

**CITY OF ELKO NEW MARKET
CITY COUNCIL AGENDA
ELKO NEW MARKET CITY HALL
601 MAIN STREET
ELKO NEW MARKET, MINNESOTA 55054
THURSDAY, AUGUST 9, 2018**

**BUSINESS MEETING
7:30 PM**

REVISED

1. Call to Order

2. Pledge of Allegiance

3. Adopt/Approve Agenda

4. Presentations, Proclamations and Acknowledgements (PP&A)

- a. Presentation of Plaque from Scott County Honoring the Elko New Market Fire Department

5. Public Comment

Individuals may address the Council about any item not contained on the regular agenda. The Council may limit the time allotted to each individual speaker. A maximum of 15 minutes will be allotted for Public Comment. If the full 15 minutes are not needed for Public Comment, the City Council will continue with the agenda. The City Council will not normally take any official action on items discussed during Public Comment, with the exception of referral to staff or commission for future report.

6. Consent Agenda

All matters listed under consent agenda are considered routine by the City Council and will be acted on by one motion in the order listed below. There may be an explanation, but no separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

- a. Approve July 26, 2018 Minutes of the City Council Meeting
- b. Approve Payment of Claims and Electronic Transfer of Funds
- c. Adopt Ordinance No. 173 Amending Title 9, Chapter 3 Concerning Stormwater Drainage Utility Rates and Charges
- d. Accept 2018 Community Survey and Findings and Results
- e. Amendment to Solar Agreement at Public Works Facility
- f. Solar Project at Water Treatment Facility
 - i. Approve Termination of Agreement for Solar Project at City Hall
 - ii. Approve Agreement for Solar Project at Water Treatment Facility
- g. Approve Administrative Intern Position and Authorize City Administrator to Hire the Position

7. Public Hearings

8. General Business

- a. Reassignment of Former Councilmember Timmons's Duties

9. Reports

- a. Administration
 - i. 2nd Quarter Financials
 - ii. Alternate Rate Structure for New Lawn Watering
- b. Public Works
 - i. Superintendent Monthly Report
- c. Police Department
 - i. Police Chief Monthly Report
- d. Fire Department
- e. Engineering
- f. Community Development
- g. Parks Department
 - i. Parks Commission Update
- h. Other Committee and Board Reports
 - i. Scott County Association for Leadership and Efficiency (SCALE)
 - ii. Minnesota Valley Transit Authority (MVTA)
 - iii. I35 Solutions Alliance
 - iv. Chamber of Commerce
 - v. Regional Council of Mayors
 - vi. Civic & Community Events Committee (CCEC)
 - vii. Downtown Improvement Committee
 - viii. 50 By 30 Collective Impact Project
 - Steering Committee
 - Transportation Committee
 - Housing Committee
 - Workforce Committee

10. Discussion by Council

11. Adjournment



STAFF MEMORANDUM

SUBJECT:	Presentation to Elko New Market Fire Department
MEETING DATE:	August 9, 2018
PREPARED BY:	Sandra Green, City Clerk
REQUESTED ACTION:	Presentation of Plaque from Scott County Honoring all Fire Departments in Scott County

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

During the Scott County Fair, all Fire Departments in Scott County were honored for their service to their communities. On behalf of the City Council, Mayor Crawford will be presenting the Scott County Plaque.

1. CALL TO ORDER

The meeting was called to order by Mayor Crawford at 7:15 p.m.

Members Present: Mayor Crawford, Councilmembers: Berg, Julius, Timmerman and Timmons

Members Absent: None

Also Present: Assistant City Administrator Nagel, Police Chief Mortenson, City Engineer Revering, Community Development Specialist Christianson and City Clerk Green

City Administrator participated remotely.

Due to Scott County Commissioner Wolf having another commitment, the Council asked him to give his update during the Work Session. Commissioner Wolf gave brief updates regarding Scott County Fair, upcoming election, I35 construction and recently released population estimates for cities in Scott County.

2. PRESENTATIONS

None

3. REPORTS

None

4. GENERAL DISCUSSION

Review Budget Priorities

City Administrator Terry faceted into the Council Meeting to participate in the discussion on Budget Priorities. The Council discussed goals, priorities and tax impact parameters for the purpose of preparing the draft 2019 budget. Last fall, the City Council discussed key assumptions for the 2019 Budget. These assumptions were:

- Hire a full-time police officer
- Annual incremental increase for 318 Fund operations
- Capital Outlay
- Reduce use of LGA to support General Fund operations and redirect amount to the Capital Projects Fund or Economic Development Fund
- Re-establish contingency

After discussion the above assumptions, the City Council provided the following direction to Staff regarding key assumptions.

Ranking	Assumption	Include in 2019 Budget
#1	Police Offer	Yes
#2	318 Fund	Yes

#3	Capital Outlay	Yes
#4	Redirect to Capital/EDA	No
#5	Re-establish Contingency	Include if it can fit into tax impact parameter

The City Council directed Staff to use 6% as the maximum tax impact for the “typical” home in preparing the draft 2019 Budget.

City Administrator Terry asked for Council direction on hiring an Administrative Intern for an average of 20 hours per week for the calendar year, with each internship not to exceed a 3 – 6 month period. The intern would provide support for administration with the majority of time spent on community development related activities. The Council directed Staff to add an Administrative Intern to the 2019 Budget and to bring back a proposed budget for hiring the intern for 2018.

5. REPORTS (Continued)

a) ADMINISTRATION
None

b) PUBLIC WORKS
None

c) POLICE DEPARTMENT
Written report included in Council Packet. Chief Mortenson reminded the City Council that Night to Unite will be on August 7, 2018. Councilmember Timmons updated the Council that she had visited Chief Mortenson at the Police Department and noticed there was a mildew and moldy smell and feels there may be a safety concern in the building. Mayor Crawford suggested the City Council take a field trip to Jordan to see how the Police Department has been remodeled there.

Councilmember Berg thanked the Police and Fire Departments to attending the Bailey Bash in Lakeville which was a fund raiser for a child with cystic fibrosis.

d) FIRE DEPARTMENT
None

f) COMMUNITY DEVELOPMENT
Written Community Development Updates, Draft June 26, 2018 Planning Commission Meeting Minutes and Final 2017 Population information was provided in Council Packet. Community Development Specialist Christianson updated the Council that the new Chinese restaurant, China City, is expected to open next week.

g) PARKS DEPARTMENT
Draft July 10, 2018 Parks Commission Minutes included in Council Packet. Assistant City Administrator gave the Council updates on new street light installed, progress of the solar project at the Public Works Facility and the relocation of playground equipment at Rowena Ponds.

h) OTHER COMMITTEE AND BOARD REPORTS

- i. **SCALE**
None

- ii. **MVTA**
Mayor Crawford gave a brief update on the last MVTA Meeting including the hiring of a firm to do outreach and how to reach more people. MVTA has given Mayor Crawford a vote equal to a regular member.

