

FAIRMONT CITY COUNCIL AGENDA

1. CALL TO ORDER -

- Regular meeting of the Fairmont City Council held on

MONDAY, DECEMBER 11, 2017

at **6:00 p.m.** in the City Hall Council Chambers

2. ROLL CALL -

Mayor Foster

Councilors:

Cyphers

Hawkins

Hasek

Peters

Zarling

3. DETERMINATION OF QUORUM -

4. PLEDGE OF ALLEGIANCE

5. APPROVAL OF AGENDA

6. READINGS OF MINUTES -

6.1 Minutes of Regular Meeting, November 27, 2017

(01-02)

7. OPEN DISCUSSION

8. RECOGNITIONS/PRESENTATIONS -

8.1 Proclaim January 3, 2018 as Joe Schmit Silent Impact Day

(03)

8.1a Proclamation

(04)

9.	SCHEDULED HEARINGS –	
10.	ADMINISTRATIVE APPEALS –	
11.	FINANCIAL REPORTS –	
12.	REPORTS OF BOARDS, COMMITTEES, AND DEPARTMENT HEADS –	
13.	LICENSES AND PERMITS –	
13.1	2018 Miscellaneous License Renewals	(05)
13.1a	List of 2018 Miscellaneous License Renewals	(06)
14.	OLD BUSINESS –	
15.	NEW BUSINESS –	
15.1	Call for a Public Hearing on Proposed Ordinance 2017-09	(07)
15.1a	Memo from Mike Humpal, CEcD, City Administrator	(08-09)
15.1b	Map	(10)
15.1c	Hearing Notice	(11)
15.1d	Proposed Ordinance 2017-09	(12-13)
15.2	Payable 2018 Property Tax Levy	(14)
15.2a	Resolution No. 2017-41	(15)
15.2b	Proposed Property Tax	(16-17)
15.2c	Memorandum from Paul Hoye – 2018 Proposed Budget	(18-19)
15.3	2018 Budget	(20)
15.3a	Resolution No. 2017-42	(21)
15.3b	Budget 2018	(22-33)

15.4	Proprietary Fund Budgets	(34)
	15.4a Resolution No. 2017-43	(35)
	15.4b Budget Documents	(36-38)
15.5	MNDOT Delegated Contracting Process (DCP) Agreement	(39)
	15.5a Agreement No. 1029945	(40-52)
	15.5b Resolution 2017-44	(53)
15.6	Naming of “Joe Burns Trail”	(54)
	15.6a Resolution No. 2017-41	(55)
15.7	Adopt City Personnel Policy	(56)

16. REGULAR AND LIQUOR DISPENSARY BILLS –

17. STATUS REPORTS/COUNCIL/STAFF INFORMATION

18. ADJOURNMENT –

ADDITIONAL ATTACHMENTS – (57-58)

Park Board Minutes, November 21, 2017
 Airport Advisory Board Minutes, November 14, 2017

The minutes of the Fairmont City Council meeting held on Monday, November 27, 2017 at the City Hall Council Chambers.

Mayor Deborah Foster called the meeting to order at 5:30 p.m.

Mayor Deborah Foster, Council Members Ruth Cyphers, Wayne Hasek, Bruce Peters and Jim Zarling were present. Council Member Tom Hawkins was absent. Also in attendance: City Administrator Mike Humpal, Public Works Director/City Engineer Troy Nemmers, Finance Director Paul Hoye, City Attorney Elizabeth W. Bloomquist, City Clerk Patricia Monsen and Chief of Police Mike Hunter.

It was moved by Council Member Peters to approve the agenda with revised 15.3 control sheet. Council Member Cyphers seconded the motion and the motion carried.

It was moved by Council Member Hasek, seconded by Council Member Zarling and carried to approve the minutes of the regular City Council meeting of November 13, 2017.

During open discussion, Chief Hunter introduced part-time Patrol Officers Dayton Asmus and Andrew Kuester. City Clerk Monsen gave them their Oaths of Office.

Dave Geschwind, CEO and Executive Director for Southern Minnesota Municipal Power Agency (SMMPA) gave a presentation on the organization.

Mayor Foster proclaimed the City of Fairmont supportive of Toward Zero Deaths Program.

Council Member Peters made a motion to adopt **Resolution 2017-40**, allowing the Fairmont Youth Hockey Association to apply to the State of Minnesota Gambling Enforcement Division for a Premises Permit to conduct charitable gambling at Jessie's Smokehouse, LLC located at 1500 Albion Avenue. Council Member Hasek seconded the motion. On roll call: Council Members Zarling, Cyphers, Hasek and Peters all voted aye. No one voted nay. Mayor Foster declared said motion passed.

Council Member Zarling made a motion to confirm that the City of Fairmont does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. Council Member Cyphers seconded the motion and the motion carried.

Council Member Cyphers made a motion to authorize the Mayor to sign and staff to submit the FAA airport grant pre-application for the design of a new hangar at the Fairmont Municipal Airport. Council Member Peters seconded the motion and the motion carried.

Council Member Zarling made a motion to approve employment agreements with IBEW, AFSCME and non-represented employees calling for cost of living increases of 3% in 2018, 3.25% in 2019 and 3.5% in 2020. Council Member Cyphers seconded the motion and the motion carried.

Council Member Zarling made a motion to approve the sell back of 40 hours of vacation by the City Administrator. Council Member Hasek seconded the motion and the motion carried.

Council Member Peters made a motion to approve the payment of the November, 2017 bills in the amount of \$1,567,442.48. Council Member Zarling seconded the motion and the motion carried.

Humpal announced that the City was successful in acquiring eight vacant properties, which have become eye sores in the community. The City is in the process of having asbestos inspections done and five properties will be put out for demolition bids in the near future. Mayor Foster thanked City Staff for getting this process going.

Council Member Cyphers thanked the council for supporting the airport.

A motion was made by Council Member Zarling, seconded by Council Member Cyphers and carried to adjourn the meeting at 6:16 p.m.

Deborah J. Foster
Mayor

ATTEST:

Patricia J. Monsen, City Clerk

MEETING DATE: December 11, 2017

SUBJECT: Proclaim January 3, 2018 as Joe Schmit Silent Impact Day

REVIEWED BY: Mike Humpal, CEcD, City Administrator

SUBJECT INITIATION BY:

<input checked="" type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Mike Humpal, CEcD, City Administrator

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON:

TYPE OF ACTION:

<input type="checkbox"/>	Motion (Voice Vote)	<input type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input checked="" type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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<input type="checkbox"/>	Issuance	<input type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input checked="" type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: Mayor Deborah J. Foster will proclaim January 3, 2018 as Joe Schmit Silent Impact Day in the City of Fairmont

MOTION:

VOTE REQUIRED:

ATTACHMENTS:

1. Proclamation
- 2.
- 3.

Council Action: _____ Date: _____



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org

Phone (507) 238-9461

Fax (507) 238-9469

PROCLAMATION

WHEREAS, Joe Schmit, an author, award-winning broadcaster, community leader and inspiring keynote speaker is coming to Martin County on January 3, 2018, and;

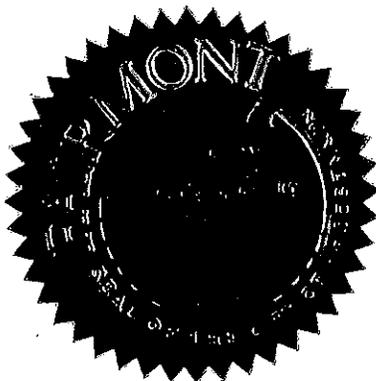
WHEREAS, the students of Martin County will have the privilege to be inspired by Joe Schmit, as he speaks to them at their schools, and;

WHEREAS, the families of Martin County will have the opportunity to be inspired to recognize our daily life influences on others around us, by the words we say or don't say, and the things we do, by Joe Schmit, as he speaks to our hearts in a free community event at the Performing Arts Center at the Fairmont Jr/Sr High School.

NOW THEREFORE, I, Deborah J. Foster, by virtue of the authority vested in me, as Mayor of the City of Fairmont, do hereby welcome Joe Schmit to Martin County and proclaim January 3, 2018, as:

Joe Schmit Silent Impact Day

in the City of Fairmont.




Deborah J. Foster, Mayor
City of Fairmont

MEETING DATE: December 11, 2017

SUBJECT: 2018 Miscellaneous Licenses

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Mike Humpal, CEcD, City Administrator

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: None

TYPE OF ACTION:

<input checked="" type="checkbox"/>	Motion (Voice Vote)	<input type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: The 2017 Cigarette, Refuse Hauling, Theater and Taxi Licenses expire on December 31, 2017. Applications for renewal of licenses and fees have been received from the applicants on the attached list.

MOTION: To approve the 2018 renewals for Cigarette, Refuse Hauling, Theater and Taxi Licenses.

VOTE REQUIRED: Simple majority

ATTACHMENTS:

1. List of 2018 Miscellaneous License Renewals
2. _____
3. _____

Council Action: _____ Date: _____

2018 MISCELLANEOUS LICENSE RENEWALS

Cigarette Licenses

Casey's General Store
Fareway Store
Fairmont Shell
Smokey Tobacco Shop, Inc.
Freedom Valu Center
Hy-Vee
Hy-Vee C-Store
Kwik Trip, Inc.
Poppe Oil Company
Shenanigan's Cheer and Chow
Super America
Super America II
Walgreens
Wal-Mart

Refuse Hauling Licenses

Hometown Sanitation
LJP Enterprises
Waste Management
Chamness Technology, Inc., d/b/a Green RU
B & B Sanitation & Recycling, LLC

Taxi License

Dahmon K. Gullord

Theater License

Fairmont Theatre

MEETING DATE: December 11, 2017

SUBJECT: Call for a Public Hearing on proposed Ordinance 2017-09

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Mike Humpal, CEcD, City Administrator

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON:

TYPE OF ACTION:

<input checked="" type="checkbox"/>	Motion (Voice Vote)	<input type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input checked="" type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENDED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: Joseph and Christina Thate of 1228 North Elm Street have made an offer of \$1,000.00 to purchase the empty lot at 1218 North Elm Street. The City acquired this property as a tax forfeiture. The City razed the house on this lot and has been mowing and maintaining the sidewalks.

MOTION: To schedule a public hearing on proposed Ordinance 2017-09 for January 8, 2018 at 5:30 p.m. in the City Hall Council Chambers.

