report before issuing bonds to finance a local improvement.) The feasibility report must cover such factors as whether the project is necessary, the availability of money in the general fund to pay the city’s share of the cost, an estimate of that cost, whether the improvement is cost effective, and any other information necessary for council consideration.

Note: If someone other than a city employee prepares the report, the law prohibits using a percentage of the costs of the proposed improvement as a basis to pay for the report. The feasibility report must also include the estimated cost of the improvement as recommended. Since a reasonable estimate of the total amount to be assessed, and a description of the methodology used to calculate individual assessments for affected parcels, must be available at the hearing, it could be part of the commissioned report. The feasibility report is integral to the assessment process. Best practice suggests that the city council pass a resolution receiving the report and provide preliminary notice of the improvement.

C. Initial considerations

Overall the law requires two public hearings commonly known as an improvement hearing and an assessment hearing; in between these two public hearings councils may order the improvement, decide how to construct the project and tabulate an assessment roll. This Guide outlines some initial considerations, describes the improvement hearing, discusses ordering and constructing the improvement; and subsequently addresses the assessment hearing.

1. Determining benefit districts

Determining what area benefits from improvement projects, or the area against which the city will levy assessments, is a major policy decision for the city council. The benefit district (or assessment district) varies with the kind of improvement. For some improvements, such as a new water tank, the area benefited might be very large. In levying an assessment to finance the tank’s construction, for example, the council might assess the entire area the tank services. The special benefit test still applies. City staff, city engineers, consultants and attorneys may provide the basis for council to determine what area or district to assess for a specific improvement because that area benefits from the improvement.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 1.](#)
See [Form 12, 1.](#)

[Minn. Stat. § 429.051](#),
applied in *In Re Mackubin*
[St.](#), 279 Minn. 193, 155
N.W.2d 905 (Minn. 1968).

See Section I-B: *The special benefit test.*

See [Form 8.](#)

[Minn. R. 7560.0100, subp. 12.](#)
[Minn. R. ch. 7560.](#)
See LMC Information Memo:
Acquisition and Maintenance of City Streets.

2. City's share

At any time before or after the city actually incurs expenses for the improvement, the council must pass a resolution determining how much the city plans to pay (above and beyond what it may decide to pay for city-owned property in the assessment area) and separate from amounts to be assessed. Cities may assess the cost of an improvement to property benefited whether or not any part of the cost of the improvement is paid from the county state-aid highway fund, the municipal state-aid street fund or the trunk highway fund. Best practice suggests the council work with an appraiser and an attorney to determine the appropriate city share of a particular project.

The council must also decide, with consultation from staff and consultants, which cost allocation methodology most nearly equates costs and benefit. Such methodology is often described as unit or area charges and involves classification of assessed properties. (The third prong of the benefit test requires a uniform assessment applied to the same class of property, in the assessed area). Methodology may address the treatment of corner and odd-shaped lots. Many cities have adopted a policy of paying for all intersections, crosswalks, curb returns, and similar parts of public improvement projects not immediately fronting on private property. Other communities distribute the same costs over the benefited area.

3. Non-abutting property

Normally, cities assess all properties abutting or bordering on the improvement, but the council may wish to levy assessments against adjacent, non-abutting properties if the properties benefit from the improvement.

4. Service laterals

City utility ordinances often require that property owners maintain private water or sewer service laterals. "Service lateral" means an underground facility that is used to transmit, distribute, or furnish gas, electricity, communications, or water from a common source to an end-use customer. A service lateral is also an underground facility that is used in the removal of wastewater from a customer's premises. When an improvement project requires new service laterals, and the city's ordinance assigns responsibility for service laterals to property owners, the city may require that property owners install or replace them. If the property owner fails to do so, the city may (with notice) install or replace the service lateral and charge the cost to the property owner. Note: under state utility marking rule, cities must locate the portion of the service lateral within the public right-of-way.

RELEVANT LINKS:

[Minn. Stat. § 429.031, subd 3.](#)
See [Form 1](#): Petition for Local Improvement (100% of property owners).

[Minn. Stat. § 429.021, subd. 2.](#)

[Minn. Stat. § 462.356, subd. 2.](#)

[Minn. Stat. § 429.031, subd. 1\(a\).](#)
See [Form 6](#).

5. May omit improvement hearing

The council may omit the improvement hearing if 100 percent of the affected landowners sign the petition requesting the improvement. Cities should be aware that the law is not as clear on omitting a public hearing where the city pays for any portion of the petitioned for local improvement. In that case, where landowners do not pay all the costs of the local improvement, cities may still want to hold both public hearings.

6. Two or more simultaneous local improvements

If a city proposes undertaking two or more local improvements simultaneously the city does not need to issue separate notices and hold separate improvement hearings on different dates. However, the notice should describe each improvement separately, stating the estimated cost for each one and noting that there will be a separate hearing, even if held one after the other on each improvement.

7. Local planning agency review

If a city has a comprehensive plan, the council may not approve a capital improvement project until the local planning agency reviews whether the improvement complies with the comprehensive plan and reports its findings to the council in writing. (Capital improvement simply means the basic facilities, services, and installations needed for the functioning of a city, including transportation, water, storm water, wastewater plants and pipes, and so on). The council may -- by resolution adopted by two-thirds vote -- dispense with this requirement to send the capital improvement to the local planning agency for review if, in the council's judgment, it finds that the proposed capital improvement has no relationship to the comprehensive plan.

D. Prepare for the improvement hearing

The purpose of the first hearing is for the council to discuss a specific local improvement before ordering it done. The council considers all the information in the feasibility report and any other information necessary for council deliberation.

1. Publish notice of the improvement hearing

The city must publish notice of the initial public hearing (the improvement hearing) on the proposed project twice in the official newspaper, stating the time and place of the hearing, the general nature of the improvement, the estimated cost, and the area proposed to be assessed. The notices must appear at least one week apart. At least three days must elapse between the last publication date and the date of the hearing.

RELEVANT LINKS:

[Minn. Stat. § 429.031, subd. 1\(a\).](#)

[Klapmier v. Town of Center, 346 N.W.2d 133 \(Minn. 1984\).](#)

[Minn. Stat. § 429.031, subd. 1.](#)
See Section VII : *Exempt property.*

[Minn. Stat. § 303.10, subd. 1\(1\).](#)

[Minn. Stat. § 435.19, subd. 2.](#)

[In re Channel Lane, 444 N.W.2d 602 \(Minn. Ct. App. 1989\).](#)
[Minn. Stat. § 429.031, subd. 1.](#)

[Minn. Stat. § 429.031, subd. 1\(f\).](#)

2. Mail notice of improvement hearing

The city must mail a notice once to each property owner in the proposed assessment area, at least 10 days prior to the improvement hearing that states the time and place of the hearing, the general nature of the improvement, the estimated cost and the proposed assessment area. The notice must also contain a statement that a reasonable estimate of the cost of the assessment will be available at the hearing.

Cities will want to use great care when notifying citizens about assessment proceedings. An accurate description of the assessment area is important. The law requires detailed and careful notification to communicate which property owners face paying assessments for local improvements. According to the statute, failure to give mailed notice of the improvement hearing will not invalidate subsequent assessment proceedings. In spite of this statutory language one case found that failure to include the correct information in mailed notices invalidated the entire special assessment proceeding on that property.

Tax exempt properties or those not listed on county tax records potentially pose problems for cities when notifying property owners about public hearings regarding special assessments. Cities may use any “practicable means” to determine the owners of such property. This could include mailing notice to the owner’s principal office in the state or the owner’s registered business office. Notice to other governmental entities must be sent out at least two weeks before the improvement hearing, by registered or certified mail to the head of the instrumentality, department or agency having jurisdiction over the property.

E. Improvement hearing

At the improvement hearing, interested persons may voice their concerns, whether or not they are in the proposed assessment area. A reasonable estimate of the total amount to be assessed and a description of the methodology used to calculate individual assessments for affected parcels must be available at the hearing. If the council rejects the project, it may not reconsider that same project unless another hearing is held following the required notice. The council must prepare a record of the proceedings and make written findings.

The council may adjourn and subsequently continue the improvement hearing. To provide proper notice, before the improvement hearing is adjourned, the council must state on the record, the date, time and place of the continuation of the improvement hearing, if any.

RELEVANT LINKS:

[Minn. Stat. § 429.031, subd. 1\(f\).](#)

[Minn. Stat. § 429.031, subd. 1\(f\).](#)

[Nastrum v. City of Blaine](#), 515 N.W.2d 374, (Minn. 1994).
See [Form 7A](#) (Alternative Resolution Ordering Improvement and preparation of Plans).

See [Form 7](#) (Resolution Ordering Improvement and Preparation of Plans).
[Minn. Stat. § 462.356](#).

[Minn. Stat. § 429.031, subd. 1\(f\).](#)

[Minn. Stat. § 429.041, subd. 1.](#)
[Minn. Stat. § 435.191.](#)
See Section I-C: *Practical points to consider*.

See [Form 10](#).