- iii. **I35 SOLUTIONS ALLIANCE**
None

- iv. **CHAMBER OF COMMERCE**
None

- v. **REGIONAL COUNCIL OF MAYORS**
None

- vi. **CIVIC & COMMUNITY EVENTS COMMITTEE**
None

- vii. **DOWNTOWN IMPROVEMENT COMMITTEE**
Councilmember Timmerman stated Councilmembers should look at the progress of the flower garden on Webster Street.

- viii. **50 By 30 COLLECTIVE IMPACT PROJECT**
 - a. Steering Committee - None
 - b. Transportation Committee - None
 - c. Housing Committee - None
 - d. Workforce Committee - None

6. ADJOURNMENT

The Work Session was adjourned at 7:54 p.m.

City Council Business Meeting

JULY 26, 2018

MINUTES

1. CALL TO ORDER

The meeting was called to order by Mayor Crawford at 8:01 p.m.

Members Present: Mayor Crawford, Councilmembers: Berg, Julius, Timmons and Timmerman

Members Absent None

Also Present: Assistant City Administrator Nagel, Police Chief Mortenson, City Attorney Poehler, City Engineer Revering, Community Development Specialist Christianson and City Clerk Green

2. PLEDGE OF ALLEGIANCE

Mayor Crawford led the Council and audience in the Pledge of Allegiance.

3. ADOPT/APPROVE AGENDA

MOTION by Councilmember Timmons, second by Councilmember Timmerman to approve the agenda as revised.

Add Recognition of Service for Councilmember Timmons

Traffic Operations Change Request Policy moved from Consent Agenda to Business Agenda Item 8b

Revised memorandum and resolution regarding Councilmember Timmons resignation

APIF, MOTION CARRIED

4. PRESENTATIONS, PROCLAMATIONS AND ACKNOWLEDGEMENTS

Mayor Crawford, on behalf of the City Council, presented Councilmember Patricia Timmons with a Certificate of Appreciation Plaque in recognition of her years of service to the City.

5. PUBLIC COMMENT

None

Councilmember Berg noted that during the budget process he feels Council should review the amount that is budgeted for Council mileage as more councilmembers are attending outside meetings.

6. CONSENT AGENDA

MOTION by Councilmember Timmons, second Councilmember Timmerman to approve Consent Agenda as amended.

- a. Approve July 12, 2018 Minutes of the City Council Meeting
- b. Approve Payment of Claims and Electronic Transfer of Funds
- c. Adopt Ordinance No. 172 Amending Title 11 Chapter 2-2 of the City Code Concerning Commercial Vehicle Definition
- d. Accept Donation From N.E.W. Lions
- e. Preserve at Elko New Market – Concept Plan Review and Direction on Orderly Annexation Agreement - **Pulled from Consent Agenda and placed on General Business Item 8c**
- f. Mediacom Lease Renewal
- g. Approve Agreement for Financial Management Services

APIF, MOTION CARRIED

7. PUBLIC HEARINGS

None

8. GENERAL BUSINESS

- a. Adopt Resolution 18-42 Accepting Councilmember Resignation and Declaring Vacancy on City Council

On July 12, 2018, Councilmember Timmons submitted her resignation from the City Council due to relocation. The City Council held a discussion on the vacancy created by the resignation of Councilmember Timmons and decided to leave the seat vacant until the General Election in November 2018.

MOTION by Councilmember Timmons, second by Councilmember Timmerman to adopt Resolution 18-42 Accepting Councilmember Resignation and Declaring Vacancy on City Council. **APIF, MOTION CARRIED**

- b. Traffic Operations Change Request Policy

City Engineer Revering gave the Council a presentation on the Traffic Operations Change Request Policy. The policy will formalize and make review of requests or complaints more efficient by setting some basic criteria for changing or not changing traffic controls.

MOTION by Councilmember Berg, second by Councilmember Timmons to approve the Traffic Operations Change Requests Policy. **APIF, MOTION CARRIED**

Preserve at Elko New Market – Concept Plan Review and Direction on Orderly Annexation Agreement

Councilmember Julius had requested this item be pulled from the Consent Agenda and

placed on General Business. The developer, Kevin Komorouski and Staff were seeking Council direction on a possible annexation and residential development of a 10 acre property. The proposed development is located just west of the Whispering Creek 2nd Addition, on the south side of County Road 2 and would include 30 to 35 residential lots.

MOTION by Councilmember Timmerman, second by Councilmember Berg to authorize Staff, upon receipt of a petition for annexation, to prepare Orderly Annexation Agreement for the subject property and work with New Market Township Board regarding terms of annexation, and prepare predevelopment agreement outlining the terms of the annexation with proposed developer and noting recommendation submitted by the Planning Commission. **APIF, MOTION CARRIED**

9. REPORTS

a) ADMINISTRATION

Presented at Work Session.

b) PUBLIC WORKS

Presented at Work Session.

c) POLICE DEPARTMENT

Presented at Work Session.

d) FIRE DEPARTMENT

Presented at Work Session.

e) ENGINEERING

Webster Wetland Restoration Project

Written report included in Council Packet. Council had no further questions.

f) COMMUNITY DEVELOPMENT

Presented at Work Session.

g) PARKS DEPARTMENT

Presented at Work Session.

h) OTHER COMMITTEE AND BOARD REPORTS

i. SCALE

Presented at Work Session.

ii. MVTA

Presented at Work Session.

iii. I35 SOLUTIONS ALLIANCE

Presented at Work Session.

iv. CHAMBER OF COMMERCE

Presented at Work Session.

v. REGIONAL COUNCIL OF MAYORS

Presented at Work Session.

vi. COMMUNITY AND CIVIC EVENTS COMMITTEE

Presented at Work Session.

vii. DOWNTOWN IMPROVEMENT COMMITTEE

Presented at Work Session.

viii. 50 BY 30 COLLECTIVE IMPACT PROJECT

- Steering Committee – Presented at Work Session.
- Transportation Committee – Presented at Work Session.
- Housing Committee – Presented at Work Session.
- Work Force Committee – Presented at Work Session.

10. DISCUSSION BY COUNCIL

Councilmember Julius stated that the Marek family wanted to thank the Council, Planning Commission and Staff for the work done and time spent on commercial vehicles.