VOTE REQUIRED: Simple majority

ATTACHMENTS:

1. Memo from Mike Humpal, CEcD, City Administrator
2. Map
3. Hearing Notice
4. Proposed Ordinance 2017-09

Council Action: _____ Date: _____



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org + citygov@fairmont.org

Phone (507)238-9461

Fax (507)238-9469

MEMO

DATE: November 29, 2017
TO: Mayor and City Council
FROM: Mike Humpal, CEcD, City Administrator
RE: Lot Sale – 1218 North Elm Street

City Staff received the attached letter concerning the purchase of a vacant lot at 1218 North Elm Street. In 2015 the City acquired a dilapidated house at 1218 North Elm through tax forfeiture from the State of Minnesota. The house was later razed. The city has been mowing and taking care of the sidewalks. The city easily spends \$1,000.00 a year having the property mowed. Mr. and Mrs. Thate would like to place a garage or storage structure on the property at some point in support of the four-plex they own. The lot is small 47 ft. x 150 ft. The adjacent property owner can put the property to its highest and best use.

Staff recommends selling the lot for \$1,000.00 to Mr. and Mrs. Joe Thate.

DATE 11-21-17

City of Fairmont

My wife and I own the 1228
N. Elm St, which is a four plex.

We are interested in buying the
adjoining property at 1218 N Elm.

That property is vacant and
could be used and maintained
by the occupants at 1228.

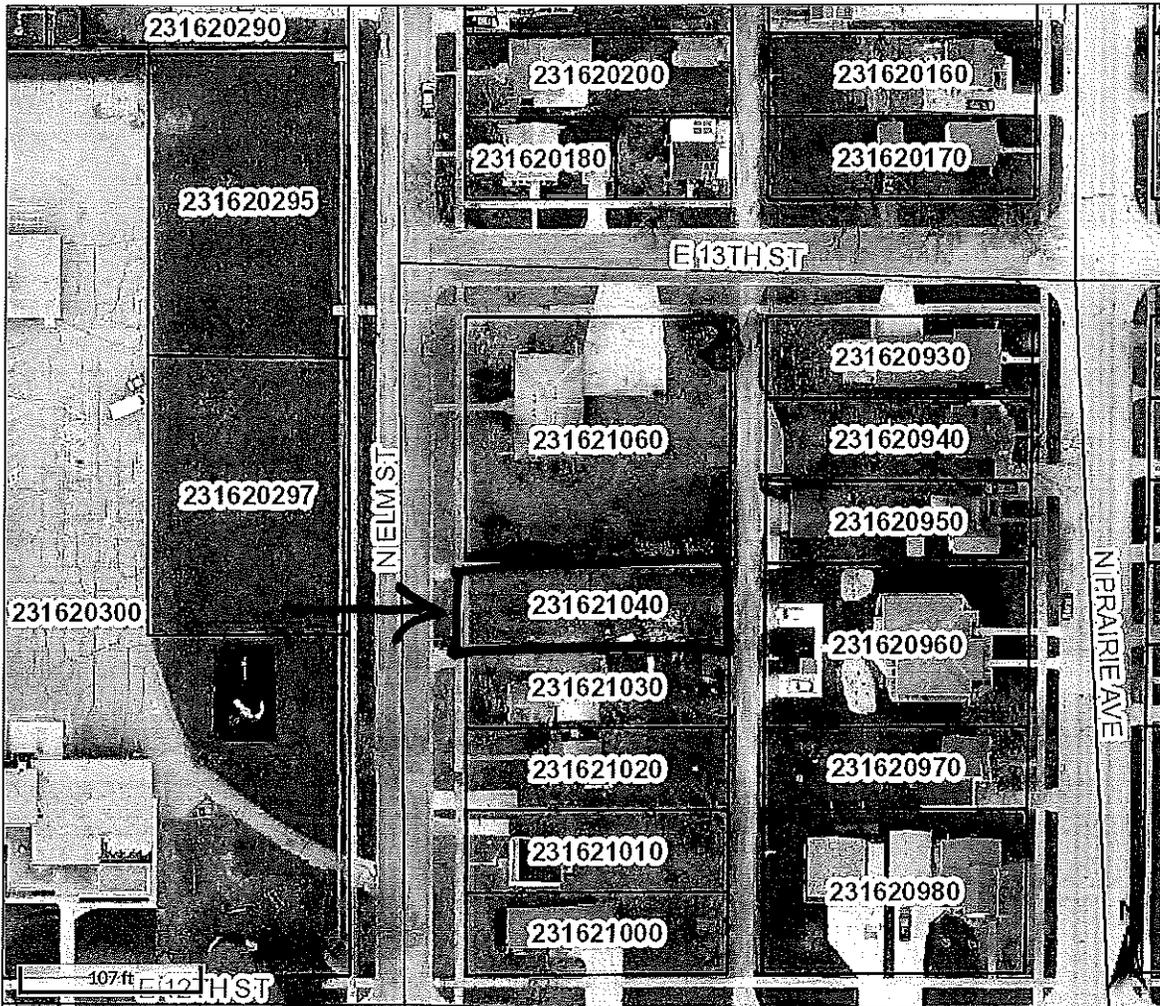
We would be willing to purchase
the property for \$1000⁰⁰.

Thank you for your consideration.

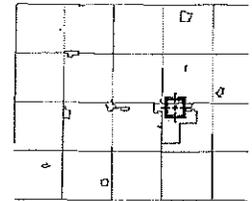
Sincerely,

Joseph and Christina Thate

Joseph Thate
Christina Thate



Overview



Legend

- Parcels
- MobileHomes
- Road Centerlines
- Corporate Limits
- Political Township

Parcel ID	231621040	Alternate ID	n/a	Owner Address	FAIRMONT, CITY OF
Sec/Twp/Rng	--	Class	958 - MUNICIPAL PUBLIC SERVICE-OTHER		100 DOWNTOWN PLAZA
Property Address	1218 ELM ST N	Acreage	n/a		FAIRMONT, MN 56031
	FAIRMONT			Note	n/a
District	FAIRMONT CTY-454				
Brief Tax Description	LAKE GEORGE Lot-013 Block-010				
	(Note: Not to be used on legal documents)				

Date created: 11/21/2017
 Last Data Uploaded: 11/21/2017 7:38:15 AM

 Developed by
 The Schneider Corporation



PUBLIC HEARING NOTICE

YOUR ATTENTION is called by the Fairmont City Council to a public hearing to be held on **January 8, 2018 at 5:30 p.m. at the Fairmont City Hall Council Chambers, 100 Downtown Plaza, in the City of Fairmont** to take public input on the:

Request to purchase property owned by the City of Fairmont:

Legal description: Lot Thirteen, Block Ten, in Lake George Addition to the City of Fairmont, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County and State.

Physical description: 1228 North Elm Street

All persons interested are invited to attend the public hearing to offer their comments related to the purchase of this City-owned parcel. Written comments can also be submitted to Patricia J. Monsen, City Clerk, Fairmont City Hall, 100 Downtown Plaza, Fairmont, MN 56031.

/s/ Patricia J. Monsen
City Clerk

ORDINANCE NO. 2017-09

ORDINANCE TO SELL REAL PROPERTY

WHEREAS, the City of Fairmont is the owner of real estate located at 1218 North Elm Street, Fairmont, Martin County, Minnesota, and;

WHEREAS, said real property is legally described as:

Lot Thirteen, Block Ten, in Lake George Addition to the City of Fairmont, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County and State.

and;

WHEREAS, City staff was approached by Joseph and Christina Thate with a request to purchase the vacant property described above for \$1,000.00, and;

WHEREAS, the City obtained title to the above described real property so that it could demolish a blighted building located thereon, and;

WHEREAS, the blighted building has been demolished and the City does not have any plans to develop the described real property, and;

WHEREAS, it would be in the City's best interest to have the real property placed back on the tax rolls by transferring it into a private ownership, and;

WHEREAS, the Fairmont City Council, after holding a public hearing, determined that it is in the best interest of the City of Fairmont to transfer the above described real estate to Joseph and Christina Thate.

NOW THEREFORE, it is hereby ordained by the Fairmont City Council as follows:

1. The real property described above will be transferred from the City of Fairmont to Joseph and Christina Thate for the sum of \$1,000.00.
2. Joseph and Christina Thate pay all costs associated with the transfer of the real estate and joining it to her real property at 1218 North Elm Street.
3. The Mayor and the City Clerk are authorized to sign any and all documents necessary to transfer the real property described above.

PASSED, APPROVED AND ADOPTED, this 8th day of January 2018.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk

1st Reading: December 11, 2017

2nd Reading: January 8, 2018

Motion by:

Seconded by:

All in favor:

Opposed:

Abstained:

Absent:

CITY OF FAIRMONT----AGENDA CONTROL SHEET----AGENDA ITEM NO. 15.2

MEETING DATE: December 11, 2017

SUBJECT: Payable 2018 Property Tax Levy

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Paul Hoye, Finance Director

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: None

TYPE OF ACTION:

<input type="checkbox"/>	Motion (Voice Vote)	<input checked="" type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: Truth-in-Taxation legislation requires the Council to adopt the final tax levy to be certified to the County Auditor. Resolution No. 2017-41 is presented for Council consideration. The Council may reduce the levy at this meeting, but it cannot be increased.

MOTION: To adopt Resolution No. 2017-41, adopting the 2018 Property Tax Levy and ordering its certification to the Martin County Auditor by December 29, 2017.

VOTE REQUIRED: Simple majority – Roll call

ATTACHMENTS:

1. Resolution No. 2017-41
2. Proposed Property Tax
3. Memorandum from Paul Hoye – 2018 Proposed Budget

Council Action: _____ Date: _____

RESOLUTION NO. 2017-41

STATE OF MINNESOTA)
COUNTY OF MARTIN) SS:
CITY OF FAIRMONT)

A RESOLUTION ADOPTING THE 2018 PROPERTY TAX LEVY
AND ORDERING ITS CERTIFICATION TO THE MARTIN COUNTY AUDITOR

WHEREAS, Minnesota State Statutes require that the property tax levy for the coming year be certified to the County Auditor by December 29.

WHEREAS, the City Administrator has prepared a 2018 City Budget which includes the property tax levy.

NOW THEREFORE, BE IT RESOLVED, that the following property tax levy be certified to the Martin County Auditor:

Non-Debt Levy	\$3,470,372
Debt Service Levy	<u>1,067,495</u>
Total Property Tax Levy	<u>\$4,537,867</u>

BE IT FURTHER RESOLVED, that the above stated total tax levy be established in the following breakdown:

1. General Fund Operations	\$3,470,372
2. Special Assessment Debt	<u>1,067,495</u>
TOTAL TAX LEVY	<u>\$4,537,867</u>

Motion by:
Seconded by:
All in Favor:
Opposed:
Abstained:
Absent:

PASSED, APPROVED AND ADOPTED this 11th day of December, 2017.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk

Proposed Property Tax Levy Increase

2017 Levy	Debt Service	1,017,495
	Operations	3,031,535
	Total	4,049,030
2018 Levy	Debt Service	1,067,495
	Operations	3,470,372
	Total	4,537,867
Levy Increase:	\$488,837	12.1%

2018 Property Tax Impact - 10.0% increase

	Residential Property		
	\$95,000	\$150,000	\$250,000
2018 City Tax	527.59	833.04	1,388.40
2017 City Tax	479.79	757.57	1,262.62
	47.80	75.47	125.78

	Commercial/Industrial Property		
	\$500,000	\$1,000,000	\$2,000,000
2018 City Tax	5,137.08	10,690.68	21,797.88
2017 City Tax	4,671.71	9,722.21	19,823.21
	465.37	968.47	1,974.67

* With a 12.1% levy increase, we will need to use \$578,000 in Liquor Store funds for capital projects which will lower our reserves by \$61,284.