See LMC information memo [Competitive Bidding Requirements in Cities](#).
See [Form 9](#).

F. Ordering the improvement

A resolution ordering the improvement may be adopted at any time within six months after the date of the improvement hearing. This resolution may reduce, but not increase, the extent of the improvement as stated in the notice of hearing. As a practical matter, if the cost of improvement and thus the amount to be assessed changes by at least 25%, council might wish to hold the improvement hearing again.

1. Vote requirements for ordering the improvement

If the improvement is made pursuant to a legally sufficient petition from property owners, the council adopts the resolution by a simple majority vote of all members of the council. If there is not a petition, adoption requires a “super-majority” vote, meaning the council can only adopt the resolution by a four-fifths vote of all members of the council. (If the mayor of a charter city has no vote or votes only in case of a tie, the mayor is not considered a member for the purpose of determining a four-fifths majority vote).

There is another voting quirk tangentially related to ordering the improvement; as noted above, if a city with a comprehensive plan determines that the improvement has no relationship to the plan, it need not send the proposed capital improvement to the planning agency for review; however, the council must adopt such a resolution by a two thirds vote.

2. Time limits for local improvements

The resolution ordering the improvement may be adopted at any time within six months after the date of the improvement hearing.

Either arrangements for day labor or a contract must be made within one year of adopting the resolution ordering the improvement -- unless the council specifically states a different timeframe in the resolution ordering the improvement.

G. Competitive bidding

The law permits the council to carry out, in advance of the assessment hearing, virtually all the necessary steps prior to actually issuing a contract for the improvement. Thus, if the council wishes to provide firm estimates of costs at the improvement (first) hearing, it may, in addition to the required preliminary report, prepare completed plans and specifications, advertise for bids, and open and tabulate them before the assessment (second) hearing.

Once a city council orders a public improvement, staff or consultants prepare the necessary plans and specifications and the council either:

RELEVANT LINKS:

Minn. Stat. § 429.041, subd. 2.
See Form 10.
Minn. Stat. § 429.041, subd. 4.
See LMC information memo *Competitive Bidding Requirements in Cities*.

Minn. Stat. § 429.041, subd. 1.

Minn. Stat. § 429.041, subd. 1.
See Section I-C-1: *Coordinating procedure*.
Minn. Stat. § 429.041, subd. 2.
See Form 20.

Minn. Stat. § 429.041, subd. 2.
See Form 21.
Minn. Stat. § 574.26, subd. 2.
See Form 22, 22A and Form 22B.

- Contracts for all or part of the work to be performed by outside parties, or
- Orders all or part of the work to be done by day labor (city employees) and merely contracts for any necessary materials and equipment.

In either case, contracting law applies. Consult the city attorney to coordinate the contracting process in combination with the special assessment process and remember to include the city's right to reject all bids in advertisements and bid specifications.

1. Performance by contract

The uniform municipal contracting law, or competitive bidding process, applies to most contracts for local improvements. If a contract is likely to exceed \$100,000, cities must use municipal contracting procedures, which include the "best value" alternative in some situations. There is an exception to the competitive bidding requirement; the council may order the use of day labor (city employees) discussed subsequently for grading, graveling or bituminous surfacing of streets and alleys regardless of the estimated cost.

Chapter 429 is very specific in bid advertisement requirements. If the estimated cost exceeds \$100,000, the city must advertise for bids for the improvement in the newspaper and such other papers and for such length of time as it may deem advisable. If the estimated cost exceeds \$200,000, publication must be made no less than three weeks before the last day for submission of bids once in the newspaper and at least once in either a newspaper published in a city of the first class or a trade paper. A definition of "trade paper" and the required details of the advertisement are set out in statute.

Cities should remember that citizens may challenge special assessments in district court. If a court reduces the amount of a special assessment, the city has less money than anticipated to pay for the work. For this reason, cities may want to coordinate the timing of the competitive bidding process and the special assessment process.

When contracting for an improvement, the council must require the execution of one or more written contracts which comply with relevant public contracting law. Also, contractors must give the city both performance and payment bonds.

RELEVANT LINKS:

[A.G. memorandum to public officials \(Feb. 22, 1974\).](#)

[Minn. Stat. § 429.041, subd. 6.](#)
[See Form 23.](#)

[See Form 25.](#)
[See Form 26.](#)

[Minn. Stat. § 290.97.](#)
[Minnesota Department of Revenue Form IC-134.](#)

[Minn. Stat. § 429.041, subd. 2.](#)
[See Form 24.](#)
[See Forms 27 and 28.](#)

[Minn. Stat. § 429.041, subd. 7.](#)
[See Form 11 and 29A.](#)

The council must award the contract to the lowest responsible bidder or it may reject all bids. Note: the attorney general suggests that cities should take great care in specifying the contractual obligations of both parties in bid advertisements. Cities may want to address the city's right to reject all bids in the bid advertisements and in the bid specifications. If any bidder to whom a contract is awarded fails to enter promptly into a written contract and to furnish the required bond, the defaulting bidder shall forfeit to the municipality the amount of the defaulter's cash deposit, cashier's check, bid bond, or certified check, and the council may then award the contract to the next lowest responsible bidder.

State law governs ongoing payments to contractors performing work on local improvements. Cities may retain 5 percent of the amount the contractor actually earns each month. The percentage retained protects the city's interest in getting the work done satisfactorily. The city engineer recommends to the council when such retained funds should be released and final payment made to the contractor. The city council may accept the work by resolution. However, if the city fails to pay the amount due within 30 days of a monthly estimate, or 90 days after the final estimate, the city must pay interest on the past due amount as prescribed by law.

Note: Cities may not make final payment to a contractor until the contractor has shown proof of compliance with the state income tax withholding requirements. The Department of Revenue requires all contractors and subcontractors to file a Form IC-134 to show compliance with the withholding requirements. This certificate is the contractor's proof of compliance. A city should request a copy of this document from contractors before making the final payment on a contract.

If the contractor improperly constructs or unreasonably delays work on the local improvement, the council may order suspension of the work at any time and re-let the contract, or order reconstruction of any portion of the work improperly done. If the cost of completing or reconstructing the improvement is less than \$100,000, the council may do it by use of day labor.

Chapter 429 provides that once work begins on an improvement involving a unit price contract, the council may, without advertising for bids, authorize changes to include additional units of work at the same unit price. This may be done, however, only if the additional work costs no more than 25 percent of the "original contract price." To determine the "original contract price" multiply the estimated number of units required by the unit price.

RELEVANT LINKS:

Minn. Stat. § 429.041, subd. 1 and 2.
See Forms 27, 27A, 28, 29, 29A, 29B.

Minn. Stat. § 410.01.

Minn. Stat. § 429.041, subd. 2.

Minn. Stat. § 429.041, subd. 3.
See Form 28.

Minn. Stat. § 429.061, subd. 1.
See Section I-B: *The special benefit test*.
See Form 12 and 13.

2. Day labor

Using day labor, or city employees, means there is no contract to bid out for labor but there may be a contract to bid for materials and equipment. The city may use day labor in the following situations:

- the estimated contracts are under \$100,000, or
- the improvement is grading, graveling or bituminous surfacing of streets and alleys, or
- there are no bidders on the project, or
- if the only bids the council receives exceed the estimated cost of the project.

Even using day labor, however, the city must get bids for purchases of materials or equipment worth more than \$100,000.

The council may have the work performed by day labor supervised by the city engineer or other qualified person. However, council must have the work supervised by a registered engineer if done by day labor and it appears to the council that the entire cost of all work and materials for the improvement will be more than \$25,000

When the council orders construction work done by day labor it must require a detailed report indicating that the work was done according to the plans and specifications, or, if there were any deviations from them, an itemized statement of those deviations. This report must be certified by the registered city engineer (or other person in charge if there is no registered engineer).

The report must also show:

- the complete cost of the construction.
- final quantities of the various units of work done.
- materials furnished for the project and the cost of each item thereof.
- cost of labor, cost of equipment hired, and supervisory costs.

H. Prepare the proposed assessment rolls

The city clerk, with the assistance of the engineer or other qualified person selected by the council, prepares the proposed assessment rolls. (Cities should seriously consider retaining the services of a qualified and licensed appraiser to help assure that the amount of the special assessment does not exceed the increase in market value accruing to the property as a result of the public improvement project).

RELEVANT LINKS:

See [Form 14](#).

[Minn. Stat. § 429.061, subd. 1.](#)
See [Form 15](#) (modify slightly, see FN 2).

[Minn. Stat. § 429.061, subd. 1.](#)
Klapmier v. Town of Center,
346 N.W.2d 133 (Minn.
1984).
See [Form 15](#).

[Minn. Stat. § 429.061, subd. 1.](#)
See [Form 15A](#).

[Minn. Stat. § 429.061, subd. 2.](#)

I. Prepare for the assessment hearing

The purpose of the second hearing, commonly known as the assessment hearing, is to give property owners an opportunity to express concerns about the actual special assessment. Best practice suggests cities pass a resolution setting the date and time of the assessment hearing and directing that the city clerk publish and mail notice about the assessment hearing. This resolution need not be published.