11. ADJOURNMENT

MOTION by Councilmember Timmerman, second by Councilmember Timmons to adjourn the meeting at 8:42 p.m. **APIF, MOTION CARRIED**

Respectfully submitted by:

Sandra Green, City Clerk





STAFF MEMORANDUM

SUBJECT:	Presentation of Elko New Market Claims and Electronic Transfer of Funds
MEETING DATE:	August 9, 2018
PREPARED BY:	Sandra Green, City Clerk
REQUESTED ACTION:	Approve Payment of Current Claims

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
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5 YEAR GOALS:

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- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

Each month the City Clerk presents for approval the Elko New Market Claims and Electronic Transfer of Funds.

BUDGET IMPACT:

Budgeted

Attachments:

- Check Summary Register

CITY OF ELKO/NEW MARKET

*Check Summary Register©

AUGUST 9, 2018

Name	Check Date	Check Amt	
<u>AUTO PAYS</u>			
Paid Chk# 005634	E SUN LIFE FINANCIAL	8/1/2018	\$1,095.98 LIFE INSURANCE - AUGUST 2018
Paid Chk# 005635	E HEALTH PARTNERS	8/1/2018	\$12,706.91 MEDICAL INSURANCE - JULY
Paid Chk# 005636	E DELTA DENTAL OF MINNESOTA	8/1/2018	\$934.80 DENTAL INSURANCE - AUGUST
Paid Chk# 005637	E PERA	7/26/2018	\$7,928.71 Vendor Liability
Paid Chk# 005638	E INTERNAL REVENUE SERVICE	7/26/2018	\$10,059.96 Vendor Liability
Paid Chk# 005639	E MN DEPT OF REVENUE	7/26/2018	\$2,116.37 Vendor Liability
Paid Chk# 005640	E HEALTH EQUITY, INC.	7/26/2018	\$591.53 H.S.A. Employee contribution
Paid Chk# 005641	E NEW MARKET STATE BANK	7/12/2018	\$15.00 JULY PAYROLL ACH FEE
Paid Chk# 005642	E NEW MARKET STATE BANK	7/26/2018	\$15.00 JULY PAYROLL ACH FEE
Paid Chk# 005643	E PERA	7/26/2018	\$123.95
Paid Chk# 005644	E MN DEPT OF REVENUE	7/26/2018	\$9.00
Paid Chk# 005645	E INTERNAL REVENUE SERVICE	7/26/2018	\$141.92
Paid Chk# 005646	E MINNESOTA ENERGY	8/15/2018	\$51.55 26518 France Avenue
Paid Chk# 005647	E MINNESOTA ENERGY	8/15/2018	\$20.62 26518 France Avenue
Paid Chk# 005648	E XCEL ENERGY	8/20/2018	\$292.95 Storage
Paid Chk# 005649	E XCEL ENERGY	8/21/2018	\$174.21 Lift Station / 10010 Ptarmigan
Paid Chk# 005650	E XCEL ENERGY	8/21/2018	\$3,714.08 25499 Natchez Ave - Water Trea
Paid Chk# 005651	E XCEL ENERGY	8/21/2018	\$1,219.73 Wellhouse - 26460 France Ave
Paid Chk# 005652	E XCEL ENERGY	8/21/2018	\$1,417.43 26536 France Ave
Paid Chk# 005653	E MN VALLEY ELECTRIC COMPANY	8/9/2018	\$10.74 City of Elko Park, Elko
Paid Chk# 005654	E XCEL ENERGY	8/21/2018	\$984.63 Library - 100 J Roberts Way
Paid Chk# 005655	E MINNESOTA ENERGY	8/17/2018	\$22.24 408 Carter Street
Paid Chk# 005656	E MINNESOTA ENERGY	8/17/2018	\$25.51 359 James Parkway
Paid Chk# 005657	E MINNESOTA ENERGY	8/17/2018	\$51.55 110 J Roberts Way - Library
Paid Chk# 005658	E MINNESOTA ENERGY	8/15/2018	\$20.62 26518 France Avenue
Paid Chk# 005659	E MINNESOTA ENERGY	8/15/2018	\$55.96 PW Facility - Gas Utilities
Paid Chk# 005660	E MINNESOTA ENERGY	8/14/2018	\$56.71 25499 Natchez Ave – WTP

Total Checks \$43,857.66

PRE-PAID

Paid Chk# 038730	PAYROLL	7/26/2018	\$540.03
Paid Chk# 038731	PAYROLL	7/26/2018	\$69.26
Paid Chk# 038732	PAYROLL	7/26/2018	\$429.25
Paid Chk# 038733	PAYROLL	7/26/2018	\$69.26
Paid Chk# 038734	CUB SCOUTS PAK 325	7/24/2010	\$164.00 FIRE RESCUE DAYS - BOUNCY
Paid Chk# 038735	HOLY CROSS CATHOLIC	7/24/2010	\$132.00 FIRE RESCUE DAYS - WATER
Paid Chk# 038736	UNITED STATES POSTAL SERV	7/31/2018	\$320.23 Postage
Paid Chk# 038737	VERIZON WIRELESS	8/2/2018	\$806.76 Cell Phones

Total Checks \$2,530.79

CHECK REGISTER

Paid Chk# 038738	ACE HARDWARE & PAINT4	8/9/2018	\$33.55 PW - Small Tools
Paid Chk# 038739	AEM FINANCIAL SOLUTIONS	8/9/2018	\$6,250.00 Financial Services
Paid Chk# 038740	AMERICAN PLANNING	8/9/2018	\$527.00 2018 Membership Dues
Paid Chk# 038741	APPLE FORD LINCOLN	8/9/2018	\$622.48 PD - Fleet
Paid Chk# 038742	ASPEN MILLS	8/9/2018	\$440.00 FD - Uniforms
Paid Chk# 038743	BLACKFIRE CREATIVE, INC.	8/9/2018	\$88.44 PW - Fleet Maint & Equip
Paid Chk# 038744	BOLTON & MENK	8/9/2018	\$6,029.50 T15.100785 - Barsness Commerci
Paid Chk# 038745	CINTAS CORPORATION NO. 2	8/9/2018	\$45.39 PW UNIFORMS
Paid Chk# 038746	COMMERCIAL ASPHALT	8/9/2018	\$97.70 PW Streets
Paid Chk# 038747	CROSS NURSERIES, INC	8/9/2018	\$309.40 N.E.W. Lions Flower Garden
Paid Chk# 038748	CULLIGAN BOTTLED WATER	8/9/2018	\$66.50 Bottled Water
Paid Chk# 038749	FASTENAL COMPANY	8/9/2018	\$33.66 PW - Fleet Maint & Equip
Paid Chk# 038750	FRANCOTYP-POSTALIA, INC.	8/9/2018	\$120.00 Postage Machine Rental
Paid Chk# 038751	FRIEDGES LANDSCAPING	8/9/2018	\$562.00 Parks Repairs