*If we continue to fund our Housing Demo Program with Liquor Store funds, we could lower our levy \$75,000 or 1.9%. We would need to lower our Liquor Store reserves by \$136,284 in order to do this.

*If we do not increase our funding to street improvements we could lower our levy \$50,000 or 1.3%.



COUNTY OF MARTIN
507-238-3211
201 LAKE AVE SUITE 201
FAIRMONT MN 56031

www.co.martin.mn.us

Taxpayer:

1407 1 AV 0.370

0012797
MICHAEL P & MARY E HUMPAL
966 SHOREACRES DR
FAIRMONT MN 56031-2238

C2
S 1407



Property Information

Property ID:
R23.178.0110

Property Address:
966 SHOREACRES DR
FAIRMONT MN 56031

Legal Description:

MCLELLAN
Lot-012 Block-001

55.536

PROPOSED TAXES 2018

THIS IS NOT A BILL. DO NOT PAY.

Step	VALUES AND CLASSIFICATION		
	Taxes Payable Year	2017	2018
1	Estimated Market Value	\$ 133,500	\$ 142,600
	Homestead Exclusion	\$ 25,200	\$ 24,400
	Other Exclusions/Deferrals		
	Taxable Market Value	\$ 108,300	\$ 118,200
	Property Classification	RES HMSTD	RESHMSTD
2	PROPOSED TAX		
	Property Taxes before credits	\$	1,774.00
	School building bond credit		
	Agricultural market value credit		
	Other credits		
Property Taxes after credits	\$	1,774.00	
3	PROPERTY TAX STATEMENT		
	Coming in 2018		TBD
<p>The time to provide feedback on PROPOSED LEVIES IS NOW It is too late to appeal your value without going to Tax Court.</p>			

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Actual 2017	Proposed 2018	Meeting Information
COUNTY OF MARTIN 507-238-3211 201 LAKE AVE SUITE 201 FAIRMONT MN 56031	\$ 417.86	\$ 472.39	MC COURTHOUSE COMMISSIONERS RM DECEMBER 7, 2017 6:00 P.M. FAIRMONT MN
CITY OF FAIRMONT 507-238-3934 PAUL HOYE 100 DOWNTOWN PLAZA FAIRMONT MN 56031	\$ 546.97	\$ 656.44	CITY HALL COUNCIL CHAMBERS DECEMBER 11, 2017 6:00 P.M. FAIRMONT MN
STATE GENERAL TAX	\$.00	\$.00	NO MEETING REQUIRED
SCHOOL DISTRICT 2752 FAIRMONT AREA SCHOOLS 507-238-4234 714 VICTORIA ST SUITE 103 FAIRMONT MN 56031			CITY HALL DECEMBER 12, 2017 6:00 P.M. FAIRMONT MN
	Voter Approved Levy \$ 263.04	\$ 308.86	
	Other Local Levies \$ 286.74	\$ 331.59	
COUNTY WIDE	\$ 1.94	\$ 2.04	NO MEETING REQUIRED
MULTI CO HRA	\$ 2.45	\$ 2.68	NO MEETING REQUIRED
Total excluding any special assessments	\$ 1,519.00	\$ 1,774.00	16.8 %

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM.

17.



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org

Phone (507) 238-9461

Fax (507) 238-9469

MEMORANDUM

TO: Mayor and Council
FROM: Paul Hoye, Finance Director
DATE: November 16, 2017
SUBJECT: 2018 Proposed Budget

=====

The City Council held a budget work session on July 24, 2017 where we reviewed and organized the Council’s priorities. City staff took these priorities and prepared a preliminary budget that was approved by the City Council at their September 11, 2017 council meeting. The last step in the budgeting process will be to adopt the final 2018 budget at the December 11, 2017 council meeting. I have included the proposed 2018 budget for review.

There are several factors that have impacted the 2018 budget and we have taken steps to address some of the Council’s priorities including;

- Increasing our levy for fire trucks -\$65,000 and street improvement projects - \$50,000.
- Additional FTE in the Street Department.
- Reorganization within the Street and Parks Department creating a working foreman position.
- Increased the funding to our Housing Demo program.
- Contracted with the River Valley Drug Taskforce.
- Added a Planner Code Enforcement position and a Community Development Secretary position.
- Small increase in LGA, \$31,427.
- Cost of living increase, 3%.
- 18% increase in health insurance.
- 11% increase in work comp insurance.
- One time capital projects including parks and trails.

To fund these items, staff is recommending a 12.1% levy increase that will raise an additional \$488,837 per year. Factoring in growth to our tax base, this amounts to a 10% property tax increase. There are a couple of options at the bottom of the ‘Proposed Property Tax Levy Increase’ page to lower the increase to the levy.



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org

Phone (507) 238-9461

Fax (507) 238-9469

I have also included the Enterprise Fund and PUC Fund budgets. The PUC will be meeting on November 28th to approve their budget. It is anticipated that they will be approving a 3% increase to our water rates. Electric and wastewater rates will be maintained at the 2017 level.

Just a reminder that our meeting on December 11th will be starting at 6:00 PM. Please let me know if you have any questions.

PH

MEETING DATE: December 11, 2017

SUBJECT: 2018 Budget

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Paul Hoye, Finance Director

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: None

TYPE OF ACTION:

<input type="checkbox"/>	Motion (Voice Vote)	<input checked="" type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: Truth-in-Taxation legislation requires the Council to adopt its budget for 2018 after the tax levy has been adopted. The budget Resolution No. 2017-42 is presented for Council action.

MOTION: To approve Resolution 2017-42, adopting the 2018 Budget.

VOTE REQUIRED: Simple majority – Roll call

ATTACHMENTS:

1. Resolution No. 2017-42
2. Budget 2018
3. _____

Council Action: _____ Date: _____

RESOLUTION NO. 2017-42

STATE OF MINNESOTA)
COUNTY OF MARTIN) SS:
CITY OF FAIRMONT)

A RESOLUTION ADOPTING THE 2018 BUDGET

WHEREAS, the State Truth in Taxation Law requires cities to adopt a budget to be submitted to the County Auditor with the 2018 tax levy.

NOW THEREFORE, BE IT RESOLVED, that the following budget be adopted and approved this 11th day of December, 2017 in a regular meeting of the Fairmont City Council:

FUND	REVENUES AND TRANSFERS IN	EXPENDITURES AND TRANSFERS OUT
General	\$ 9,338,024	\$ 9,902,656
Economic Development	320,500	317,719
Aeronautics	877,500	918,675
Lake Restoration	68,000	48,120
Local Option Sales Tax	600,000	
Debt Service	2,048,158	1,985,805
Capital	<u>100,000</u>	<u>100,000</u>
	<u>\$13,352,182</u>	<u>\$13,272,975</u>

Motion by:
Seconded by:
All in Favor:
Opposed:
Abstained:
Absent:

PASSED, APPROVED AND ADOPTED this 11th day of December, 2017.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk

City Of



**Adopted Budget
2018**

December 11, 2017

Adopted Budget Overview 2018

Revenue

State Aid	4,244,846	32%
Federal Aid	90,000	1%
Taxes	5,329,993	40%
Assessments	473,000	4%
GO Bonds	-	0%
Charges For Services	1,260,006	9%
Miscellaneous	192,550	1%
Transfers	1,761,787	13%
Total Revenue	13,352,182	100%

Expenditures

General Government	1,498,952	11%
Public Safety	3,486,741	26%
Public Works	2,189,563	16%
Parks & Recreation	2,647,400	20%
Economic Development	230,300	2%
SMEC	87,419	1%
Airport	918,675	7%
Lake Restoration	48,120	0.4%
Debt Service	1,807,018	14%
Capital Improvements	100,000	1%
Transfers	258,787	2%
Total Expenditures	13,272,975	100%

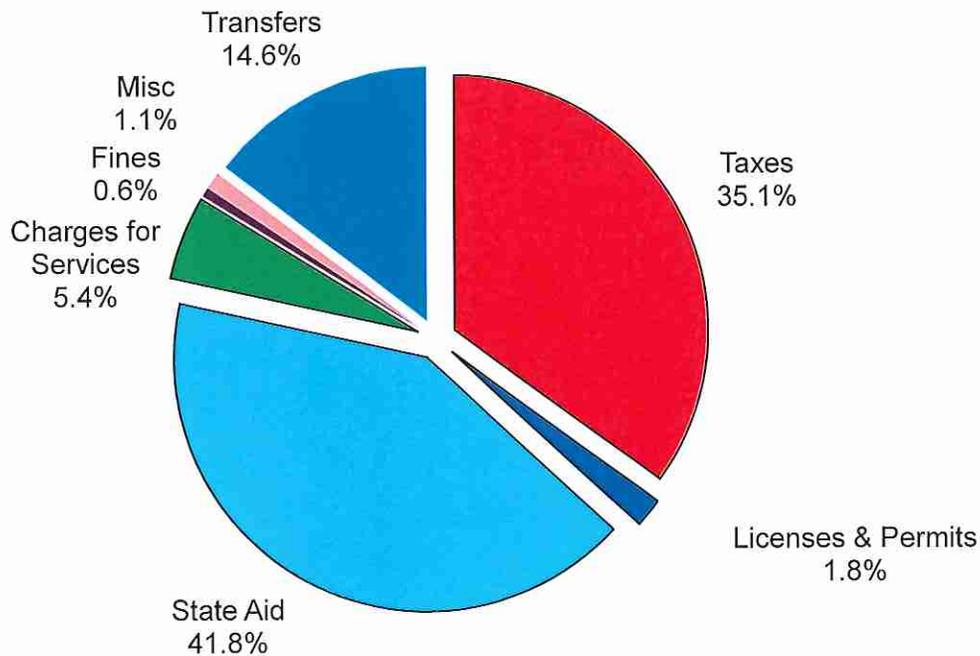
* \$400,000 General Fund Reserves for Street/Park Building