1. Publish notice of the assessment hearing

At least once and at least two weeks before the assessment hearing, the city must publish notice of the hearing in the city newspaper or, if no city newspaper exists, in a county seat newspaper. The published notice must include the hearing time, date, place, overall project description, area to be assessed, total cost of the improvement, a description of a landowner's right to appeal the assessment, and any deferment options, if available.

2. Mail notice of the assessment hearing

At least two weeks before the hearing the city must also mail notice of the hearing to each affected property owner. This mailed notice must include the amount of the special assessment against the individual parcels, a description of the landowner's right to appeal the assessment, possible prepayment provisions, and the interest rate on the assessments. (Note: Certain properties (e.g., railroads) may not be reflected on the county's records because these property owners pay no state property tax. To provide notice, cities may need to search other records for such owners). For the assessment hearing, failure to comply with the requirements for published and mailed notice invalidates the assessments.

Because specific mailed notice of the assessment is important at this stage of the process, best practice suggests the clerk execute an affidavit attesting to the mailing to property owners.

J. Assessment hearing

The assessment hearing may be adjourned and continued to another time. If the assessment hearing is adjourned provide proper notice by stating on the record, the date, time and place of the continuation of the hearing.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 2.](#)
See [Form 16](#).
[Metropolitan Airports Com'ns v. Bearman](#), 716 N.W.2d 403 (Minn. Ct. App. 2006).

[Minn. Stat. § 272.32.](#)
[Minn. Stat. § 272.37.](#)

[Minn. Stat. § 429.061, subd. 2.](#)
[Minn. Stat. § 475.55, subd. 3.](#)

[Minn. Stat. § 429.061, subd. 2.](#)

See Section II-G-2: *Mail notice of assessment hearing*.
See [Form 17A](#).
[Minn. Stat. § 429.061, subd. 2.](#)

1. Resolution adopting assessment roll

At the assessment hearing the council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing. The council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll. Once the assessment roll is adopted the assessments are set and become liens against the properties listed. The council must prepare a record of the proceedings and written findings as to the amount of the assessment roll at this hearing.

2. Council decides interest on special assessments

Special assessments may bear interest at any rate the council determines, (unless a charter sets limits on interest rates for assessments). In setting the rate, the council should make sure there is a reasonable relationship between the assessment interest rate and the bond interest rate if the city issued bonds to finance the project. If the city finances the project with funds on hand without using bonds, the council will want to look at the interest rate the city would otherwise have earned on the funds.

3. Council decides payment timelines

The council must also decide the number of years over which the property owners may pay the assessment. The statutes permit payment over a period of not more than 30 years. Council may wish to consider the life expectancy of the improvement when selecting the payment period for the assessments.

Generally, the law does not require that the city send a final notice of assessment to property owners if the amount assessed is the same as that listed in the previously mailed assessment hearing notice. However, the clerk must notify property owners of any change if the final assessment amount differs from the proposed assessment as to any particular lot, piece or parcel of land. The clerk must also notify owners by mail of any changes in interest rates or prepayment requirements the council adopts that differ from those contained in the previously mailed notice of the proposed assessment.

III. Challenges by property owners

The law sets out discrete timelines and procedures for challenging a city's special assessment. For the most part, objections must be raised at or before the assessment hearing. Only those who object at this stage may proceed to appeal an assessment to the district court.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 2.](#)

[Minn. Stat. § 429.081.](#)
See Form 17.

[Habel v. City of Chisago City,](#)
346 N.W.2d 668 (Minn. Ct.
App. 1984).

[Minn. Stat. § 429.081.](#)

See Section I-B.

See Section I-C-1.

A. Objections

No one can formally object to, or appeal, the amount of an assessment unless the property owner signs a written objection and files it with the city clerk prior to the assessment hearing or presents it to the presiding officer at the hearing. Property owners subject to proposed special assessments must be informed of this requirement in the mailed notice. They should also be reminded of the requirement at the hearing itself.

Any objections to the assessments not received at the public assessment hearings in the manner prescribed are waived, unless the failure to object at the assessment hearing is due to a “reasonable cause.” Reasonable cause is not defined in statute and has not received in-depth judicial analysis.

B. Appeals to the district court

Within 30 days after the adoption of the assessment roll, a property owner who has properly objected to the assessment may appeal a special assessment to the district court. The property owner appeals by serving notice upon the mayor or city clerk and then filing the served notice with the district court within 10 days of that service

If a city’s assessment is challenged in district court, the assessment roll constitutes initial proof that an assessment does not exceed the special benefit. The party contesting the assessment must introduce evidence sufficient to overcome that presumption. If the evidence as to the special benefit is conflicting it is the responsibility of the district court to determine whether the assessment exceeds the market value increase and, if so, by what amount.

As discussed previously, if the city coordinates the competitive bid process with the special assessment process, the city now proceeds with the actual work of the project after certification of the assessment roll and the 30-day appeal period is over. Because the time for appeals is over before the contract is issued, the city will not need to cover potential budget shortfalls that may occur if a property owner successfully challenges a special assessment or the lowest bid comes in higher than expected.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 3.](#)

[Metropolitan Airports Com'ns v. Bearman](#), 716 N.W.2d 403 (Minn. Ct. App. 2006).

[Minn. Stat. § 429.061, subd. 3.](#)

See [Form 18](#).

[Minn. Stat. § 429.061, subd. 3.](#)
See [Form 18A](#).

[Minn. Stat. § 429.061, subd. 3.](#)

IV. Levying and collecting assessments and interest

Assessment rolls are lists for each assessment project containing a description of each parcel of property, including the parcel identification number (PID), the name of the property owner, and the amount of the assessment. The clerk should prepare a separate assessment roll for each improvement project prior to the assessment hearing. At or after the assessment hearing, the council must officially adopt the roll by resolution and then the clerk must certify it to the county auditor.

There are two ways for a city to collect assessments:

- The city clerk, on council direction, certifies a duplicate copy of the assessment roll and sends it to the county auditor who spreads the assessments every year for collection with taxes.
- The city clerk retains the assessment roll in his or her office and annually certifies to the county auditor the total amount of principal and interest due on special assessments from each parcel of property for the following years.

In the first method, the certification of assessments should be filed with the county auditor on or before Nov. 30 if the auditor is to spread the first installment on the books for collection the following year. The auditor is then responsible for spreading the assessment against the properties every year that an installment payment is due. This is the preferred method for two reasons. First, it eliminates the clerk having to do an annual computation and, thus, avoids errors in later years. Second, once all the assessments have been certified, the city may retain the ability to collect the assessments if the land is forfeited due to nonpayment of property taxes, or the owner declares bankruptcy.

If the council prefers the second method it may direct the clerk to file all the special assessment rolls in the clerk's office, and to certify annually to the county auditor only the total amount of principal and interest due on special assessments from each parcel of property for the following year. The clerk must certify all assessments to the county auditor on or before Nov. 30 if the auditor is to spread the first installment on the books for collection in the following year.

A. Payment of assessments and interest

Once the clerk has prepared the special assessment roll and the council has approved it, property owners initially have two options:

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 3.](#)

[Minn. Stat. § 429.061, subd. 3.](#)

See Section II-G-3-a: *Council decides interest on special assessments.*

[Minn. Stat. § 462.353, subd. 5.](#)

[Minn. Stat. § 429.051.](#)
[Minn. Stat. § 429.052.](#)

- either pay the total amount of their assessment immediately, or
- pay the assessments in annual installments (with interest) under the terms set by the council.

Alternatively, the property owner can:

- Pay the entire amount of the assessment within 30 days after the council adopts the assessment rolls. In this situation, the city cannot charge any interest.
- Pay the entire amount at any time after 30 days, but before any certification to the county auditor. The property owner pays only the amount of interest accrued as of the date of payment.
- At any time after the certification, the property owner may still pay the entire remaining unpaid amount to the county treasurer. However, the property owner must pay the entire remaining unpaid amount of the assessment before Nov. 15 of any year, and must also pay all interest accrued until the end of that calendar year.

The council may authorize, by ordinance, partial prepayment of assessments prior to certification to the county auditor.

If the property owner elects not to pay the entire amount of the assessment at once, he or she may pay it in annual installments spread over the number of years the council has allowed. As noted previously, postponement of payment may require city borrowing to pay for the improvement so the city must add an interest charge to each year's assessment payment.

As an added collection tool, a city may require payment of all delinquent assessments before granting a building permit, a conditional use permit, variance, or a zoning change. The city must notify residents of this requirement in an ordinance or in the application materials used to request such a change or permit.

B. Postponed assessments

Postponed assessments occur when a city pays the cost of a local improvement, and delays assessing one or more benefited properties.