Paid Chk#	038752	FUZIONPRINT	8/9/2018	\$362.67	City Newsletter
Paid Chk#	038753	GLENTERE ENTERPRISES	8/9/2018	\$501.95	City Beautification Garden
Paid Chk#	038754	GOPHER STATE ONE CALL	8/9/2018	\$83.70	Locates
Paid Chk#	038755	HAWKINS, INC.	8/9/2018	\$2,793.27	PW - Water Chemicals
Paid Chk#	038756	INNOVATIVE OFFICE SOLUT	8/9/2018	\$50.78	Operating Supplies
Paid Chk#	038757	JEFFERSON FIRE & SAFETY.	8/9/2018	\$8,047.82	FD - Holmatro Combo Tool
Paid Chk#	038758	KELLEY FUELS, INC.	8/9/2018	\$1,870.73	FD - Fuel
Paid Chk#	038759	LAKEVILLE SANITARY, INC.	8/9/2018	\$6,795.84	Fire Rescue Days - Garbage
Paid Chk#	038760	LAKEVILLE TROPHY CO.	8/9/2018	\$97.94	Plaque for Councilmember Timmo
Paid Chk#	038761	LEAGUE OF MN CITIES INS	8/9/2018	\$741.42	Claim 37714
Paid Chk#	038762	JOHN MACHABY	8/9/2018	\$23.16	PD - Shop Supplies
Paid Chk#	038763	MARKET VILLAGE SR RESIDEN	8/9/2018	\$312.05	Water/Sewer - May18
Paid Chk#	038764	METROPOLITAN COUNCIL	8/9/2018	\$8,987.10	Res Cap Loan 2016
Paid Chk#	038765	METROPOLITAN COUNCIL	8/9/2018	\$10,712.64	Res Cap Loan 2017
Paid Chk#	038766	METROPOLITAN COUNCIL	8/9/2018	\$22,568.75	Res Cap Loan 2018
Paid Chk#	038767	MIDWEST SAFETY	8/9/2018	\$760.00	Safety Training 7/19/18
Paid Chk#	038768	MN CRITTER GETTERS, INC.	8/9/2018	\$1,174.00	Monthly Animal Control - Jul
Paid Chk#	038769	MTI DISTRIBUTING INC.	8/9/2018	\$571.28	PW - Fleet Maint & Equip
Paid Chk#	038770	MVTL LABORATORIES	8/9/2018	\$95.00	PW - Water Testing
Paid Chk#	038771	NAPA AUTO PARTS	8/9/2018	\$335.30	PD - Fleet
Paid Chk#	038772	NORTHLAND PEST CONTROL	8/9/2018	\$21.25	Pest Control - Library
Paid Chk#	038773	NOVACARE REHABILITATION	8/9/2018	\$120.00	Pre-employ Exam - David Tupy
Paid Chk#	038774	POMPS TIRE SERVICE, INC.	8/9/2018	\$82.00	PW - Fleet Maint & Repairs
Paid Chk#	038775	PONY PARTIES EXPRESS LLC	8/9/2018	\$475.46	Wagner Park Summer Event 7-26
Paid Chk#	038776	QUALITY FLOW SYSTEMS, INC.	8/9/2018	\$280.00	PW - Sewer Repairs
Paid Chk#	038777	QUILL CORPORATION	8/9/2018	\$49.98	Operating Supplies
Paid Chk#	038778	SCHLOMKAS PORTABLE	8/9/2018	\$751.00	Fire Rescue Days-Portable Rest
Paid Chk#	038779	SCOTT COUNTY TREASURER	8/9/2018	\$270.00	MDT State Access - 2nd Qtr 201
Paid Chk#	038780	SCOTT COUNTY RECORDER	8/9/2018	\$46.00	Fence Encroachment Agmt
Paid Chk#	038781	C/O SHRED RIGHT	8/9/2018	\$54.00	Shredding
Paid Chk#	038782	SOUTH METRO RENTAL	8/9/2018	\$989.63	PW - Fleet Maint & Equip
Paid Chk#	038783	ST. PAUL STAMP WORKS, INC.	8/9/2018	\$130.65	Dog Tags/S Hooks
Paid Chk#	038784	SUEL PRINTING COMPANY	8/9/2018	\$488.75	Legal Ads
Paid Chk#	038785	TF CONCRETE & MASONRY	8/9/2018	\$468.00	City Beautification Garden
Paid Chk#	038786	PATRICIA TIMMONS	8/9/2018	\$69.76	Mileage 7/11-7/25, 2018
Paid Chk#	038787	SPLIT ROCK MANAGEMENT INC	8/9/2018	\$845.00	WAGNER PARK
Total Checks				\$87,252.50	

DIRECT DEPOSITS

Paid Chk#	501853E	Bi-Weekly ACH	7/12/2018	\$32,185.29
Paid Chk#	501889E	Bi-Weekly ACH	7/26/2018	\$33,812.58
Paid Chk#	501891E	Bi-Weekly ACH	7/26/2018	\$744.69
Total Checks				\$66,742.56



Real People. Real Solutions.

12224 Nicollet Avenue
Burnsville, MN 55337-1649

Ph: (952) 890-0509
Fax: (952) 890-8065
Bolton-Menk.com

MEMORANDUM

Date: August 9, 2018
To: Mayor Crawford and the Elko New Market City Council
Tom Terry, City Administrator
From: Rich Revering, PE – City Engineer
Subject: Stormwater Utility Ordinance Amendment
Townhome Common Area Parcel Fee
Elko New Market
Project No.: T15.100717

BACKGROUND

The City Council is being asked to the adopt the attached ordinance amending how fees are computed for townhome common areas in the City of Elko New Market.

DISCUSSION

The City received complaints from time to time about the fairness of charging townhome common areas the stormwater utility fee in addition to charging each townhome unit for this fee. The charges had been assessed to each parcel in city limits in accordance with the Stormwater Utility Ordinance.

The City Engineer was asked to review whether the fee assessed to each townhome unit was fair relative to other residential properties. The finding was that if common areas were “split up” and added to the individual units served, townhome residents were paying a higher stormwater fee per unit than other residential uses because of the common areas. It was further found that hypothetically adding a portion of common areas to each individual townhome area resulted in total areas per unit that were less in all cases than the max area for which one stormwater unit was assigned. This means that fees collected from each unit were sufficient with no changes to cover an equivalent number of 1-acre single family units if the common areas were exempt from the fee.