* \$180,000 General Fund Reserves for Cedar Creek Park Trail

General Fund Revenue Source

	<u>2017</u>	<u>2018</u>
Taxes	2,893,535	3,270,372
Licenses & Permits	169,875	172,600
State Aid	3,698,784	3,882,346
Charges For Services	434,175	497,406
Fines	59,000	54,000
Misc	101,300	98,300
Transfers	1,047,132	1,363,000
Total Sources	8,403,801	9,338,024

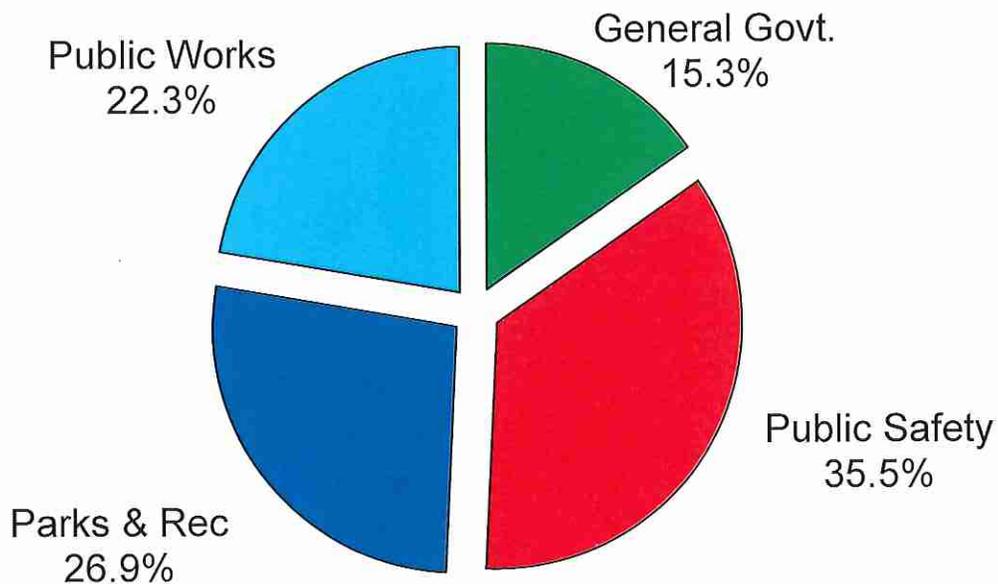
2018 Budget



General Fund Expenditures

	<u>2017</u>	<u>2018</u>
General Gov't	1,255,194	1,498,952
Public Safety	3,550,980	3,486,741
Public Works	1,920,388	2,189,563
Parks & Rec	1,938,886	2,647,400
Transfers	35,000	80,000
Total Expenditures	8,700,448	9,902,656

2018 Budget



General Fund Expenditure Detail

	<u>2017</u>	<u>2018</u>
Mayor and Council	34,759	70,434
City Administrator	119,687	142,899
City Clerk	89,109	108,737
Finance	303,297	331,021
Capital	-	-
City Attorney	168,073	176,817
Planning & Zoning	139,605	152,948
Gen. Govt. Bldgs.	137,354	139,286
Capital	22,500	62,000
Library	71,060	77,560
Capital	9,000	7,000
Other General Govt.	160,750	230,250
Total General Govt.	1,223,694	1,429,952
Capital	31,500	69,000
Police Department	2,405,190	2,518,377
Capital	67,400	109,600
Fire Department	461,132	453,164
Capital	275,000	31,000
Inspection Depts.	212,494	236,841
Capital	-	-
Civil Defense	950	825
Capital	-	-
Animal Control	128,814	136,934
Total Public Safety	3,208,580	3,346,141
Capital	342,400	140,600

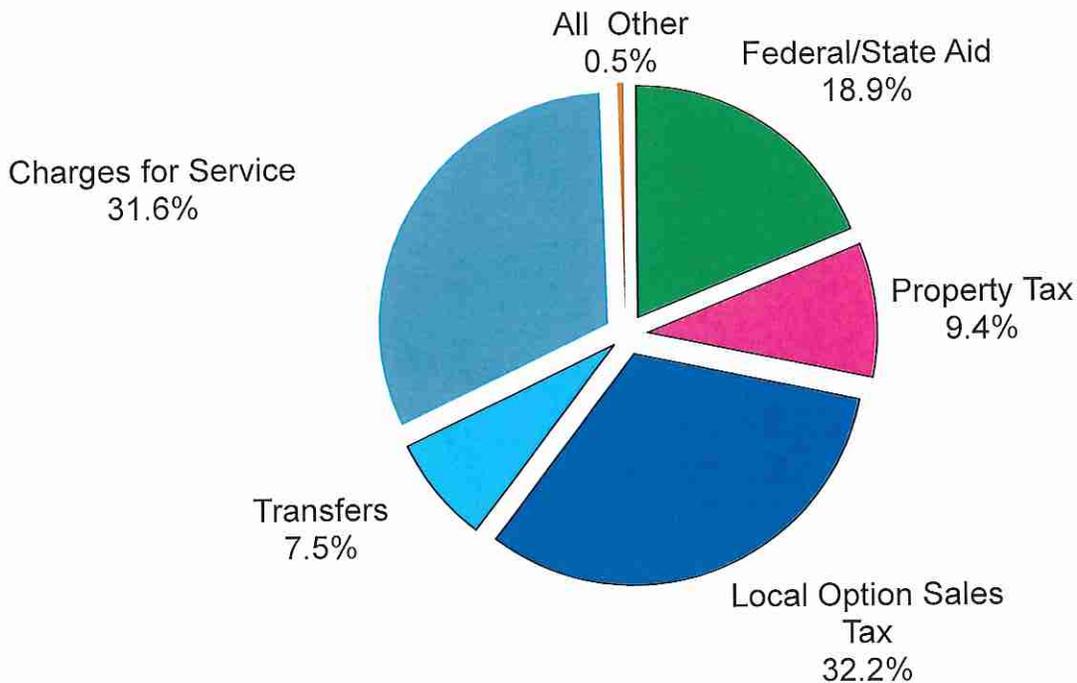
General Fund Expenditure Detail

	<u>2017</u>	<u>2018</u>
Streets	1,167,360	1,320,185
Capital	233,000	396,000
Engineering	349,999	349,085
Capital	47,500	2,000
Health & Sanitation	122,529	122,293
Total Public Works	1,639,888	1,791,563
Capital	280,500	398,000
Parks	984,717	1,080,949
Capital	503,000	1,025,000
Aquatic Park	417,669	422,451
Capital	33,500	119,000
Total Parks & Recreation	1,402,386	1,503,400
Capital	536,500	1,144,000
Operations	7,474,548	8,071,056
Capital	1,190,900	1,751,600
Transfers	35,000	80,000
Total General Fund	8,700,448	9,902,656

Special Revenue Funds Revenue Sources

	<u>2017</u>	<u>2018</u>
Federal/State Aid	105,000	352,500
Property Tax	175,000	175,000
Local Option Sales Tax	0	600,000
Transfers	140,000	140,000
Charges for Service	584,000	590,000
All Other	5,750	8,500
Total Sources	1,009,750	1,866,000

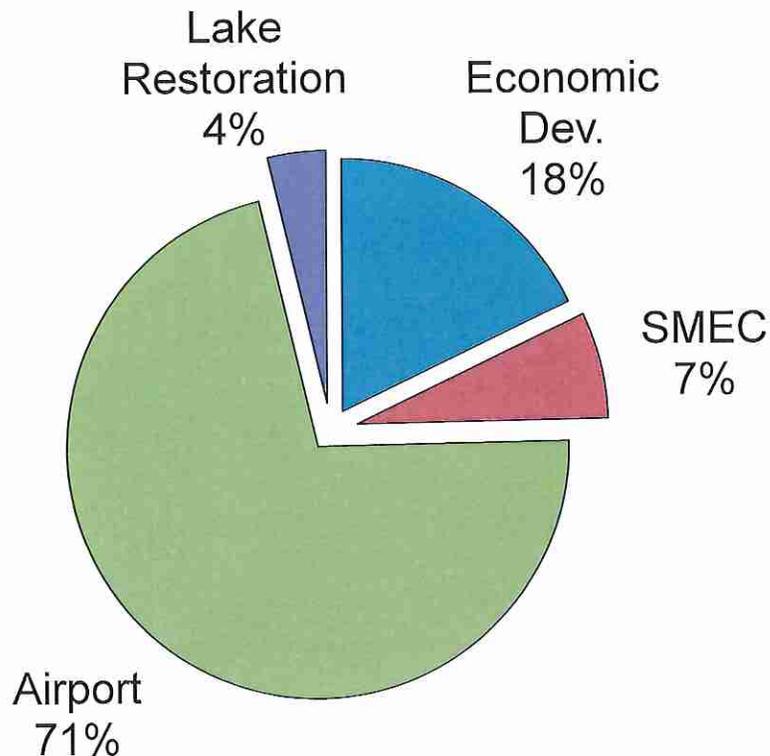
2018 Budget



Special Revenue Funds Expenditures

	<u>2017</u>	<u>2018</u>
Economic Dev.	230,500	230,300
SMEC	86,019	87,419
Airport	623,275	918,675
Lake Restoration	129,020	48,120
Total	1,068,814	1,284,514

2018 Budget



Debt Service Budget

Revenues

	<u>2017</u>	<u>2018</u>
Taxes - General	1,017,495	1,132,495
Taxes - Tax Increment	120,302	152,126
Assessments	404,000	473,000
Transfers In	35,000	258,787
Other	37,000	31,750
Total	1,613,797	2,048,158

Expenditures

	<u>2017</u>	<u>2018</u>
Improvement Proj.	1,713,622	1,654,892
Tax Increment Proj.	120,302	152,126
G.O. Proj.	-	-
Transfers Out	-	178,787
Total	1,833,924	1,985,805

2018 Capital Expenditures

<u>Departmental Capital</u>	
General Gov't	62,000
Library	7,000
Police	109,600
Fire	31,000
Streets	396,000
Engineering	2,000
Aquatic Park	119,000
Parks	1,025,000
Airport	375,000
Lake Restoration	35,000
	<hr/>
	2,161,600

<u>Improvement Projects</u>	
2018 Street Improvements	100,000
	<hr/>
	100,000

<u>Improvement Project Revenue Sources</u>	
State Aid	100,000
	<hr/>
	100,000

<u>Liquor Store Project Funding</u>	
Net Income Before Transfers	516,716
SMEC	(40,000)
Pioneer Bridge	(225,000)
Winnebago Ball Diamonds	(30,000)
Veterans Park Resurface	(50,000)
Adventure Playground	(150,000)
Refurbish Pool Slides	(83,000)
	<hr/>
Draw from Reserves	(61,284)

2018 Departmental Capital Project List

General Gov't

Demolish Glows Building (426 Winnebago)	\$35,000
Senior Center Roof Repair	\$25,000
Senior Center Lighting Upgrade	\$2,000
	<u>\$62,000</u>