Postponed assessments are not generally a good idea as they are not liens against the property and the city may not recoup what has already been spent on a project. If a city wishes to eventually reimburse itself for improvement costs by applying postponed assessments, those assessments may only be collected if 1) the property was not previously assessed for the project, and 2) the property owners were provided notice and hearing at the same time as those whose assessments were not postponed. A successful appeal of the assessment leaves the city with less money to pay for the completed project.

RELEVANT LINKS:

[Minn. Stat. § 429.051.](#)

[Minn. Stat. § 429.052.](#)

[Minn. Stat. § 429.061, subd. 2.](#)

See [Form 19A.](#)
[Minn. Stat. § 429.061, subd. 2.](#)

Given that concern, there are certain situations where the council may postpone the assessment of the cost of water, storm sewer, sanitary sewer, and street construction or road improvements until a later date. Such situations include:

- Property is unplatted and undeveloped; the owner will subdivide or otherwise make it available for building sites in the future.
- The city cannot immediately use a trunk main because of the absence of laterals.

Street or road improvements may be completed outside the city's jurisdiction with the consent of either the affected township (or if the property is located in unorganized territory, the county) and then assessed when later annexed into the city. This would likely only make sense if the land was soon to be annexed. And as above, these postponed assessments cannot be collected unless the property eventually being assessed was given the notice and hearing of the improvements at the time the improvement was ordered (provided under section 429.031), and subsequently in accordance with the notice, hearing, and appeal rights (provided for under sections 429.061 and 429.081).

C. Deferred assessments

Deferred assessments are certified to the county auditor but collection is deferred. All deferred assessments constitute liens on the property and must be paid within 30 years of the assessment levy. Interest on the assessments discussed subsequently, may be paid or deferred. Cities are authorized to let a property owner defer paying a certified assessment until a later date, provided the property owner or the property meets certain criteria.

There are three types of authorized deferrals:

- undeveloped property.
- senior citizen and disability deferrals.
- green acres.

1. Notice of deferred assessments

The law requires that cities record deferred special assessments with the county recorder. A certificate of the deferred assessment must contain the legal description and the parcel identification number (PID) of the affected property and the amount deferred.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 2.](#)

[Minn. Stat. § 429.061, subd. 2.](#)

[Minn. Stat. §§ 435.193 to 435.195.](#)

[Minn. Stat. § 190.05, subd. 5b or 5c.](#)

2. Interest on deferred assessments

The city also determines, by ordinance or resolution, the amount of interest on deferred assessments. Property owners may pay interest either annually during the period of deferment, or when the assessment becomes payable. In the resolution deferring the assessment, the council may forgive interest for the deferment years through Dec. 31 of the year before the first installment is due. The county auditor records deferred interest as well as deferred assessments.

3. Deferrals for undeveloped property

For undeveloped property it is better to defer an assessment than to postpone it because the city will eventually recoup costs. The council must include all benefited property in the proceedings. At the meeting where the council approves the assessment, it may levy the assessment but defer the first installment of the assessment for unimproved property until a designated future year, or until the platting of the property or the construction of improvements. The council may set, by resolution, terms, conditions, standards, and criteria for the deferral and future payments. The city must file a certificate with the county recorder stating the legal description of property subject to deferred assessments, and the amount of the deferred assessment.

4. Deferrals for senior citizens, people with disabilities and members of the military

When adopting a special assessment, a city council has authority to defer the payment of that assessment for any homestead property owned by a person 65 or older or retired by virtue of a permanent and total disability for whom it would be a hardship to make the payments. Cities may also defer assessment payments for property owned by a member of the Minnesota National Guard (or other military reserves) ordered into active military service if it would be a hardship for that person to make the payments. If the city grants the deferment, it must notify the register of deeds of the deferment. The council may determine the amount of interest charges on the deferred assessment.

The deferment ends and all accumulated amounts (plus applicable interest, if any) become due upon the death of the owner (if the spouse is not otherwise eligible for the deferment); the sale, transfer or subdivision of any part of the property; loss of homestead status on the property; or the council's determination that immediate or partial payment would impose no hardship.

RELEVANT LINKS:

[Minn. Stat. § 429.061, subd. 1.](#)
[Minn. Stat. § 435.194.](#)

[Minn. Stat. § 273.111, subds. 3, 6 and 11.](#)

[Minn. Stat. § 273.111.](#)

[Minn. Stat. § 435.202, subd. 1.](#)

[Minn. Stat. § 435.202, subd. 2.](#)

[Minn. Stat. § 435.202, subd. 3.](#)

See [A.G. Op. 480-B \(April 26, 1954\)](#).

The council must adopt an ordinance establishing general rules for granting deferrals to senior citizens, people with disabilities or members of the military including guidelines for determining the existence of a hardship. If the council follows a policy of deferring payment of assessments in hardship cases, it must include a notice of that fact in the notice of the proposed assessment.

5. Deferrals for green acres

“Green acres” law requires deferrals for certain agricultural or specialized use property (such as a nursery or a greenhouse). To defer these assessments on agricultural property, a city must file a certificate with the county recorder stating the legal description of property subject to deferred assessments and the amount of the deferred assessment. Agricultural deferrals follow different procedures in addition to those in Chapter 429. In addition, property must meet strict requirements to qualify for tax benefits as agricultural property. Consult the city attorney to ensure the property qualifies.

D. Abandoned improvements

If a city abandons a local improvement project before completion the city must notify the collecting agent for the special assessment (either the city treasurer or more likely, the county auditor). Upon notification, the auditor or treasurer must cancel collection of all payments and interest not already collected, or in the process of collection. This law does not preclude a city reassessing the same properties benefitted by the improvement.

Once the city council decides to abandon an improvement project, the clerk must notify citizens of that fact. The notice must describe the local improvement; state that it has been abandoned and may provide information on refunds. The city may, but is not required to, refund payments to any person who files a substantiated claim within six months of the abandonment notice. Claims may be paid from funds collected for the improvement or from the general fund. However, abandoning the improvement does not alleviate the city’s obligation to make bond and bond interest payments related to the project.

Funds collected for the abandoned improvement must be transferred to the general fund if they are not canceled, refunded, or needed to pay the cost of the improvement or needed for bond payments.

In most cases, if the council abandons the local improvement in the early stages, before any assessments are levied, the city must pay the costs associated with the proceedings, even if a petition initiated them.

RELEVANT LINKS:

[Minn. Const. Art. X, § 1.](#)
[Minn. Stat. § 429.061, subd. 4.](#) *In re Front Street Sewer Assessment*, 138 Minn. 67, 163 N.W. 978 (1917).
Ramsey County v. Trustees of Macalester College, 87 Minn. 165, 91 N.W. 484 (1902).
Washburn Mem'l Orphan Asylum v. State, 73 Minn. 343, 76 N.W. 204 (1898).

[Minn. Stat. § 306.14, subd. 2.](#)
Oakland Cemetery Ass'n v. City of St. Paul, 36 Minn. 529, 32 N.W. 781 (Minn.1887). *State v. Crystal Lake Cemetery Ass'n*, 155 Minn. 187, 193 N.W. 170 (Minn. 1923).

[Minn. Stat. § 307.09.](#)

[A.G. Op. 408-C \(Sept. 21, 1953\).](#)
[Minn. Stat. § 435.19.](#)

[Minn. Stat. § 435.19, subds. 2, 3.](#)

[Minn. Stat. § 3.754.](#)

V. Tax-exempt property

The tax exemptions the Minnesota Constitution grants to religious, charitable, and educational institutions do not prevent special assessments against these types of property. Most privately owned cemeteries churches, hospitals, schools, and similar institutions must pay special assessments. Railroads in Minnesota are not exempt from special assessments.

Public cemeteries are usually exempt from special assessments but private, for-profit cemeteries must pay them.

Land dedicated as a private cemetery by a private person or a religious corporation is exempt to a certain extent.

A. Other governmental lands

Property owned by the United States government is exempt from assessments for local improvements. Regarding the property of any other governmental unit, cities may levy special assessments against such property to the same extent as if the property were privately owned. For this purpose, “governmental unit” refers to all cities (except First Class cities) towns, school districts, public utility corporations, and counties. If the unit does not pay the amount of an assessment against it, the city may recover the money in a civil action.

In the case of state-owned property, or property owned by First Class cities, the city should determine the amount it would assess the land if it were privately owned. Before making this determination, the city must hold a public hearing on the proposed assessment. The hearing must take place at least two weeks after giving notice by registered or certified mail to the head of the department or agency having jurisdiction over the property. The council’s determination is not binding, however, and if the state agency or the other city decides the measure of benefit is a lesser amount, it may pay the lesser amount. Note that other law requires agencies or departments which feel they were “unfairly assessed” to contact particular legislative committee members for review of the assessment. Ideally state agencies and departments negotiate assessments prior to commencement of the project.

RELEVANT LINKS:

See Section VII: *Tax-exempt property*.
[Minn. Stat. § 429.061, subd. 4.](#)
See [Form 19](#).