Staff is recommending that to remedy this inadvertent additional charge, townhome common areas be exempted from the charge. Adopting the attached ordinance prepared by the City Attorney’s office will enact the recommended change. It is not recommended the change be retroactive nor that any refunds be provided.

RECOMMENDATION

Adopt the attached ordinance exempting townhome common areas from stormwater utility charges.

End of Memo

ORDINANCE NO. 173

**CITY OF ELKO NEW MARKET
SCOTT COUNTY, MINNESOTA**

**AN ORDINANCE AMENDING TITLE 9, CHAPTER 3 CONCERNING
STORMWATER DRAINAGE UTILITY RATES AND CHARGES**

THE CITY COUNCIL OF THE CITY OF ELKO NEW MARKET ORDAINS:

SECTION 1. Section 9-3-5(A) of the Elko New Market City Code is hereby amended to read as follows:

- A. Except as otherwise provided herein, fees for the use and availability of the storm sewer system shall be determined through the combination of a monthly uniform base charge per parcel for the recovery of system costs, plus a supplemental monthly charge based on the REF for the recovery of system costs influenced by runoff events. Common areas and facilities within a common interest community shall not be charged such fees; however, the total area of the common areas and facilities shall be allocated to the units within the common interest community based on the unit's undivided interest in the common areas and facilities. The pro-rated area of the common areas and facilities shall be added to each unit within the common interest community and the total shall be used in computing the REF for each unit.

Section 2. **Effective Date.** This ordinance shall be effective upon its passage and publication by the City Council.

PASSED AND ADOPTED this 9th day of August, 2018

CITY OF ELKO NEW MARKET

BY: _____
Robert Crawford, Mayor

ATTEST:

Sandra Green, City Clerk



STAFF MEMORANDUM

SUBJECT:	2018 Community Survey
MEETING DATE:	August 9, 2018
PREPARED BY:	Mark Nagel, Assistant City Administrator
REQUESTED ACTION:	Accept 2018 Community Survey and Findings and Results

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

INTRODUCTION

The City Council is being asked to accept the 2018 Community Survey Findings and Results. The Morris Leatherman Company provided an overview of the results at the May 24 Council Work Session. The written report is now complete and being presented to the City Council for acceptance.

BACKGROUND/DISCUSSION

In April of 2010, the City Council adopted the Community Oriented Local Government (COG) philosophy to guide how the City of Elko New Market conducts the business of local government. One of the key components for COG is performance measurement, which states that the City will develop and utilize methods for measuring performance to evaluate progress and establish accountability for improving public services. The data derived from the Community Survey conducted in 2018 is consistent with the COG and provides information for making more effective policy decisions regarding the desired level and type of City services by the community, as well as providing a comparison with other Minnesota cities. The 2012 Community Survey established a baseline for future surveys, so that the impact of changes to City services and changes in expectations related to City services could be measured. These periodic updates to the survey allow the City to continually benchmark our City services and provide a comparison with other cities. The intent was that that the Community Survey be conducted every 3 years to ensure that the data used to make policy decisions remains reliable and valid. Additionally, the Community Survey also enables the City to comply with 2010 State legislation that established a voluntary performance measurement reporting program for cities and by participating, the City adds about \$800/year to their LGA allocation.

BUDGET IMPACT

The total cost of the Community Survey was \$9,500 - \$1,380 will be reimbursed by the MVTA for their questions regarding transit that were included in the survey. Therefore, the cost to the City was \$8,120.

ATTACHMENTS

2018 Community Survey Responses Summary
2018 Community Survey Findings and Results

THE MORRIS LEATHERMAN COMPANY
3128 Dean Court
Minneapolis, Minnesota 55416

City of Elko New Market
Residential Survey
FINAL MAY 2018

Hello, I'm _____ of the Morris Leatherman Company, a polling firm located in Minneapolis. We have been retained by the City of Elko New Market to speak with a random sample of residents about issues facing the community. This survey is being conducted because the City Council and City Staff are interested in your opinions and suggestions about current and future city needs. I want to assure you that all individual responses will be held strictly confidential; only summaries of the entire sample will be reported.

- | | |
|---|---------------------------|
| 1. Approximately how many years have you lived in the City of Elko New Market? | LESS THAN TWO YEARS....5% |
| | TWO TO FIVE YEARS.....18% |
| | FIVE TO TEN YEARS.....25% |
| | TEN TO TWENTY YEARS...24% |
| | 20 TO 30 YEARS.....16% |
| | OVER THIRTY YEARS.....12% |
| | DON'T KNOW/REFUSED.....0% |
| 2. Thinking back to when you moved to Elko New Market, what factors were most important to you in selecting the city? | DON'T KNOW/REFUSED.....0% |
| | NEIGHBORHOOD.....4% |
| | HOUSING.....16% |
| | SAFE.....8% |
| | RURAL/OPEN SPACE.....9% |
| | QUIET AND PEACEFUL....14% |
| | CONVENIENT LOCATION...4% |
| | FRIENDLY PEOPLE.....4% |
| | SMALL TOWN FEEL.....14% |
| | CLOSE TO FAMILY.....10% |
| | SCHOOLS.....8% |
| | CLOSE TO JOB.....8% |
| 3. What do you like most about living in the City of Elko New Market? | DON'T KNOW/REFUSED.....1% |
| | SMALL TOWN FEEL.....26% |
| | QUIET AND PEACEFUL....18% |
| | HOUSING/NEIGHBORHOOD...9% |
| | RURAL/OPEN SPACE.....12% |
| | SAFE.....8% |
| | FRIENDLY PEOPLE.....11% |
| | CONVENIENT LOCATION...2% |
| | PLACE TO RAISE KIDS...10% |
| | CLOSE TO JOB.....2% |
| | SCHOOLS.....2% |

- | | |
|--|---|
| 4. What do you think is the most serious issue facing the city today? | DON'T KNOW/REFUSED.....2%
NOTHING.....6%
HIGH TAXES.....10%
LACK OF BUSINESSES....30%
CITY SPENDING.....2%
TOO MUCH GROWTH.....10%
QUALITY OF WATER.....9%
NEED GROCERY STORE....14%
HIGH COST OF WATER.....8%
ROAD REPAIR.....4%
QUALITY OF SCHOOLS.....2%
SCATTERED.....2% |
| 5. How would you rate the quality of life in Elko New Market -- excellent, good, only fair, or poor? | EXCELLENT.....46%
GOOD.....52%
ONLY FAIR.....2%
POOR.....0%
DON'T KNOW/REFUSED.....0% |

Moving on....