Library

Windows	\$5,000
Furniture	\$2,000
	<u>\$7,000</u>

Police

Squad Lightbar	\$2,600
10 AED's	\$20,000
Squad Radar	\$3,500
Office Furniture	\$3,000
K-9 (Dog, School, Lodging etc.)	\$30,000
4 Tasers	\$4,500
Computer Replacement	\$16,000
Replace Squad 2	\$30,000
	<u>\$109,600</u>

Fire

50 Helmets	\$17,500
5 Sets of Bunker Gear	\$13,500
	<u>\$31,000</u>

Streets

Plow/Dump Truck	\$170,000
Skid Loader Trailer	\$6,000
Skid Loader Blade	\$10,000
Street/Park Building	\$200,000
Contingency	\$10,000
	<u>\$396,000</u>

Engineering

Street Rating Software	\$2,000
	<u>\$2,000</u>

Aquatic Park

Refurbish 3 Pool Slides	\$83,000
Replace Splash Pool Heater	\$30,000
Chemtrol Automatic Control System	\$6,000
	<u>\$119,000</u>

Parks

72" Deck Mower	\$20,000
Ditch Mower	\$10,000
Veterans Park Resurface	\$50,000
Pioneer Bridge	\$225,000
Cedar Creek Park Trail	\$330,000

Winnebago Ball Diamonds	\$30,000
Street/Park Building	\$200,000
Adventure Playground	\$150,000
Contingency	\$10,000
	<u>\$1,025,000</u>

Airport

Runway, Taxiway and Apron crack and seal repair	\$275,000
Design new T-Hangar/Taxilanes	\$100,000
	<u>\$375,000</u>

Lake Restoration

Boat Landing Repair	15,000
Invasive Species Projects	20,000
	<u>35,000</u>

CITY OF FAIRMONT----AGENDA CONTROL SHEET----AGENDA ITEM NO. 15.4

MEETING DATE: December 11, 2017

SUBJECT: Proprietary Fund Budgets

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Paul Hoye, Finance Director

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: None

TYPE OF ACTION:

<input type="checkbox"/>	Motion (Voice Vote)	<input checked="" type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: The Charter requires the Public Utilities Commission to submit a proposed budget to the City Council for consideration and final approval. The budgets for the other proprietary funds have been prepared by the City Finance Director as required. The budgets as presented come with recommendations for approval.

MOTION: To adopt Resolution No. 2017-43 approving the 2018 Proprietary Fund Budgets as attached.

VOTE REQUIRED: Simple majority – Roll call

ATTACHMENTS:

1. Resolution No. 2017-43
2. Budget Documents
3. _____

Council Action: _____ Date: _____

RESOLUTION NO. 2017-43

STATE OF MINNESOTA)
COUNTY OF MARTIN) SS:
CITY OF FAIRMONT)

A RESOLUTION ADOPTING THE 2018 PROPRIETARY FUND BUDGETS

WHEREAS, Chapter Seven, Sections 7.05 and 7.06 of the Fairmont City Charter revised January 10, 1994, provides that the City Administrator shall prepare a budget document setting forth all proposed expenditures for the operation and maintenance of all City Departments and agencies, payment of principal and interest on bonds and capital outlay, and;

WHEREAS, the City Administrator has prepared such documents and the Public Utility Commission has met in regular and special sessions for the purpose of adopting an adequate budget for maintenance of the utility departments for the fiscal year 2018, and;

WHEREAS, the City Administrator has prepared such documents and recommends the 2018 Enterprise Funds and Internal Service Funds Budgets, and;

WHEREAS, the City Council has come to the conclusion that the budget so prepared is adequate and according to form as prescribed by the Charter.

NOW THEREFORE, BE IT RESOLVED, that the attached budgets be adopted and approved this 11th day of December, 2017 in a regular meeting of the Fairmont City Council.

Motion by:
Seconded by:
All in Favor:
Opposed:
Abstained:
Absent:

PASSED, APPROVED AND ADOPTED this 11th day of December, 2017.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk

Enterprise Fund Budget Summary

	2017 Budget	2018 Budget	Increase (Decrease)	Percent Change
<u>Storm Sewer</u>				
Revenue	\$593,000	\$595,000	2,000	0.3%
Maintenance	604,991	1,121,080	516,089	85.3%
Debt Service	29,850	24,225	(5,625)	-18.8%
Net Income (Loss)	<u>(\$41,841)</u>	<u>(\$550,305)</u>	<u>(508,464)</u>	<u>1215.2%</u>
<u>Liquor Store</u>				
Revenue	\$3,662,000	\$3,721,000	59,000	1.6%
Cost of Merchandise	2,672,500	2,645,000	(27,500)	-1.0%
Operating Expense	533,175	559,284	26,109	4.9%
Transfers	310,000	578,000	268,000	86.5%
Net Income (Loss)	<u>\$146,325</u>	<u>(\$61,284)</u>	<u>(207,609)</u>	
<u>Parking Lots</u>				
Revenue	\$5,525	\$6,505	980	17.7%
Operating Expense	5,220	5,675	455	8.7%
Net Income (Loss)	<u>305</u>	<u>830</u>	<u>525</u>	
<u>Central Garage</u>				
Revenue	\$194,339	\$251,432	57,093	29.4%
Operating Expense	194,339	251,432	57,093	29.4%
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>0</u>	
<u>Health Insurance</u>				
Revenue	\$1,651,827	\$1,755,650	103,823	6.3%
Operating Expense	1,651,827	1,755,650	103,823	6.3%
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>0</u>	
<u>Property Liability Insurance</u>				
Revenue	\$311,000	\$311,000	0	0.0%
Operating Expense	311,000	311,000	0	0.0%
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>0</u>	

Work Comp Insurance

Revenue	\$346,377	\$381,760	35,383	10.2%
Operating Expense	<u>346,377</u>	<u>381,760</u>	<u>35,383</u>	<u>10.2%</u>
Net Income (Loss)	-	-	0	

Flex

Revenue	\$42,201	\$42,211	10	0.0%
Operating Expense	<u>42,201</u>	<u>42,211</u>	<u>10</u>	<u>0.0%</u>
Net Income (Loss)	-	-	0	

Data Processing

Revenue	\$144,684	\$152,849	8,165	5.6%
Operating Expense	<u>144,684</u>	<u>152,849</u>	<u>8,165</u>	<u>5.6%</u>
Net Income (Loss)	-	-	0	

Burton Lane

Revenue	\$71,280	\$74,160	2,880	4.0%
Operating Expense	<u>38,973</u>	<u>41,997</u>	<u>3,024</u>	<u>7.8%</u>
Net Income (Loss)	32,307.00	32,163	(144)	-0.4%

Poetter Circle

Revenue	\$147,920	\$153,872	5,952	4.0%
Operating Expense	<u>91,817</u>	<u>90,804</u>	<u>(1,013)</u>	<u>-1.1%</u>
Net Income (Loss)	56,103.00	63,068	6,965	12.4%

Hotel/Motel Tax

Revenue	\$160,000	\$155,000	(5,000)	-3.1%
Operating Expense	<u>160,000</u>	<u>155,000</u>	<u>(5,000)</u>	<u>-3.1%</u>
Net Income (Loss)	-	-	0	

FAIRMONT PUBLIC UTILITIES COMMISSION - 2018 BUDGET

DEPARTMENTAL BUDGET SUMMARY

ELECTRIC DEPARTMENT	2017 BUDGET	2018 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	15,696,518	15,803,106	106,588	0.68%
PRODUCTION / PURCHASES	12,211,088	11,928,318	(282,770)	-2.32%
DISTRIBUTION EXPENSES	1,463,680	1,587,413	123,733	8.45%
ADMINISTRATION EXPENSES	548,543	596,979	48,436	8.83%
MISCELLANEOUS EXPENSES	578,204	652,900	74,696	12.92%
TRANSFER TO OTHER FUNDS	627,948	665,065	37,117	5.91%
TOTAL EXPENSES	15,429,463	15,430,675	1,212	0.01%
NET OPERATING INCOME (LOSS)	267,055	372,431	105,376	39.46%

WATER DEPARTMENT	2017 BUDGET	2018 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	3,435,599	3,594,024	158,425	4.61%
FILTRATION EXPENSES	1,165,511	1,251,758	86,247	7.40%
DISTRIBUTION EXPENSES	472,414	461,644	(10,770)	-2.28%
ADMINISTRATION EXPENSES	138,971	151,515	12,544	9.03%
MISCELLANEOUS EXPENSES	1,489,046	1,476,556	(12,490)	-0.84%
TRANSFERS TO OTHER FUNDS	142,056	150,562	8,506	5.99%
TOTAL EXPENSES	3,407,998	3,492,035	84,037	2.47%
NET OPERATING INCOME (LOSS)	27,601	101,989	74,388	269.51%

WASTEWATER DEPARTMENT	2017 BUDGET	2018 BUDGET	INCREASE (DECREASE)	% CHANGE
INCOME	2,375,937	2,371,287	(4,650)	-0.20%
TREATMENT EXPENSES	725,994	759,534	33,540	4.62%
COLLECTION EXPENSES	328,982	365,773	36,791	11.18%
ADMINISTRATION EXPENSES	96,143	105,498	9,355	9.73%
MISCELLANEOUS EXPENSES	722,694	702,289	(20,405)	-2.82%
TRANSFERS TO OTHER FUNDS	107,127	109,373	2,246	2.10%
TOTAL EXPENSES	1,980,940	2,042,467	61,527	3.11%
NET OPERATING INCOME (LOSS)	394,997	328,820	(66,177)	-16.75%

MEETING DATE: December 11, 2017

SUBJECT: MNDOT Delegated Contracting Process (DCP) Agreement

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Troy Nemmers, PE, Director of Public Works/City Engineer

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: Councilor Zarling

TYPE OF ACTION:

<input type="checkbox"/>	Motion (Voice Vote)	<input checked="" type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: MNDOT uses a process called the Delegated Contracting Process (DCP) to facilitate federal grant funds to the City. The attached agreement sets out the stipulations for the City and MNDOT as part of this process. The agreement is necessary for the City to obtain federal funding on construction projects. MNDOT is requesting an update to this agreement. A resolution is required for this agreement and staff is recommending approval.

MOTION: To authorize the Mayor and City Clerk to sign the MNDOT DCP Agreement (No. 1029945).

VOTE REQUIRED: Simple majority – Roll call

ATTACHMENTS:

1. Agreement No. 1029945
2. Resolution 2017-44

 Council Action: _____ Date: _____



STATE OF MINNESOTA

AGENCY AGREEMENT

for

FEDERAL PARTICIPATION IN CONSTRUCTION

This agreement is entered into by and between the City of Fairmont ("Local Government") and the State of Minnesota acting through its Commissioner of Transportation ("MnDOT").