[Minn. Stat. § 429.061, subd. 4.](#)

[Minn. Stat. § 429.061, subd. 4.](#)

[Minn. Stat. § 435.19.](#)

[Minn. Stat. § 429.071.](#)
Independent Sch. Dist. No. 254 v. City of Kenyon, 411 N.W.2d 545 (Minn. Ct. App. 1987).

[Minn. Stat. § 429.071, subd. 1.](#)
In re Meyer, 158 Minn. 433, 199 N.W. 746 (1924).

[Minn. Stat. § 429.071, subd. 2.](#)

B. Collecting assessments from tax-exempt or railroad property

When the council approves an assessment bill, the city mails notice to the owners of tax-exempt or railroad property so long as the property benefits from the improvement. The notice specifies the amount payable under the assessment and the conditions for payment, including the number and the amount of each installment, the rate of interest, and the penalties for default. Interest does not accrue until 30 days after the mailed notice is given.

If the assessment is not paid in a single installment, the law requires that the city annually mail a payment reminder to certain owners. These are:

- the owner of any railroad;
- a utility right-of-way owner, or
- to the owner of any public property (another governmental unit).

Technically the law allows a city to collect the amount due from the owner of any railroad or privately owned public utility by a seizing and selling personal property. Consult the city attorney before using this collection method.

State-owned land, such as state parks and recreational land may be notified of the amount it will be charged for a special assessment. The state, however, cannot be required to pay special assessments against state-owned land, although it may agree to do so.

VI. Corrections

After a city has made special assessments, it is sometimes possible to correct errors or make other changes either by levying supplemental assessments, ordering a reassessment for the entire project or reapportioning an assessment.

A. Supplemental assessments

If, because of omissions or errors in the assessment of any improvement, the council wishes to increase the amount of assessments, it may levy supplemental assessments. The council may levy these assessments only after giving property owners notice and a chance to be heard at a public hearing. Requirements are the same as those for the original assessment and owners may appeal the supplemental assessment.

B. Reassessments

The council may order reassessment of all properties affected by special assessment levy for any of the following reasons:

RELEVANT LINKS:

[Minn. Stat. § 429.071, subd. 3.](#)

[Minn. Stat. § 429.071, subd. 4.](#)
[Minn. Stat. § 444.076.](#)
[Minn. Stat. § 435.23.](#)
[Minn. Stat. § 435.19, subd. 2.](#)
[Singer v. Minneapolis](#), 1997 WL 698486, C5-97-1265 (Minn. Ct. App. Nov. 10, 1997).

For more information on bonding, see [Handbook, Chapter 24](#).

- To reassess property when the courts nullify the original assessment.
- To validate an assessment that the city attorney feels the city may have made improperly or not in compliance with jurisdictional requirements.
- To reduce assessments the city later determined to be excessive.

C. Reapportionment

When a city levies a special assessment against land that is later subdivided, the council may, on its own motion or on application of the owner of any part of the tract, equitably apportion the unpaid portion of the assessment among the lots. The council must determine that the apportionment will not impair collection of the balance due. If the city has pledged the assessment toward payment of bonds, the council must require that the property owners furnish surety bonds.

D. Tax-forfeited land returned to private ownership

When tax-forfeited land returns to private ownership, and the parcel benefitted from an improvement for which the city canceled special assessments because of the forfeiture, the city may, with the same notice and hearing as for the original assessment, assess or reassess the parcel. The assessment amount would be equal to the amount remaining unpaid on the original assessment. Any city may reassess or make a new assessment on tax-forfeited land that returns to private ownership. A city can specially assess state-owned tax-forfeited land while it is owned by the state. The state has the option of paying the assessment or not, but the assessment can be collected from someone who acquires title to the property from the state in the future.

VII. Borrowing for special assessment purposes

Cities collect most special assessment revenue over a period of several years. Consequently, cities often obtain funds for public improvement projects from bond issues. The city pays off the bonds as the funds become available through collection of the assessments and any taxes the city levied especially for that purpose.

There are three kinds of debt instruments cities use for special assessment purposes, none of which count in determining the net debt of the city. (Net debt refers to the total outstanding debt of the city subject to the city debt limit).

Improvement bonds are the first kind of debt instrument cities use for special assessments. Payment of these bonds is backed by the special assessments the city has levied and by the general taxing power of the city.

RELEVANT LINKS:

Improvement warrants are the second kind of debt instrument. These differ from improvement bonds in that they are not backed by the taxation power of the city. Improvement warrants are payable only from the assessments against the affected property owners. Because improvement bonds are more readily marketable at a lower rate of interest than improvement warrants, very few cities issue improvement warrants.

The council may also issue and sell temporary bonds at any time before completion of a public improvement project. These obligations must mature within three years, and are payable from the proceeds of the regular improvement bonds the city must issue by the maturity of the temporary bonds. Temporary bonds are subject to redemption and repayment of any interest due on 30 days mailed notice to registered holders.

Unlike improvement warrants, some cities frequently issue temporary improvement bonds. By issuing these bonds, cities can postpone the issuance of the regular special assessment bonds. There are two other advantages:

- The city may consolidate several improvement projects into a single bond issue.
- The city reduces the chance of excessive borrowing by delaying the long-term bond issue until it knows all the costs of a project.

Frequently, cities will purchase their own temporary improvement bonds with surplus cash available in other funds, such as a liquor or utilities fund. This results in savings of interest and other investment expenses.

The city may issue regular improvement bonds or warrants after ordering one or more improvements. Generally, cities issue them before the work is complete and before determining the final cost. If the city uses this procedure and the cost estimate turns out to be higher than actual costs the city may use the surplus funds to finance any other improvements it started under Chapter 429, or it may transfer the surplus to the fund used for the repayment of the bonds themselves. If the cost estimate is too low, the city may sell additional bonds.

If the city is involved with several public improvements at the same time under Chapter 429, it may be advisable to consolidate all necessary financing into a single issue of improvement bonds or warrants, even if the city did not consolidate the assessment proceedings. Such a substantial block of bonds is often more readily marketable than several smaller issues.

[Minn. Stat. § 429.091, subds. 3, 4.](#)

[Minn. Stat. § 429.091, subd. 1.](#)

RELEVANT LINKS:

[Minn. Stat. § 429.091, subd. 3.](#)
[Minn. Stat. § 475.58, subd. 1\(3\).](#)

[Minn. Stat. § 429.091, subd. 3.](#)

[Minn. Stat. § 429.091, subd. 3.](#)

[Minn. Stat. § 429.061, subd. 2.](#)
[Minn. Stat. § 475.55, subd. 3.](#)
See Section II-G-3-a: *Council decides interest on special assessment.*

Although in most cases the special benefit test limits the percentage of the cost of the improvement that can be assessed, an election is required for bonds if less than 20 percent of the cost is to be assessed against the benefitted property. Put another way, if the city itself is to pay 80 percent or more of the cost through its general funds, the voters must approve the bond issue on the improvement project.

If some funding for an improvement project comes from county or federal sources, the application of the 20 percent is less clear. Consult the city attorney and bond counsel for specific legal advice on this question.

In a resolution authorizing a bond issue, the council must decide the bond maturity, denominations, interest rate, and form. The factors the council should consider in fixing such terms include the marketability of the bonds, the anticipated collection of the assessments, and the need for future bond issues under the comprehensive city plan and the capital improvement budget.

Before it can deliver the bonds or warrants to the purchaser, the council must levy a general tax for the payment of that portion of the cost not covered by the special assessment levies.

The council must make any tax levy for this purpose irrevocable for as long as the bonds or warrants are outstanding. While the council cannot repeal the levy until after all the principal and interest are paid, it may reduce the tax in any year if a surplus occurs in the sinking fund from which the city pays the improvement bonds.

A. Interest on improvement bonds

Bonds may carry any interest rate the council determines. In effect, the market determines the interest rate cities will pay on bonds.

B. Interest on special assessments

As noted previously special assessments may bear interest at any rate the council determines, unless the charter sets interest limits on the rates for assessments. In setting interest rates on assessments, the council should make sure there is a reasonable relationship between the assessment interest rate and the bond interest rate if the city issued bonds to finance the project. If the city finances the project with funds on hand without using bonds, the council will want to look at the interest rate the city would otherwise have earned on the funds.

RELEVANT LINKS:

[Minn. Stat. § 429.111.](#)
[A.G. Op. 59-B-14, \(June 26, 1956\).](#)
[Minn. Stat. § 429.021, subd. 3.](#)

See Section I-B: *The special benefit test.*

[Minn. Stat. § 429.101.](#)
See Section I-F-2: *Assessing unpaid special service charges.*

[Minn. Stat. § 429.031, subd.1\(f\).](#)
See Section II-D-1: *Voting requirements for ordering the improvement.*

[Minn. Stat. § 429.061, subd. 1.](#)
[Minn. Stat. § 429.021, subd. 3.](#)
See Section II-G-1: *Publish notice of assessment hearing.*

[Minn. Stat. § 429.021, subd. 3.](#)
See Section IV-C: *Deferred assessments.*

VIII. Charter cities

Generally, any city operating under a home rule charter may proceed either under Chapter 429 or under its charter in making an improvement, unless a home rule charter or amendment taking effect after April 17, 1953 provides for an improvement under Chapter 429 or the charter exclusively. If a city proceeds under its charter, the city council should consult the city attorney to ensure that the charter procedure complies with Chapter 429 where state law so requires. Some specific areas to consider are as follows:

A. Special benefit test

The special benefit rule applies to charter cities. Again, the special benefit rule requires that the amount of special assessments to a parcel of property cannot exceed the increase in market value of that property because of the improvement.