Property tax revenues are divided among the City of Elko New Market, Dakota County, and your local public school district. In 2018, the actual percentage of your property taxes going to the City of Elko New Market was 33 percent.

- | | |
|---|--|
| 6. When you consider the property taxes you pay and the quality of city services you receive, would you rate the general value of city services as excellent, good, only fair, or poor? | EXCELLENT.....19%
GOOD.....59%
ONLY FAIR.....18%
POOR.....4%
DON'T KNOW/REFUSED.....1% |
|---|--|

I would like to read you a list of a few city services. For each one, please tell me whether you would rate the quality of the service as excellent, good, only fair, or poor? (ROTATE)

	EXCL	GOOD	FAIR	POOR	DK/R
7. Police protection?	53%	45%	2%	0%	0%
8. Fire protection?	57%	34%	2%	1%	6%
9. Park maintenance?	30%	61%	6%	1%	2%
10. City-sponsored recreation programs?	29%	55%	6%	2%	8%
11. Code Enforcement?	14%	64%	9%	6%	7%

Now, for the next three city services, please consider only their job on city-maintained street and roads. That means

excluding interstate highways, state and county roads that are taken care of by other levels of government. Hence, Interstate 35, County Road 2, also known as 260th Street or Main Street and County Road 91, also known as Natchez Avenue, should not be considered. How would you rate

	EXCL	GOOD	FAIR	POOR	DK/R
12. City street repair and maintenance?	8%	74%	13%	4%	0%
13. Snow plowing?	19%	67%	11%	3%	0%

IF ANY CITY SERVICE IS RATED "ONLY FAIR" OR "POOR," ASK:
(N=100)

14. Why did you rate that service as (only fair/poor?)	DON'T KNOW/REFUSED....0%
	POOR SNOW PLOWING.....22%
	SLOW RESPONSE.....9%
	POOR STREET REPAIR....25%
	LACK OF CODE ENFORCE..22%
	NOT ENOUGH RECREATION.13%
	POOR PARK MAINTENANCE..6%
	SCATTERED.....3%
15. Are there any city services you would like to see add in the City of Elko New Market? (IF "YES," ASK:) What would those be?	DON'T KNOW/REFUSED....9%
	NOTHING.....66%
	RECREATION PROGRAMS....5%
	COMMUNITY CENTER.....15%
	RECREATION FACILITIES..2%
	SCATTERED.....3%
Thinking about another topic....	
16. How would you rate the amount of police patrolling in your neighborhood -- too much, about the right amount or not enough?	TOO MUCH.....3%
	ABOUT RIGHT AMOUNT....85%
	NOT ENOUGH.....12%
	DON'T KNOW/REFUSED....0%
17. How would you rate the amount of traffic enforcement by the police in your neighborhood -- too much, about right amount or not enough?	TOO MUCH.....1%
	ABOUT RIGHT AMOUNT....80%
	NOT ENOUGH.....18%
	DON'T KNOW/REFUSED....1%
18. How serious of a problem is traffic speeding in your neighborhood -- very serious, somewhat serious, not too serious, or not at all serious?	VERY SERIOUS.....13%
	SOMEWHAT SERIOUS.....28%
	NOT TOO SERIOUS.....36%
	NOT AT ALL SERIOUS....23%
	DON'T KNOW/REFUSED....0%

24.	How many days per week on average do you ride public transit?	ONE.....0%
		TWO.....22%
		THREE.....27%
		FOUR.....16%
		FIVE OR MORE.....35%
		DON'T KNOW/REFUSED.....0%

IF "NO" IN QUESTION #23, ASK: (N=212)

25.	Have you ever ridden public transit?	YES.....51%
		NO.....49%
		DON'T KNOW/REFUSED.....0%

Now, I would like to read you a list of potential services that could be offered by public transit. For each one, please tell me if it would make you much more likely to use public transit, somewhat more likely or would it make no difference to you.

	MML	SML	NOD	DKR
26. Regular weekday commuter service from Elko New Market to Downtown Minneapolis.	12%	22%	65%	1%
27. Service to the Minnesota State Fair, ValleyFair, Canterbury Park or the Renaissance Festival.	26%	34%	38%	2%
28. Service to area Community and Technical Colleges, such as Normandale, Inver Hills, or Dakota County Technical College.	10%	15%	74%	1%
29. Service to events in Downtown Minneapolis or Downtown Saint Paul for events like concerts or sporting events at Target Center, Target Field or the Xcel Energy Center.	32%	31%	34%	3%
30. Are you familiar with the Minnesota Valley Transit Authority or MVTA?	YES.....81%			
	NO.....19%			
	DON'T KNOW/REFUSED.....0%			

Continuing....

The Elko New Market park system is composed of larger community parks, like Windrose Park and Wagner Park, and smaller neighborhood parks, like Woodcrest Park and Rowena Ponds Park, trails, and community ballfields. For each facility, please tell me if you or members of your household use that facility. Then for each one you use, please tell me if you would rate that facility as excellent, good, only fair, or poor?

	NOT USE	USE EXC	USE GOO	USE FAI	USE POO	DK/ REF
31. Larger community parks?	25%	40%	34%	2%	0%	0%
32. Smaller neighborhood parks?	23%	30%	38%	6%	2%	1%
33. Trails and Sidewalks?	6%	38%	49%	5%	2%	0%
34. Community ballfields?	36%	21%	35%	6%	0%	1%
35. Wagner Park skatepark?	63%	7%	22%	4%	2%	3%
36. Ice rinks?	61%	8%	24%	4%	2%	1%
37. Wagner Park Shelter?	43%	26%	26%	2%	1%	3%

38. In general, do you feel that existing recreational facilities offered by the City meet the needs of you and members of your household?

YES.....91%
NO7%
DON'T KNOW/REFUSED.....2%

IF "NO," ASK: (N=18)

39. What additional recreational facilities would you like to see the City offer its residents?

UNSURE, 6%; INDOOR ICE RINK, 11%; TENNIS COURTS, 11%;
COMMUNITY CENTER, 6%; POOL, 11%; BASEBALL FIELDS, 39%;
TRAILS, 11%; SOCCER FIELDS, 6%.

40. In general, do you feel that existing recreational programs offered by the City meet the needs of you and members of your household?

YES.....92%
NO6%
DON'T KNOW/REFUSED.....2%

IF "NO," ASK: (N=14)

41. What additional recreational programs would you like to see the City offer its residents?

UNSURE, 14%; HOCKEY, 14%; BASKETBALL, 50%; SOCCER,
7%; ANY SUMMER SPORTS, 14%.