RECITALS

1. Pursuant to Minnesota Statutes Section 161.36, the Local Government desires MnDOT to act as the Local Government's agent in accepting federal funds on the Local Government's behalf for the construction, improvement, or enhancement of transportation financed either in whole or in part by Federal Highway Administration ("FHWA") federal funds, hereinafter referred to as the "Project(s)"; and
2. This agreement is intended to cover all federal aid projects initiated by the Local Government and therefore has no specific State Project number associated with it, and
 - 2.1. The Catalog of Federal Domestic Assistance number or CFDA number is 20.205, and
 - 2.2. This agreement supersedes agreement number old (99889)
 - 2.3. This project is for construction not research and development.
 - 2.4. MnDOT requires that the terms and conditions of this agency be set forth in an agreement.

AGREEMENT TERMS**1. Term of Agreement**

- 1.1. **Effective Date.** This agreement will be effective on the date the MnDOT obtains all required signatures under Minn. Stat. §16C.05, Subd. 2. Upon the effective date, this agreement will supersede agreement 99889.

2. Local Government's Duties

- 2.1. **Designation.** The Local Government designates MnDOT to act as its agent in accepting federal funds in its behalf made available for the Project(s). Details on the required processes and procedures are available on the State Aid Website
- 2.2. **Staffing.**
 - 2.2.1. The Local Government will furnish and assign a publicly employed licensed engineer, ("Project Engineer"), to be in responsible charge of the Project(s) and to supervise and direct the work to be performed under any construction contract let for the Project(s). In the alternative where the Local Government elects to use a private consultant for construction engineering services, the Local Government will provide a qualified, full-time public employee of the Local Government, to be in responsible charge of the Project(s). The services of the Local Government to be performed hereunder may not be assigned, sublet, or transferred unless the Local Government is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.

- 2.2.2. During the progress of the work on the Project(s), the Local Government authorizes its Project Engineer to request in writing specific engineering and/or technical services from MnDOT, pursuant to Minnesota Statutes Section 161.39. Such services may be covered by other technical service agreements. If MnDOT furnishes the services requested, and if MnDOT requests reimbursement, then the Local Government will promptly pay MnDOT to reimburse the state trunk highway fund for the full cost and expense of furnishing such services. The costs and expenses will include the current MnDOT labor additives and overhead rates, subject to adjustment based on actual direct costs that have been verified by audit. Provision of such services will not be deemed to make MnDOT a principal or co-principal with respect to the Project(s).
- 2.3. **Pre-letting.** The Local Government will prepare construction contracts in accordance with Minnesota law and applicable Federal laws and regulations.
- 2.3.1. The Local Government will solicit bids after obtaining written notification from MnDOT that the FHWA has authorized the Project(s). Any Project(s) advertised prior to authorization **without permission** will not be eligible for federal reimbursement.
- 2.3.2. The Local Government will prepare the Proposal for Highway Construction for the construction contract, which will include all of the federal-aid provisions supplied by MnDOT.
- 2.3.3. The Local Government will prepare and publish the bid solicitation for the Project(s) as required by state and federal laws. The Local Government will include in the solicitation the required language for federal-aid construction contracts as supplied by MnDOT. The solicitation will state where the proposals, plans, and specifications are available for the inspection of prospective bidders, and where the Local Government will receive the sealed bids.
- 2.3.4. The Local Government may not include other work in the construction contract for the authorized Project(s) without obtaining prior notification from MnDOT that such work is allowed by FHWA. Failure to obtain such notification may result in the loss of some or all of the federal funds for the Project(s). All work included in a federal contract is subject to the same federal requirements as the federal project.
- 2.3.5. The Local Government will prepare and sell the plan and proposal packages and prepare and distribute any addenda, if needed.
- 2.3.6. The Local Government will receive and open bids.
- 2.3.7. After the bids are opened, the Local Government will consider the bids and will award the bid to the lowest responsible bidder, or reject all bids. If the construction contract contains a goal for Disadvantaged Business Enterprises, the Local Government will not award the bid until it has received certification of the Disadvantaged Business Enterprise participation from the MnDOT Office of Civil Rights.
- 2.3.8. The Local Government entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass through entity in accordance with applicable Federal awarding agency policy.
- 2.4. **Contract Administration.**
- 2.4.1. The Local Government will prepare and execute a construction contract with the lowest responsible bidder, hereinafter referred to as the "Contractor," in accordance with the special provisions and the latest edition of MnDOT's Standard Specifications for Construction and all amendments thereto. All contracts between the Local Government and third parties or subcontractors must contain all applicable provisions of this Agreement, including the applicable federal contract clauses, which are identified in Appendix II of 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and as provided in Section 18 of this agreement.

- 2.4.2. The Project(s) will be constructed in accordance with plans, special provisions, and standard specifications of each Project. The standard specifications will be the latest edition of MnDOT Standard Specifications for Highway Construction, and all amendments thereto. The plans, special provisions, and standard specifications will be on file at the Local Government Engineer's Office. The plans, special provisions, and specifications are incorporated into this agreement by reference as though fully set forth herein.
- 2.4.3. The Local Government will furnish the personnel, services, supplies, and equipment necessary to properly supervise, inspect, and document the work for the Project(s). The services of the Local Government to be performed hereunder may not be assigned, sublet, or transferred unless the Local Government is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.
- 2.4.4. The Local Government will document quantities in accordance with the guidelines set forth in the Construction Section of the Electronic State Aid Manual that were in effect at the time the work was performed.
- 2.4.5. The Local Government will test materials in accordance with the Schedule of Materials Control in effect at the time each Project was let. The Local Government will notify MnDOT when work is in progress on the Project(s) that requires observation by the Independent Assurance Inspector as required by the Independent Assurance Schedule.
- 2.4.6. The Local Government may make changes in the plans or the character of the work, as may be necessary to complete the Project(s), and may enter into Change Order(s) with the Contractor. The Local Government will not be reimbursed for any costs of any work performed under a change order unless MnDOT has notified the Local Government that the subject work is eligible for federal funds and sufficient federal funds are available.
- 2.4.7. The Local Government will request approval from MnDOT for all costs in excess of the amount of federal funds previously approved for the Project(s) prior to incurring such costs. Failure to obtain such approval may result in such costs being disallowed for reimbursement.
- 2.4.8. The Local Government will prepare reports, keep records, and perform work so as to meet federal requirements and to enable MnDOT to collect the federal aid sought by the Local Government. Required reports are listed in the MnDOT State Aid Manual, Delegated Contract Process Checklist, available from MnDOT's authorized representative. The Local Government will retain all records and reports and allow MnDOT or the FHWA access to such records and reports for six years.
- 2.4.9. Upon completion of the Project(s), the Project Engineer will determine whether the work will be accepted.
- 2.5. Limitations.**
- 2.5.1. The Local Government will comply with all applicable Federal, State, and local laws, ordinances, and regulations.
- 2.5.2. Nondiscrimination. It is the policy of the Federal Highway Administration and the State of Minnesota that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance (42 U.S.C. 2000d). Through expansion of the mandate for nondiscrimination in Title VI and through parallel legislation, the proscribed bases of discrimination include race, color, sex, national origin, age, and disability. In addition, the Title VI program has been extended to cover all programs, activities and services of an entity receiving Federal financial

assistance, whether such programs and activities are Federally assisted or not. Even in the absence of prior discriminatory practice or usage, a recipient in administering a program or activity to which this part applies, is expected to take affirmative action to assure that no person is excluded from participation in, or is denied the benefits of, the program or activity on the grounds of race, color, national origin, sex, age, or disability. It is the responsibility of the Local Government to carry out the above requirements.

2.5.3. **Utilities.** The Local Government will treat all public, private or cooperatively owned utility facilities which directly or indirectly serve the public and which occupy highway rights of way in conformance with 23 CFR 645 "Utilities" which is incorporated herein by reference.

2.6. **Maintenance.** The Local Government assumes full responsibility for the operation and maintenance of any facility constructed or improved under this Agreement.

3. MnDOT's Duties

3.1. **Acceptance.** MnDOT accepts designation as Agent of the Local Government for the receipt and disbursement of federal funds and will act in accordance herewith.

3.2. Project Activities.

3.2.1. MnDOT will make the necessary requests to the FHWA for authorization to use federal funds for the Project(s), and for reimbursement of eligible costs pursuant to the terms of this agreement.

3.2.2. MnDOT will provide to the Local Government copies of the required Federal-aid clauses to be included in the bid solicitation and will provide the required Federal-aid provisions to be included in the Proposal for Highway Construction.

3.2.3. MnDOT will review and certify the DBE participation and notify the Local Government when certification is complete. If certification of DBE participation (or good faith efforts to achieve such participation) cannot be obtained, then Local Government must decide whether to proceed with awarding the contract. Failure to obtain such certification will result in the project becoming ineligible for federal assistance, and the Local Government must make up any shortfall.

3.2.4. MnDOT will provide the required labor postings.

3.3. **Authority.** MnDOT may withhold federal funds, where MnDOT or the FHWA determines that the Project(s) was not completed in compliance with federal requirements.

3.4. **Inspection.** MnDOT, the FHWA, or duly authorized representatives of the state and federal government will have the right to audit, evaluate and monitor the work performed under this agreement. The Local Government will make available all books, records, and documents pertaining to the work hereunder, for a minimum of six years following the closing of the construction contract.

4. Time

4.1. The Local Government must comply with all the time requirements described in this agreement. In the performance of this agreement, time is of the essence

4.2. The period of performance is defined as beginning on the date of federal authorization and ending on the date defined in the federal financial system or federal agreement ("end date"). **No work completed** after the **end date** will be eligible for federal funding. Local Government must submit all contract close out paperwork to MnDOT, twenty four months prior to the **end date**.

5. Payment

5.1. **Cost.** The entire cost of the Project(s) is to be paid from federal funds made available by the FHWA and by other funds provided by the Local Government. The Local Government will pay any part of the cost or

expense of the Project(s) that is not paid by federal funds. MnDOT will receive the federal funds to be paid by the FHWA for the Project(s), pursuant to Minnesota Statutes § 161.36, Subdivision 2. MnDOT will reimburse the Local Government, from said federal funds made available to each Project, for each partial payment request, subject to the availability and limits of those funds.