B. Assessing unpaid charges

The law specifically lists the special services that cities can specially assess if not paid by the property owner or occupant. Statutory cities cannot add to this list but charter cities may be able to add to it by charter amendment.

C. Voting requirements

If there is no petition for the local improvement, statutory city councils must adopt the resolution ordering an improvement with a “super-majority” vote. This means the council can only adopt the resolution by a four-fifths vote of all members of the council. If the mayor of a charter city has no vote or votes only in case of a tie, the mayor is not considered a member for the purpose of determining a four-fifths majority vote.

D. Notice of right to appeal

Even if the city follows charter procedures, state law requires that charter cities send the same notices of proposed assessments to inform property owners of the procedures they must follow under the charter in order to appeal the assessments to district court.

E. Deferrals

If the city offers deferments, notices of proposed assessments must tell property owners about deferments and how to procure them. Like statutory cities, charter cities may choose to offer deferrals to those who are 65 years of age or older or retired by virtue of a permanent and total disability.

RELEVANT LINKS:

[Minn. Stat. § 429.021, subd. 3.](#)

[Special Assessment Forms.](#)

F. Day labor

State law considers charter provisions as requiring that the council issue the contract for all or part of the work, or order all or part of the work done by day labor, no later than one year after the adoption of the resolution ordering such improvement—unless the council specifically states a different time limit in the resolution ordering the improvement.

IX. Forms

To the left is an electronic link to a checklist and sample forms that will help cities complete various steps in making special assessments for a local improvement under Chapter 429 of the Minnesota Statutes.

Meeting Date: 11/10/2015

Information

Title:

Discussion Regarding the Employee Sick Leave for Wellness Policy

Purpose/Background:

The purpose of this discussion is to seek the City Council's approval, by consensus this evening, to revise the City's current Sick Leave for Wellness Policy and bring it back at the next regular meeting for adoption.

In summary, the revisions sought would amend the current policy to include the optional limited use of one to three vacation days per year to help offset the cost of approved wellness activities or to increase deferred compensation savings for employees. This limited use of up to one to three vacation days would not be available to employees until their 6th, 12th and 18th anniversary. As shown on the attached draft policy, there are provisions within the policy limiting its use and ensuring a win-win outcome for both the City and its employees.

As the City Council will recall, this discussion started back in June. At that time, staff was directed to revisit this issue with the Labor Management Committee (LMC) to further refine the policy by removing language that was specific to an organization, such as Weight Watchers, and to more clearly identify the types of eligible wellness activities.

As background, the City Council is aware that the City has an active Labor Management Committee (LMC), which is made up of 4 management employees, 2 non-union employees, 3 AFSCME employees, 2 LELS employees, and 3 ex-officio members, and meets on a regular basis throughout the year. The Committee discusses issues that are relevant to all groups of City staff in an effort to ensure that the City's core values are upheld and organizational effectiveness is maximized. Organizational effectiveness and up-to-date workplace policies that foster employee satisfaction, physical wellness and financial wellness are important to the City and a good practice for all involved. Interestingly, employee friendly, alternative uses of vacation time (within established policies) are on the rise. This information is based on data obtained from the League of Minnesota Cities. Staff will be on hand to elaborate, if the City Council desires, during this discussion.

As a result, staff brought the policy back to the LMC for discussion and further revision. The Committee had an extensive discussion regarding the types of wellness activities that should be eligible for payment. The Committee was able to add clarity and additional detail to the list of eligible items. However, after much discussion, it was determined that the policy needed to retain language that provided for some flexibility in determining if certain activities would be eligible for payment, leaving the Human Resources Manager with some discretion to consider requests on a case-by-case basis. The Committee felt that it was impractical to list all possible eligible activities and attempting to do so would be inefficient. Therefore, the newly revised policy adds additional detail where practical, but leaves some discretion to the Human Resources Manager, in cooperation with the City Administrator. The Committee discussed the eligibility of exercise equipment and confirmed their desire to keep it in the policy as an eligible item. In addition, the current draft policy now identifies an appeals process for employees to follow in the event there is a denial by the Human Resources Manager; appeals will be reviewed by the City Administrator and his/her determination will be final.

Note: The scope of this current draft policy, if adopted, will cover non-union employees. It is anticipated that AFSCME will negotiate to amend the 2015-2016 contract, which contains the original Sick Leave for Wellness policy to exactly mirror the updated non-union policy. It is also anticipated that Law Enforcement Labor Services (LELS) will negotiate in an attempt to follow-suit as well; however, LELS does not currently have any such policy.

Timeframe:

Up to 15 minutes.

Funding Source:

It should be noted that this change would increase the budgeted line item for salary expense for the year; but it reduces the fund balance liability that is carried over at year end.

Responsible Party(ies):

Colleen Lasher, Human Resources Manager

Outcome:

For the City Council to consider revising the current Sick Leave for Wellness policy.

Attachments

[Vacation SickLeave for Wellness Final Draft](#)

[Current Sick Leave for Wellness Policy](#)

[WS Minutes 06-23-15](#)

Form Review**Inbox**

Kurt Ulrich

Form Started By: Colleen Lasher

Final Approval Date: 11/05/2015

Reviewed By

Kurt Ulrich

Date

11/05/2015 03:25 PM

Started On: 11/04/2015 11:00 AM



Vacation / Sick Leave for Wellness Policy

This policy offers employees who have been employed with the City for at least five (5) years of service an option to use vacation leave and sick leave pay for approved wellness activities or deferred compensation.

Vacation Leave

Vacation leave will be paid at 100% of employee's wages at the time the request for payment is made and will be available based on the employee's normal work schedule. Payment will only be paid for approved wellness activities or deferred compensation. Employees may use vacation leave for wellness upon and through the anniversary dates listed below; however, at no time will requests be considered that results in an accrued vacation leave balance of less than five (5) days. :

- | | | |
|----|--|-------------------|
| 1. | 6 th anniversary through the 11 th anniversary: | 8 hours per year |
| 2. | 12 th anniversary through the 17 th anniversary: | 16 hours per year |
| 3. | 18 th anniversary and beyond: | 24 hours per year |

Sick Leave

Employees who have been employed with the city of Ramsey for at least five (5) years and who have accrued a minimum sick leave balance of 300 hours will be allowed to use up to 24 hours of sick leave annually for payment for approved wellness activities or deferred compensation.

Sick leave used for wellness activities will be paid according to the City's sick leave severance policy based on the employee's years of service and wage at the time the request for payment is made. The City's sick leave severance policy at the time of this writing is as follows: 33% after five years of service; 35% after 15 years of service; 37% after 20 years of service; and 40% after 25 years of service. Once the benefit is received it is non-reversible and the employee's sick leave accrual will be reduced by the number of hours claimed and/or approved.

Vacation / Sick Leave Calculations

The number of eligible vacation leave hours is limited to either 8, 16, or 24 hours per year, as listed above. Sick leave is limited to a maximum of 24 hours subject to the severance policy. For example, an employee with six (6) years of service with the City may use eight (8) hours of vacation leave per year, plus up to 24 hours of sick leave at their current percent of severance (33% in this case) subject to the terms described in the Sick Leave section above. It is important for employees to be aware that the use of sick leave under this policy reduces the accrued balance by 100% (up to 24 hours); yet the actual payment is reduced based on the current percentage listed in the severance policy.

Eligible Wellness-Related Activities

Eligible vacation and/or sick leave for wellness activities include, but may not be limited to the following activities which are designed to improve health:

- a. Individual employee memberships in approved health clubs and/or a sum equal to an individual membership for those employees holding family memberships which include the employee. An approved health club would be one that provides facilities for aerobic and strength training activities.
- b. Complementary health approaches

- c. Classes on weight loss and nutrition
- d. Smoking cessation programs
- e. Stress management classes
- f. Regular (meaning at least once a week) fitness activities resulting in aerobic benefit
- g. Fitness/exercise equipment (stationary bike, treadmill, stair stepper, rowing machine, ice/inline skates & skis, etc.)

The following activities are not eligible for payment:

- a. Any clothing costs, competitive registration fees or costs for food will not qualify for payment.
- b. Membership fees for clubs that are primarily social in nature.
- c. Accessory items (e.g., book holders, water bottles/holders, bike racks), assembly charges, shipping fees and maintenance contracts.

Advisory Statement

Employees are advised to have a physical examination by their physician if they are beginning a new program of physical activity. Employees may not participate in any Vacation Leave and/or Sick Leave for Wellness eligible program on City time. Sports, activities and equipment not listed will be evaluated on a case-by-case basis by Human Resources, in cooperation with the City Administrator.