42. Have you or members of your household participated in any City park and recreation programs?

YES.....44%
NO.....55%
DON'T KNOW/REFUSED.....1%

IF "YES," ASK: (N=110)

43. Which ones?	DON'T KNOW/REFUSED.....0%
	BASEBALL/SOFTBALL.....32%
	MULTIPLE SPORTS.....29%
	SOCCER.....10%
	SWIMMING.....14%
	BASKETBALL.....10%
	SCATTERED.....5%
44. Were you satisfied or dissatisfied with your experience?	SATISFIED.....99%
	DISSATISFIED.....1%
	DON'T KNOW/REFUSED.....0%

Changing topics....

When you think about community events, such as the Egg Hunt, Fire Rescue Days or the Halloween Party....

45. In general, do you feel that existing community events offered by the City meets the needs of you and members of your household?	YES.....96%
	NO2%
	DON'T KNOW/REFUSED.....2%

IF "NO," ASK: (N=5)

46. What additional community events would you like to see the City offer its residents?

UNSURE, 60%; CRAFT/HOBBY EVENTS, 40%.

47. Do you think the city has the right amount of community events, too many or too few?	ABOUT RIGHT AMOUNT....86%
	TOO MANY.....1%
	TOO FEW.....11%
	DON'T KNOW/REFUSED.....3%
48. Have you or members of your household participated in any community events?	YES.....81%
	NO.....19%
	DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (N=202)

49. Which ones?

DON'T KNOW/REFUSED.....	0%
LION'S EVENTS.....	8%
BLOCK PARTIES.....	15%
FIRE & RESCUE DAYS....	16%
PARADE.....	22%
NIGHT TO UNITE.....	7%
EASTER EGG HUNT.....	15%
CITYWIDE GARAGE SALE..	11%
HALLOWEEN.....	2%
SCATTERED.....	4%

50. Were you satisfied or dissatisfied with your experience?

SATISFIED.....	100%
DISSATISFIED.....	0%
DON'T KNOW/REFUSED.....	0%

IF "NO," ASK: (N=47)

51. Are there any changes or improvements that would make you more likely to participate in a community event?

UNSURE, 11%; NO, 89%.

Changing topics....

52. During the past year, have you contacted Elko New Market City Hall?

YES.....	45%
NO.....	55%
DON'T KNOW/REFUSED.....	0%

IF "YES," ASK: (N=113)

53. On your last telephone call or visit, which Department did you contact -- the Police Department, Fire Department, Public Works, Park and Recreation, Building Inspections, Engineering, Planning, Administration, Billing Department, or the General Information Desk receptionist?

POLICE DEPARTMENT.....	8%
FIRE DEPARTMENT.....	1%
PUBLIC WORKS.....	17%
PARKS AND REC.....	15%
BUILDING INSPECT.....	7%
ENGINEERING.....	1%
PLANNING.....	5%
ADMINISTRATION.....	8%
BILLING DEPT.....	27%
GENERAL INFORMATION..	12%
DON'T KNOW/REFUSED.....	0%

Thinking about your last contact with the City, for each of the following characteristics, please rate the service as excellent, good, only fair, or poor....

	EXC	GOO	FAI	POO	DKR
54. Response time from City Staff to assist you?	45%	46%	7%	2%	0%
55. Courtesy of city staff?	56%	41%	2%	2%	0%

Moving on.....

56. What is your principal source of information about Elko New Market City Government and its activities?

UNSURE, 1%; CITY NEWSLETTER, 40%; CITY WEBSITE, 29%; LOCAL NEWSPAPER, 4%; SOCIAL MEDIA, 8%; E-MAILED NEWSLETTER, 6%; WORD OF MOUTH, 6%; MAILINGS, 2%; SCATTERED, 3%.

57. How would you prefer to receive information about Elko New Market City Government and its activities?

UNSURE, 1%; CITY NEWSLETTER, 40%; CITY WEBSITE, 20%; LOCAL NEWSPAPER, 2%; SOCIAL MEDIA, 9%; E-MAILED NEWSLETTER, 22%; WORD OF MOUTH, 2%; MAILINGS, 3%; SCATTERED, 2%.

58. During the past year, did you or members of your household regularly read the city's newsletter?	YES.....	85%
	NO.....	15%
	DON'T KNOW/REFUSED.....	0%

IF "YES," ASK: (N=213)

59. How would you rate the quality of the newsletter -- excellent, good, only fair, or poor?	EXCELLENT.....	33%
	GOOD.....	61%
	ONLY FAIR.....	6%
	POOR.....	1%
	DON'T KNOW/REFUSED.....	0%

The City could discontinue the printed version of the city's newsletter to be more environmentally friendly, save costs and provide more timely information. If the print copy of the newsletter was no longer mailed....

60. Would your household be able to access the electronic version on a computer or mobile device?	YES.....	86%
	NO.....	13%
	DON'T KNOW./REFUSED....	1%

61. How likely would you be to read an electronic version of the city newsletter - very likely, somewhat likely, not too likely or not at all likely?	VERY LIKELY.....	35%
	SOMEWHAT LIKELY.....	32%
	NOT TOO LIKELY.....	15%
	NOT AT ALL LIKELY.....	17%
	DON'T KNOW/REFUSED.....	0%

62. Have you accessed the City's web-site? YES.....67%
 NO.....33%
 DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (N=167)

63. How would you evaluate the content of the city's website -- excellent, good, only fair or poor? EXCELLENT.....30%
 GOOD.....58%
 ONLY FAIR.....10%
 POOR.....2%
 DON'T KNOW/REFUSED.....1%

64. How would you rate the ease of navigating the site and finding the information you sought -- excellent, good, only fair or poor? EXCELLENT.....23%
 GOOD.....62%
 ONLY FAIR.....10%
 POOR.....5%
 DON'T KNOW/REFUSED.....1%

65. What additional information would you like to see on the city's website?

UNSURE, 17%; NO, 65%; PARKS AND RECREATION, 4%; ROAD CONSTRUCTION UPDATES, 4%; DEVELOPMENT PLANNING, 4%; SCATTERED, 6%.

I would like to ask you about social media sources. For each one, tell me if you currently use that source of information; then, for each you currently use, tell me if you would be likely or unlikely to use it to obtain information about the City of Elko New Market.

	NOT USE	USE LIK	USE NLK	DK/REF
66. Facebook?	16%	75%	9%	0%
67. Twitter?	58%	28%	14%	0%
68. YouTube?	38%	44%	18%	0%

69. Is there any other social media you use on a regular basis?

NO, 80%; SNAPCHAT, 3%; PODCASTS, 11%; NEXTDOOR, 3%; SCATTERED, 3%.