- 5.2. **Indirect Cost Rate Proposal/Cost Allocation Plan.** If the Local Government seeks reimbursement for indirect costs and has submitted to MnDOT an indirect cost rate proposal or a cost allocation plan, the rate proposed will be used on a provisional basis. At any time during the period of performance or the final audit of a project, MnDOT may audit and adjust the indirect cost rate according to the cost principles in 2 CFR Part 200. MnDOT may adjust associated reimbursements accordingly.
- 5.3. **Reimbursement.** The Local Government will prepare partial estimates in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify each partial estimate. Following certification of the partial estimate, the Local Government will make partial payments to the Contractor in accordance with the terms of the construction contract for the Project(s).
- 5.3.1. Following certification of the partial estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified partial estimate.
- 5.3.2. Upon completion of the Project(s), the Local Government will prepare a final estimate in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify the final estimate. Following certification of the final estimate, the Local Government will make the final payment to the Contractor in accordance with the terms of the construction contract for the Project(s).
- 5.3.3. Following certification of the final estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified final estimate along with the required records.
- 5.3.4. Upon completion of the Project(s), MnDOT will perform a final inspection and verify the federal and state eligibility of all the payment requests. If the Project is found to have been completed in accordance with the plans and specifications, MnDOT will promptly release any remaining federal funds due the Local Government for the Project(s). If MnDOT finds that the Local Government has been overpaid, the Local Government must promptly return any excess funds
- 5.3.5. In the event MnDOT does not obtain funding from the Minnesota Legislature or other funding source, or funding cannot be continued at a sufficient level to allow for the processing of the federal aid reimbursement requests, the Local Government may continue the work with local funds only, until such time as MnDOT is able to process the federal aid reimbursement requests.
- 5.4. **Matching Funds.** Any cost sharing or matching funds required of the Local Government in this agreement must comply with 2 CFR 200.306.
- 5.5. **Federal Funds.** Payments under this Agreement will be made from federal funds. The Local Government is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements including, but not limited to, 2 CFR Part 200 imposed by the Local Government's failure to comply with federal requirements. If, for any reason, the federal government fails to pay part of the cost or expense incurred by the Local Government, or in the event the total amount of federal funds is not available, the Local Government will be responsible for any and all costs or expenses incurred under this Agreement. The Local Government further agrees to pay any and all lawful claims arising out of or incidental to the performance of the work covered by this Agreement in the event the federal government does not pay the same.

- 5.6. **Closeout.** The Local Government must liquidate all obligations incurred under this Agreement for each project and submit all financial, performance, and other reports as required by the terms of this Agreement and the Federal award within twenty four months of the **end date** of the period of performance for each project. MnDOT will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with funds will continue following project closeout.
6. **Conditions of Payment.** All services provided by Local Government under this agreement must be performed to MnDOT's satisfaction, as determined at the sole discretion of MnDOT's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Local Government will not receive payment for work found by MnDOT to be unsatisfactory or performed in violation of federal, state, or local law.
7. **Authorized Representatives**
- 7.1. MnDOT's Authorized Representative is:
- Name: Mitchell Rasmussen, or his successor.
- Title: State Aid Engineer
- Phone: 651-366-4831
- Email: Mitch.rasmussen@state.mn.us
- MnDOT's Authorized Representative has the responsibility to monitor Local Government's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, MnDOT's Authorized Representative will certify acceptance on each invoice submitted for payment.
- 7.2. The Local Government's Authorized Representative is:
- Name: Troy Nemmers or his/her successor.
- Title: Fairmont City Engineer
- Phone: 507-238-9461
- Email: tnemmers@fairmont.org
- If the Local Government's Authorized Representative changes at any time during this agreement, the Local Government will immediately notify MnDOT.
8. **Assignment Amendments, Waiver, and Agreement Complete**
- 8.1. **Assignment.** The Local Government may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of MnDOT and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 8.2. **Amendments.** Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 8.3. **Waiver.** If MnDOT fails to enforce any provision of this agreement, that failure does not waive the provision or MnDOT's right to subsequently enforce it.
- 8.4. **Agreement Complete.** This agreement contains all negotiations and agreements between MnDOT and the Local Government. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.

8.5. **Severability.** If any provision of this Agreement or the application thereof is found invalid or unenforceable to any extent, the remainder of the Agreement, including all material provisions and the application of such provisions, will not be affected and will be enforceable to the greatest extent permitted by the law.

9. Liability and Claims

9.1. **Tort Liability.** Each party is responsible for its own acts and omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of any others and the results thereof. The Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, governs MnDOT liability.

9.2. **Claims.** The Local Government acknowledges that MnDOT is acting only as the Local Government's agent for acceptance and disbursement of federal funds, and not as a principal or co-principal with respect to the Project. The Local Government will pay any and all lawful claims arising out of or incidental to the Project including, without limitation, claims related to contractor selection (including the solicitation, evaluation, and acceptance or rejection of bids or proposals), acts or omissions in performing the Project work, and any *ultra vires* acts. The Local Government will indemnify, defend (to the extent permitted by the Minnesota Attorney General), and hold MnDOT harmless from any claims or costs arising out of or incidental to the Project(s), including reasonable attorney fees incurred by MnDOT. The Local Government's indemnification obligation extends to any actions related to the certification of DBE participation, even if such actions are recommended by MnDOT.

10. Audits

10.1. Under Minn. Stat. § 16C.05, Subd.5, the Local Government's books, records, documents, and accounting procedures and practices of the Local Government, or other party relevant to this agreement or transaction, are subject to examination by MnDOT and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. The Local Government will take timely and appropriate action on all deficiencies identified by an audit.

10.2. All requests for reimbursement are subject to audit, at MnDOT's discretion. The cost principles outlined in 2 CFR 200.400-.475 will be used to determine whether costs are eligible for reimbursement under this agreement.

10.3. If Local Government expends \$750,000 or more in Federal Funds during the Local Government's fiscal year, the Local Government must have a single audit or program specific audit conducted in accordance with 2 CFR Part 200.

11. **Government Data Practices.** The Local Government and MnDOT must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by MnDOT under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Local Government under this agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either the Local Government or MnDOT.

12. **Workers Compensation.** The Local Government certifies that it is in compliance with Minn. Stat. §176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Local Government's employees and agents will not be considered MnDOT employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way MnDOT's obligation or responsibility.

13. **Governing Law, Jurisdiction, and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. **Termination; Suspension**

- 14.1. **Termination by MnDOT.** MnDOT may terminate this agreement with or without cause, upon 30 days written notice to the Local Government. Upon termination, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 14.2. **Termination for Cause.** MnDOT may immediately terminate this agreement if MnDOT finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that the Local Government has been convicted of a criminal offense relating to a state agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. MnDOT may take action to protect the interests of MnDOT of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.
- 14.3. **Termination for Insufficient Funding.** MnDOT may immediately terminate this agreement if:
- 14.3.1. It does not obtain funding from the Minnesota Legislature; or
- 14.3.2. If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Local Government. MnDOT is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MnDOT will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MnDOT will provide the Local Government notice of the lack of funding within a reasonable time of MnDOT's receiving that notice.
- 14.4. **Suspension.** MnDOT may immediately suspend this agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Local Government during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.
15. **Data Disclosure.** Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Local Government consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to MnDOT, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Local Government to file state tax returns and pay delinquent state tax liabilities, if any.
16. **Fund Use Prohibited.** The Local Government will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Local Government from utilizing these funds to pay any party who might be disqualified or debarred after the Local Government's contract award on this Project.
17. **Discrimination Prohibited by Minnesota Statutes §181.59.** The Local Government will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or

intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.

- 18. Appendix II 2 CFR Part 200 Federal Contract Clauses.** The Local Government agrees to comply with the following federal requirements as identified in 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and agrees to pass through these requirements to its subcontractors and third party contractors, as applicable. In addition, the Local Government shall have the same meaning as "Contractor" in the federal requirements listed below.
- 18.1. Remedies.** Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- 18.2. Termination.** All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- 18.3. Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- 18.4. Davis-Bacon Act, as amended.** (40 U.S.C. 3141-3148) When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- 18.5. Contract Work Hours and Safety Standards Act.** (40 U.S.C. 3701-3708) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for

compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- 18.6. **Rights to Inventions Made Under a Contract or Agreement.** If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
- 18.7. **Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended.** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued under the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 18.8. **Debarment and Suspension.** (Executive Orders 12549 and 12689) A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- 18.9. **Byrd Anti-Lobbying Amendment.** (31 U.S.C. 1352) Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- 18.10. **Procurement of Recovered Materials.** See 2 CFR 200.322 Procurement of Recovered Materials.
- 18.11. **Drug-Free Workplace.** In accordance with 2 C.F.R. § 32.400, the Local Government will comply with the Drug-Free Workplace requirements under subpart B of 49 C.F.R. Part 32.
- 18.12. **Nondiscrimination.** The Local Government hereby agrees that, as a condition of receiving any Federal financial assistance under this agreement, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d), related nondiscrimination statutes (i.e., 23 U.S.C. § 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or otherwise be

subjected to discrimination under any program or activity for which the Local Government receives Federal financial assistance. The specific requirements of the Department of Transportation Civil Rights assurances (required by 49 C.F.R. §§ 21.7 and 27.9) are incorporated in the agreement.

18.13. Federal Funding Accountability and Transparency Act (FFATA).

18.13.1. This Agreement requires the Local Government to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Local Government is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Local Government provides information to the MnDOT as required.

- a. Reporting of Total Compensation of the Local Government's Executives.
- b. The Local Government shall report the names and total compensation of each of its five most highly compensated executives for the Local Government's preceding completed fiscal year, if in the Local Government's preceding fiscal year it received:
 - i. 80 percent or more of the Local Government's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

Executive means officers, managing partners, or any other employees in management positions.

- c. Total compensation means the cash and noncash dollar value earned by the executive during the Local Government's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.

- 18.13.2. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- 18.13.3. The Local Government must report executive total compensation described above to the MnDOT by the end of the month during which this agreement is awarded.
- 18.13.4. The Local Government will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this agreement. This number shall be provided to MnDOT on the plan review checklist submitted with the plans for each project. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>
- 18.13.5. The Local Government's failure to comply with the above requirements is a material breach of this agreement for which the MnDOT may terminate this agreement for cause. The MnDOT will not be obligated to pay any outstanding invoice received from the Local Government unless and until the Local Government is in full compliance with the above requirements.

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK.]

City of Fairmont

Local Government certifies that the appropriate person(s) have executed the contract on behalf of the Local Government as required by applicable articles, bylaws, resolutions or ordinances

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____

Title: _____

Date: _____

COMMISSIONER OF ADMINISTRATION

By: _____

Date: _____

RESOLUTION NO. 2017-44

STATE OF MINNESOTA)
COUNTY OF MARTIN) SS
CITY OF FAIRMONT)

RESOLUTION FOR AGENCY AGREEMENT

BE IT RESOLVED, that pursuant to Minnesota Stat. Sec. 161.36, the Commissioner of Transportation be appointed as Agent of the City of Fairmont to accept as its agent, federal aid funds which may be made available for eligible transportation related projects.