Approved Deferred Compensation Contributions

Eligible employees will be allowed to convert accumulated vacation leave / sick leave to deferred compensation deposits. Deposits in combination with all other payments to deferred compensation accounts are subject to maximum deferral regulations. Vacation leave used for deferred compensation contributions will be paid at 100% of employees' wage at the time the request for payment is made. Accumulated sick leave used for deferred compensation contributions will be paid according to the City's sick leave severance policy based on the employee's years of service and wage at the time that the contribution to deferred compensation is requested. Requests for contributions under this section must be submitted to Human Resources by November 15. Contributions will be made to deferred compensation plans via payroll deduction in December, pre-tax. Employees who are in the process of terminating employment are not eligible for payments under this program. All requests for payment under this program must be approved by Human Resources.

Income Taxes and Effect to Leave Accruals

Payments other than to deferred compensation will be taxable income to the employee and subject to all applicable taxation requirements. Leave accruals will be reduced at 100 percent of the requested amount for both vacation leave and sick leave.

Required Documentation

Requests for using vacation leave and/or sick leave for wellness related activities will be accepted once annually, from November 1-15. Such requests will be processed in December, unless otherwise indicated. An activity for which payment is requested must have occurred in the same calendar year in which the request for payment is made. All claims shall be submitted to Human Resources via a Vacation Leave / Sick Leave for Wellness Request Form accompanied by proper documentation for each activity.

Appeals Process

Requests not approved by the Human Resources Manager may be appealed to the City Administrator for re-consideration. The City Administrator's decision will be final.

Scope

This policy applies to non-union employees. Employees represented by the American Federation of State, County and Municipal Employees (AFSCME) and Law Enforcement Labor Services (LELS) shall adhere to the applicable labor agreement language.

6.2 Sick Leave

Sick Leave for Wellness (Non-union and AFSCME Employees Only)

Use of Sick Leave for Wellness Activities: Employees who have been employed with the city of Ramsey for at least five (5) years and who have accrued a minimum sick leave balance of 300 hours will be allowed to use up to 24 hours of sick leave annually for cash payment for approved wellness activities, described below.

Sick leave used for wellness activities will be paid according to the City's sick leave severance schedule based on the employee's years of service and wage at the time the request for payment is made. The City's severance schedule at the time of this writing is as follows: 33% after five years of service; 35% after 15 years of service; 37% after 20 years of service; and 40% after 25 years of service. Once the benefit is received it is non-reversible and the employee's sick leave accrual will be reduced by the number of hours claimed and/or approved.

Income Taxes and Effect to Sick Leave Accruals

Payments other than to deferred compensation will be taxable income to the employee and subject to all applicable taxation requirements.

Required Documentation

Requests for using sick leave for wellness activities will be accepted twice annually, from June 1-15 and December 1-15. Such requests will be processed in July and December, respectively, unless otherwise indicated. An activity for which payment is requested must have occurred in the same calendar year in which the request for payment is made. All claims shall be submitted to Human Resources via a Sick Leave for Wellness Request Form accompanied by proper documentation for each activity.

Approved Medical and Dental Expenses

Sick leave may be used to pay employees for the employee's medical and dental expenses not covered by the City's insurance plans. Accumulated sick leave used for this purpose will be paid according to the City's sick leave severance schedule based on the employee's years of service and wage at the time the request for payment is made. To receive the payment, the employee will fill out a Sick Leave for Wellness Request Form and submit proof of the expense to Human Resources.

Approved Wellness-Related Activities

- a. Individual employee memberships in approved health clubs and/or a sum equal to an individual membership for those employees holding family memberships which include the employee. An approved health club would be one that provides facilities for aerobic and strength training activities.

- b. Programs designed to improve health such as classes on weight loss, smoking cessation or stress management are also allowed. This includes jazzercise, exercise classes, learning to eat, and weight watchers.
- c. Regular (meaning at least once a week) fitness activities resulting in a moderate to high aerobic benefit and their fees and memberships will also be eligible for payment. This includes activities such as singles tennis, racquetball, handball, court fees associated with these sports, basketball, exercise classes, hockey, soccer, martial arts training, skating, cross country skiing and gymnastics.
- d. Fitness/exercise equipment (e.g., stationary bikes, treadmill, stair stepper, rowing machine, ice/inline skates, skis)

The following activities are not eligible for payment:

- a. Activities and equipment with a relatively low aerobic benefit, such as bowling, golf, dancing, horseback riding, archery, and baseball/softball. Also excluded are whirlpools, saunas, and massage therapy.
- b. Any clothing costs, competitive registration fees or costs for food will not qualify for payment.
- c. Membership fees for clubs that are primarily social in nature (i.e., country clubs, golf/tennis clubs).
- d. Accessory items (e.g., book holders, water bottles/holders, bike racks), assembly charges, shipping fees and maintenance contracts.

Employees are advised to have a physical examination by their physician if they are beginning a new program of physical activity. Employee may not participate in any Sick Leave for Wellness eligible program on City time. Sports, activities and equipment not listed will be evaluated on a case by case basis by Human Resources.

Approved Deferred Compensation Contributions

Eligible employees will be allowed to convert accumulated sick leave to deferred compensation deposits. Deposits in combination with all other payments to the deferred compensation accounts are subject to maximum deferral regulations. Accumulated sick leave used for deferred compensation contributions will be paid according to the City's sick leave severance schedule based on the employee's years of service and wage at the time that the contribution to deferred compensation is requested. Requests for contributions under this section must be submitted to Human Resources by December 15. Contributions will be made to deferred compensation plans via payroll deduction in December pre-tax. Requests for contributions under this section must be submitted to Human Resources by December 31. Contributions will be made to deferred compensation plans via payroll deduction in January of the following year and will not be taxable.

Employees who are in the process of terminating employment are not eligible for payments under this program. All requests for payment under this program must be approved by Human Resources

**CITY COUNCIL WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Tuesday, June 23, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen (arrived at 5:37 p.m.)
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Melody Shryock
Councilmember Kristine Williams

Also Present: City Administrator Kurtis Ulrich
Police Chief Jeff Katers
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Human Resources Manager Colleen Lasher
Community Development Director Timothy Gladhill
City Engineer Bruce Westby
Asst. City Administrator/Economic Development Manager Patrick Brama
City Attorney Joe Langel

1. CALL TO ORDER

Acting Mayor LeTourneau called the City Council Work Session to order at 5:36 p.m.

2. TOPICS FOR DISCUSSION

2.01: Discussion Regarding the Crime Prevention Specialist Position in the Police Department

Mayor Strommen arrived at 5:37 p.m.

Police Chief Katers reviewed the staff report.

Human Resources Manager Lasher stated that another benefit to filling the position with a sworn officer would be that the employee could fill gaps when other officers are sick or on leave.

Councilmember Kuzma stated that there had been a non-sworn officer filling the position and questioned how that was working.

Police Chief Katers replied that it is currently working and necessary files are passed on to a sworn officer.

Councilmember Riley stated that the position is temporarily being filled with a sworn officer and did not think that makes sense for the short or long term. He likened it to hiring a doctor for a nurse's position.

Mayor Strommen stated that the question is really what the City wants out of the position. She agreed that as the position currently exists it would be unnecessary to hire a sworn officer but explained that if the position were to be redesigned it could not only handle the current duties but also provide maximum efficiency and additional flexibility for the department.

Councilmember Kuzma stated that he agrees with Councilmember Riley and noted that there are additional costs with improvements and the fire station construction and would agree that perhaps this could be an area where additional funds would not be spent. He also acknowledged overtime hours in the police department and agreed that this position could provide flexibility and assist in avoiding some overtime costs.

Police Chief Katers stated that having a sworn officer in this position would provide flexibility in staffing for the police department.

City Administrator Ulrich stated that this position was created 15 years ago and the discussion at that time most likely focused on the fact that this position could handle non-sworn duties for the department. He stated that the person leaving the position was at the top of the pay scale and noted that this does present an opportunity to hire a sworn officer at a lesser cost. He stated that filling the position would provide another officer and would provide flexibility to the police department while the department would still remain under budget. He stated that this vacancy is an opportunity to re-evaluate the needs of the position and the department.

Police Chief Katers stated that the position has changed in the past 15 years, including the amount of services provided, and will continue to evolve over time. He stated that other municipalities have moved towards hiring a sworn officer for the position in order to provide continuity, among other benefits.

Councilmember Kuzma referenced the proposed 2016 budget information that reflected an additional \$12,000 and questioned if that would be balanced or whether that would be an overage.

Police Chief Katers explained that there would actually be a cost savings in the first year hiring a new officer compared to the current salary of the position.

Councilmember Riley questioned how likely it would be that the City would be able to hire someone for this desk job that would be able to transition to patrol.

Police Chief Katers stated that he would want someone with prior street experience to fill the position that way they could easily transition between the two duties.

Councilmember LeTourneau referenced the amount of time the fire department puts into their fire prevention and education services and stated that he could see this position evolving into a larger scale as well. He stated that he could support putting a sworn officer into the position but would like to see the three to five year plan for the position.

Councilmember Shryock agreed that it would be helpful to have additional information on how the position will be molded over time. She stated that perhaps the decision could be made at that time.

Mayor Strommen stated that she would want to know the type of pressure the police department would face if that decision to fill the position is delayed. She stated that the department runs lean as it is and she would like to see the sworn officer filling the position, as it would provide flexibility as that employee could “wear multiple hats”. She agreed that a longer term plan could be developed for discussion but did not think that the decision would need to be delayed.

Police Chief Katers explained that the hiring process does take time, noting that if the posting process begins in July that person would probably not be hired until December. He stated that in the meantime he had to pull an officer from patrol to temporarily fill the position. He stated that it would be important to have that additional flexibility because it is a small department. He believed that any additional opportunities that can be created in the department would be beneficial for those employees interested in a lateral position change.

Councilmember Shryock stated that she would agree with filling the position with a sworn officer but questioned if the job position had been updated appropriately to describe the full scope of job duties. She stated that perhaps the decision could be delayed until the next Council meeting when the job duties could be better defined in order to accurately describe the position.

Police Chief Katers stated that he would recommend that the position to be posted would be for a police officer patrol position. He explained that a current patrol officer could then be moved laterally into this position.

Councilmember Riley questioned if the officer chosen for the position would also be pulled for patrol duties.

Police Chief Katers replied that this would be a rotating position and confirmed that the officer could also provide patrol duties. He stated the feedback he has received is that officers do not want to be stagnant in one position or shift time for too long and that is why there are some rotating positions, such as an investigation position in the department. He explained that this position would actually become a rotating community resource position.

City Administrator Ulrich agreed that there would be a benefit to providing this opportunity within a small department, which would allow officers to try a different way to serve the community.

Councilmember LeTourneau noted that a benefit to having a rotating position is that you are providing a new set of eyes to the position as well.

Human Resources Manager Lasher added that she has received input from multiple channels that the department believed that this position should be filled with a sworn officer. She referenced the 2016 position that will be hired for the department and noted that she could post this position at the same time in order to have a dual recruitment, which would provide a cost savings.

The consensus of the Council was to authorize staff to hire a sworn officer to fill the position.

2.02: Discussion Regarding the Employee Sick Leave for Wellness Policy

Human Resources Manager Lasher reviewed the staff report.

City Administrator Ulrich clarified that the City has a sick leave for wellness policy and this would simply be an amendment to include vacation for eligible employees. He stated that there have not been a lot of employees who have taken advantage of the sick leave conversion.

Councilmember Kuzma noted that he thought that the contracts were already in place.

Human Resources Manager Lasher reviewed the contracts, which have been agreed upon and noted that this would be included as a memorandum of understanding.

Councilmember Riley stated that this time is meant to allow employees time away from work and believes that it should be used for that purpose.

Councilmember LeTourneau stated that it appears this update would be made more current to match what is being offered in the marketplace today. He questioned what kind of impact this would have on the budget.

Human Resources Manager Lasher provided a statement of clarification she received from Finance Director Lund who commented that this would be a good thing for the budget.

Mayor Strommen stated that she agrees with the statement that vacation time should be used for vacation but noted that the ultimate purpose of the benefit is to increase productivity and agreed that wellness activity could serve the same purpose.

Councilmember Riley stated that there were items in the policy he believes should be reviewed including a reference to Weight Watchers, as he believed that should be generalized as a weight loss program; he did not think purchasing a piece of equipment should be allowed; and he noted that "other expenses can be reimbursed as approved by human resources" seems very subjective.

Human Resources Manager Lasher stated that she will be meeting with the Labor Management Committee the following week and could discuss those suggestions at that time.

Councilmember Kuzma stated that this seems low risk and high reward in terms of employee morale.

The consensus of the Council was to direct staff to review the discussed amendments with the Labor Management Committee.

2.03: Consideration of Scope of Timing for Sunwood Drive Roundabout Landscaping Improvements

City Engineer Westby reviewed the staff report.

Councilmember Shryock stated that she has been thinking about this for the past few weeks and had considered a veteran's memorial for this location because of the amount of space available. She stated that there could be an opportunity for the City to create an RFP, which would allow local artists to create a project that represents the City.

Councilmember Kuzma stated that he would be fine with grass, as long as it is adequately mowed. He stated that his concern is regarding the area around that and the long-term development plan for that area.

Councilmember Williams agreed that grass would be adequate for the time being and the decision could be made in the future when there is a lovely development in that area.

City Administrator Ulrich stated that the City will be resurrecting the study to look at that site in order to determine what would be needed to bring the site to a development standard.

Councilmember Riley questioned if the old city hall could be moved to that location.

Mayor Strommen agreed that timing would need to be considered, specifically when the time would be appropriate to do something in that area. She agreed that the decision is not urgent at this time.

Councilmember LeTourneau stated that he likes the idea of timing the roundabout landscaping with the development but noted that the current situation is not adequate. He stated that people looking at that site would see an unimproved element and believed that it would be appropriate to have a low cost alternative in the interim. He stated that the garden club could install flowers or staff could install interim landscaping in order to add aesthetic value at a low cost.

Parks and Assistant Public Works Superintendent Riverblood provided input and stated that the City should be mindful not to spend \$4,000 installing something that will be taken out in another four years. He also thought the City should be mindful to avoid bringing in additional pedestrian traffic, noting that an artistic element could draw pedestrians, which could be a safety element.

The consensus of the Council was to direct staff to prepare a list of interim options while the Council continues to discuss long-term landscaping for the roundabout.

3. TOPICS FOR FUTURE DISCUSSION

Councilmember Kuzma stated that he would like to follow up on the traffic, noise and speed along Armstrong.

Councilmember Riley stated that in the past there was a work session calendar, or list of future agenda discussion items, and asked if something of that nature could be developed.

Mayor Strommen stated that staff does have a list of that nature and could bring that to the next work session for Council review.

4. MAYOR / COUNCIL / STAFF INPUT

City Administrator Ulrich provided a flyer regarding an upcoming legislative visit to Ramsey and asked that available Councilmembers respond for planning purposes.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:51 p.m.

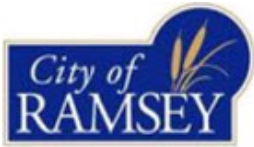
Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.



Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

CC Work Session

3.1.

Meeting Date: 11/10/2015

By: Jo Thieling, Administrative Services

Information

Title:

Review Future Topics/Calendar

Purpose/Background:

Attached is the current list of future topics for work session discussion. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan. Dates will be assigned in the future.

Recommendation:

N/A

Action:

For Council review - no formal action necessary.

Attachments

Future Topics

Form Review

Inbox

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 11/04/2015

Reviewed By

Kurt Ulrich

Date

11/04/2015 04:24 PM

Started On: 11/04/2015 11:57 AM

City Council Future Topics – Work Session
(Draft)

Date	Topic for Discussion – Council Action
November 24	1. City Administrator Performance Evaluation (<i>Closed</i>) – <i>Colleen</i>
November 24	2. Review 2016 – 2020 CIP
November 24	3. Review Status of City Financial Funds
Future	Review Hunting Ordinance (<i>Katers</i>)
December	Towing Contract Discussion (<i>Katers</i>)
December	Discuss Alcohol in City Parks (<i>Katers/Thieling/Langel</i>)
Date	Topic for Discussion – Regulatory
Future	Commercial Signage Standards and Community Sign Plan(<i>Gladhill</i>)
Future	Discuss Potential Update to Property Maintenance Code (Maintenance of Buildings and Structures) (<i>Gladhill</i>)
Future	Rental Licensing (<i>Gladhill</i>)
Future	Review Comprehensive Plan for Long-Term Water Supply (<i>Westby</i>)
Date	Topic for Discussion – Policy
Future	Public Facilities Naming Policy (<i>Riverblood</i>)
Future	Trail Maintenance Policy (<i>Westby</i>)
Future	Stormwater Pond Maintenance Policy (<i>Westby</i>)
Future	Grading Permit Policy (<i>Westby</i>)
Future	Discuss Amending City Fund Ordinance (<i>Lund</i>)
Future	Policy for City Advertising – sign – website . . . (<i>Ulrich</i>)
Future	Social Media/Facebook Policy (<i>Ulrich/Wenberg</i>)
December	Review Program for Citizen Recognition and Identify Opportunities for Community Volunteer Work (<i>Ulrich</i>)
Date	Topic for Discussion – Planning and Budget
January 26/2016	Review Summary of Compensation Plan for Employees (<i>Lasher</i>)
Future	Review DRAFT Space Needs Analysis for the Future Public Works Campus (<i>Brama</i>)
Date	Topic for Discussion – Information
Future/January	Review Safety Procedures for Council Chambers (<i>Katers/Kapler</i>)
Future	New Squad Camera Review/Demo (<i>Katers</i>)