BE IT FURTHER RESOLVED, the Mayor and City Clerk are hereby authorized and directed for and on behalf of the City of Fairmont to execute and enter into an agreement with the Commissioner of Transportation prescribing the terms and conditions of said federal aid participation as set forth and contained in "Minnesota Department of Transportation Agency Agreement No. 1029945", a copy of which said agreement was before the City Council and which is made a part hereof by reference.

Motion by:
Seconded by:
All in favor:
Opposed:
Abstained:
Absent:

ADOPTED by the City Council this 11th day of December, 2017.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk

(Seal)

MEETING DATE: December 11, 2017

SUBJECT: Naming of "Joe Burns Trail"

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input checked="" type="checkbox"/>	Board	<input type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Troy Nemmers, PE, Director of Public Works/City Engineer

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON: Councilor Zarling

TYPE OF ACTION:

<input checked="" type="checkbox"/>	Motion (Voice Vote)	<input type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input checked="" type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: The City’s Park Board was approached by two residents requesting to have the City honor Joe Burns and his commitment to the development of the City’s trail system. The Park Board reviewed a couple of options and voted to recommend naming the trail segment from the Aquatic Park to Interlaken Road “Joe Burns Trail.” See the attached map for the route. This trail runs right past Joe’s house and also has two benches along the route that have been donated to the City by Joe Burns’ family. If approved the Park Board would like to bring a proclamation for Joe Burns Day back in the spring and have signs installed as part of that day.

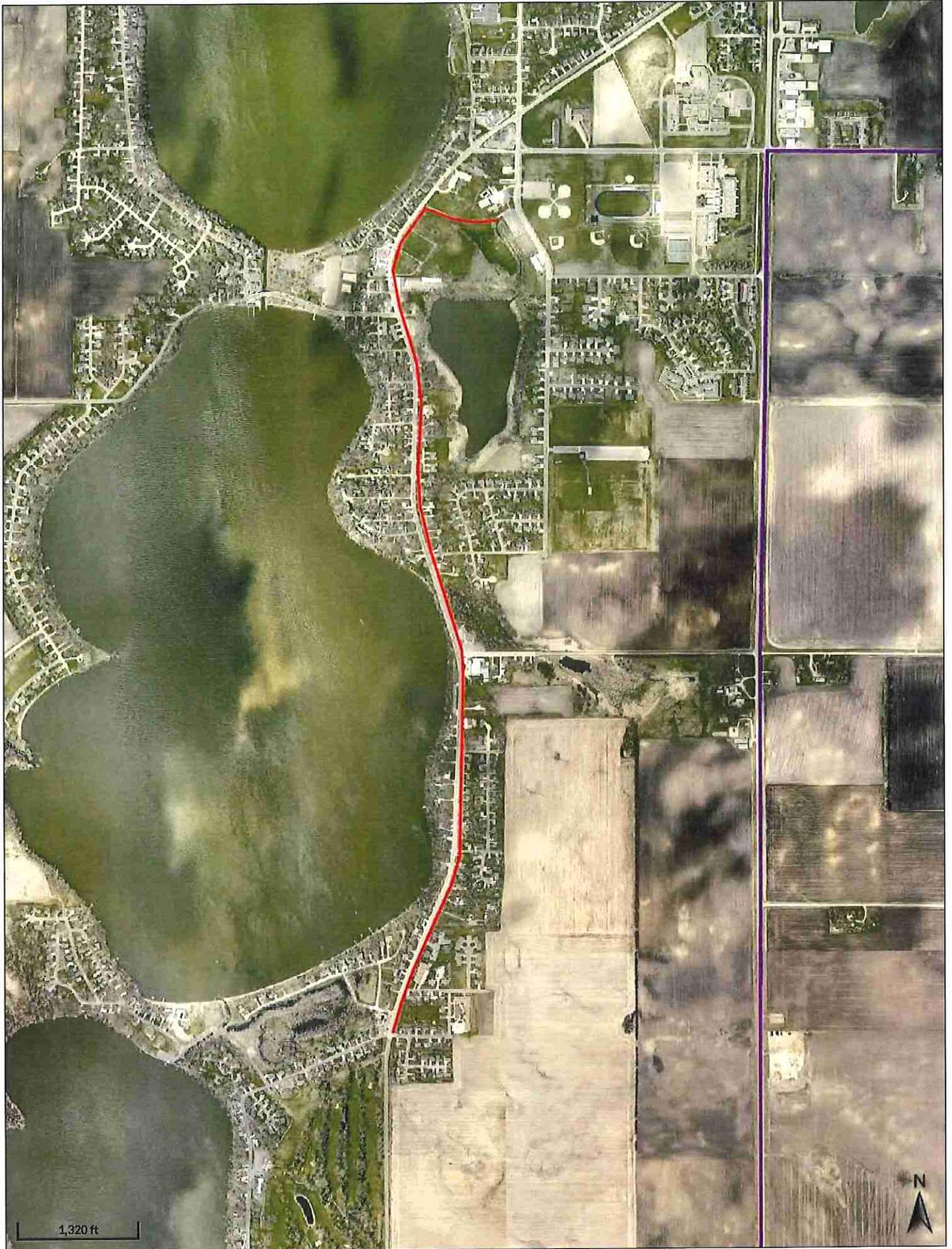
MOTION: To approved naming the trail segment from the Aquatic Park to Interlaken Road “Joe Burns Trail.”

VOTE REQUIRED: Simple majority

ATTACHMENTS:

1. Map of trail segment to be designated
- 2.

 Council Action: _____ Date: _____



MEETING DATE: December 11, 2017

SUBJECT: City Personnel Policy Update

REVIEWED BY: Mike Humpal, CEcD, City Administrator 

SUBJECT INITIATION BY:

<input type="checkbox"/>	Petition	<input type="checkbox"/>	Board	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Council	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
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SUBJECT BACKGROUND: Mike Humpal, CEcD, City Administrator

INTRODUCED BY: Mike Humpal, CEcD, City Administrator

COUNCIL LIAISON:

TYPE OF ACTION:

<input checked="" type="checkbox"/>	Motion (Voice Vote)	<input type="checkbox"/>	Resolution (Roll Call)	<input type="checkbox"/>	Discussion
<input type="checkbox"/>	Ordinance 1 st Reading (Introduction only)	<input type="checkbox"/>	Set Public Hearing (Motion)	<input type="checkbox"/>	Information Only
<input type="checkbox"/>	Ordinance 2 nd Reading (Roll call)	<input type="checkbox"/>	Hold Public Hearing (Motion to close)	<input type="checkbox"/>	

RECOMMENED ACTION BY:

<input checked="" type="checkbox"/>	City Staff	<input type="checkbox"/>	Board	<input type="checkbox"/>	Commission	<input type="checkbox"/>	Committee
<input type="checkbox"/>	Issuance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Authorization	<input type="checkbox"/>	No recommendation
<input type="checkbox"/>	Denial	<input type="checkbox"/>	Rejection	<input type="checkbox"/>	No action needed	<input type="checkbox"/>	

STATEMENT: The City of Fairmont Personnel Policies date back to the mid 1980's. Over the past 18 months, the city's management staff worked in cooperation with HR Advisors to update the policies and bring them into conformance with current State and Federal law. These policies govern the activities and operation of all city employees not covered by a union contract or where a union contract is silent on a subject. The purpose of the policies is to facilitate efficient service and establish a fair and equitable system of personnel administration.

MOTION: To adopt the updated Personnel Policies governing the administration of all personnel employed by the City of Fairmont

VOTE REQUIRED: Simple majority

ATTACHMENTS:

1. *****

Council Action: _____ Date: _____

PARK BOARD MEETING

Meeting Minutes
Tuesday, November 21, 2017
5:00 p.m.

Board Members Present:

Vicky Schulte
 Jodie Whitmore
 Craig Nelson
 Mary Don Kislingbury
 Greg Gellert
 Jane Kollofski

Council Member Present:

Jim Zarling

Staff Present:

Troy Nemmers, Public Works
Director/City Engineer
 Nick Lardy, Streets/Parks Superintendent

Others Present:

Roni Dauer
 Rod Halverson (KSUM)
 Judy Bryan (Sentinel)
 Joe Burns

Called the meeting to order at 5:02 p.m.

A motion was made by Mary Don Kislingbury to approve the minutes of October 17, 2017 as presented. The motion was seconded by Craig Nelson and carried.

Monthly update: Troy Nemmers provided update. Emerald Ash Borer (EAB) discussion with board.

CER update: Roni Dauer provided an update about current CER programs.

Old Business:

- a. Troy Nemmers presented 2017 addendum to current Active Transportation Plan.
- b. Recommend to the City Council to name the trail from the Aquatic Park south to East Interlaken – Joe Burns Trail. A motion was made by Jodie Whitmore and seconded Mary Don Kislingbury and carried. The board suggested doing a Proclamation for Joe Burns Day to commemorate the naming.

New Business: None.

Other discussion:

- a. Discussed next meeting date – all were in favor of not meeting again until March 2018.
- b. Joe Burns discussed some ideas about bike trails in the community.

A motion was made by Mary Don Kislingbury to adjourn the meeting at 6:07 p.m. The motion was seconded by Craig Nelson and carried.

Respectfully submitted,

Troy Nemmers, PE
Public Works Director/City Engineer

**Fairmont Airport Advisory Board Minutes
November 14, 2017 – 5:30 p.m.**

Board members present: Dustin Wiederhoeft, Dennis Turner, Kate Hawkins, and Jeff Militello

Staff Present: Troy Nemmers, Public Works Director/City Engineer, Lee Steinkamp, Airport Manager

Others: Marcus Watson (KLJ) via phone, Councilor Ruth Cyphers, Jerry Brooks

The meeting was called to order at 5:30 p.m.

The minutes from the October 10th board meeting were approved as presented on a motion by Kate Hawkins, seconded by Dustin Wiederhoeft and carried.

Airport consultant update: Marcus provided the monthly update and discussion was held regarding hangar design and future construction. AAB member were asked to attend the City Council meeting on November 27th to discuss the hangar addition with the Council.

The Airport Manager's report: Lee Steinkamp provided the monthly update. A work order was requested by the AAB to replace the concrete slab on the north side of piper hangar.

Old Business:

- a. Jerry Brooks provided a handout and discussed his AOPA's vision for Fairmont High School's potential Aviation program. A potential 4 year program would allow a student to get their pilots license. Brooks has identified steps to move forward, but also several obstacles to overcome to get a full program. Jerry Brooks talked about success stories from other schools. He plans to continue to pursue this program and the school district is planning to offer a class next year.

New Business:

- a. The airport advisory board would like discussion about KLJ evaluation at the next meeting.

No further business for the board, a motion was made by Jeff Militello, seconded by Dustin Wiederhoeft to adjourn the meeting at 6:35pm.

Respectfully submitted:

Troy Nemmers, PE
Public Works Director/City Engineer