Now, just a few more questions for demographic purposes....

70. Do you have school-aged children or pre-schoolers in your household? YES.....56%
 NO.....44%
 DON'T KNOW/REFUSED.....0%

71. What is your age, please? (READ CATEGORIES, IF NEEDED)	18-24.....5%
	25-34.....19%
	35-44.....30%
	45-54.....27%
	55-64.....11%
	65 AND OVER.....8%
	REFUSED.....0%
72. Gender (DO NOT ASK)	MALE.....49%
	FEMALE.....51%

The **MORRIS** LEATHERMAN Company

FINDINGS AND IMPLICATIONS *2018 City of Elko New Market*

City Demographics:

Elko New Market remains a growing exurban community. Since the 2015 study, the median longevity of adult residents decreased by less than two years to 11.0 years. This is over five years lower than the metro area average, but in line with other exurban areas. Twenty-three percent of the sample report moving to the city during the past five years, while 28% was there for over two decades. Fifty-six percent have school-aged or pre-school children in their households.

The median age of respondents is 43.0 years old. Nineteen percent of the sample is over 55 years old, while 24% are less than 35 years old. Women outnumber men by two percent in the sample.

Quality of Life Issues:

Ninety-eight percent rate their quality of life as either “excellent” or “good;” in fact, 46% see it as “excellent.” Only two percent rate the quality of life lower. The key differentiating factor for quality of life is the “excellent” rating given by residents. A high 46% deem it “excellent,” placing the city well within the top decile of Greater Metropolitan Area suburban and exurban communities. Among exurban communities, Elko New Market’s “excellent rating” is at the top of the range.

“Housing,” at 16%, followed by “quiet and peaceful” and “small town feel,” each at 14%, tops the list of factors most important in moving to Elko New Market. “Housing” is particularly important to 5-30 year residents and 18-44 year olds; “quiet and peaceful” is a key factor for over 30 year residents and 18-24 year olds. Ten percent point to “closeness to family,” especially less than five year residents, and nine percent cite “rural and open space,” very important to over 30 year residents and 18-24 year olds. Together, these top five factors are mentioned by 63% of the sample.

At 26%, “small town feel” leads the list of attributes people like most about living in the community. “Quiet and peaceful” and “rural and open spaces” follow at 18% and 12% respectively; the latter is especially liked by less than two year residents, empty-nesters, and over 55 year olds. “Friendly people” and “nice place to raise children” rank next at 11% and ten percent each. Together these top five factors are posted by 77% of the sample.

The most serious issues facing the city are “lack of businesses,” at 30%, mentioned most often by households containing children. Fourteen percent point to the “need for a grocery store,” especially 5-30 year residents, while ten percent each cite “high taxes,” particularly over 20 year residents and over 45 year olds, or “too much growth.” These four issues are posted by 64% of the sample. A “booster” group of six percent, just below the Greater Metropolitan Area norm, says there are “no” serious issues facing the community. “Boosters” have declined by 17% during the past three years.

When property taxes are weighed against the quality of city services, 78% rate the value as “excellent” or “good,” a six percent increase in three years. Twenty-two percent, down six percent, rate the quality as “only fair” or “poor.” More negative ratings are posted by over 55 year olds and men. The over three-to-one favorable-to-unfavorable ratio reveals a community satisfied with the cost of currently-offered city services. This rating continues to rank within the top decile of Greater Metropolitan Area suburban and exurban communities; among exurban communities, it places Elko New Market at the top over the past five years.

City Services:

In evaluating specific city services, the mean approval rating is 87.5%, placing the city in the top quartile of Metropolitan Area suburban and exurban communities. The mean approval rating decreased by 4.5% in the past three years. As an indicator of more dissatisfaction with city services this year, “excellent” ratings decreased by an average of 9.6% since 2015.

Even so, in looking at each individual city service, two services stand out as “best practices” in the metro area: “city street repair and maintenance” and “snow plowing.” Four services are in the top decile in comparison to other Metropolitan Area communities: “police protection,” “fire protection,” and “park maintenance.

City Service	Favorable	Unfavorable	Decrease in “Excellent” Rating
Police Protection	98%	2%	5%
Fire Protection	91%	3%	4%
Park maintenance	91%	7%	13%
Snow Plowing	86%	14%	11%

City Service	Favorable	Unfavorable	Decrease in “Excellent” Rating
City-sponsored recreation programs	84%	8%	13%
City Street Repair and Maintenance	82%	17%	10%
Code Enforcement	78%	15%	11%
Mean	87.1%	9.4%	9.6%

Those rating a city services as “only fair” or “poor” were asked for a reason. Forty percent of residents fall into this category. “Poor street repair” is criticized by 25%. “Poor snow plowing” and “lack of code enforcement” are each cited by 22%.

Seventy-five percent feel the City of Elko New Market does not need to add any further city services. Among the twenty-five percent indicating the city should add services, fifteen percent would like to see a “community center.”

Public Safety Issues:

A solid 85% rate the amount of police patrolling in their neighborhood as “about the right amount.” Only 12% think the amount is “not enough.” Eighty percent rate the amount of traffic enforcement by the police in their neighborhood as “about the right amount.” Eighteen percent, though, think it is “not enough.” These combined ratings of police patrolling are among the top quartile of communities across the Greater Metropolitan Area.

Forty-one percent, an 11% increase in three years, think the problem of traffic speeding in their neighborhood is either “very serious” or “somewhat serious.” Fifty-nine percent see it as “not serious.” Thirty-nine percent, a 17% increase in three years, view the problem of stop sign violations in their neighborhood as either “very serious” or “somewhat serious.” Sixty percent think it is “not too serious” or “not at all serious.” Both levels of concern are slightly higher than other suburban and exurban communities; they arise from the evaluations of over 30 year residents and over 55 year olds.

Twenty-six percent think the greatest public safety concern in Elko New Market is “traffic speeding,” while 17% see it as “youth crimes and vandalism.” It is important to note from the previous question on the seriousness of traffic speeding; only 13% rate the problem as “very serious.” Although traffic speeding leads the list of public safety concerns, it is a “soft” concern. Thirty-seven percent think “none” of the enumerated public safety concerns are a problem in the city; double the Greater Metropolitan Area average.

Transportation Issues:

Fifty-five percent commute outside of the city to school or work on a daily basis. Within this group, 78% use Highway 35 for the majority of their commutes, while 11% similarly use Highway 13. Fifteen percent regularly ride public transit, an almost three-fold increase in three years. Frequent users tend to be under 10 year residents, households containing children, 18-34 year olds, and women. The typical rider uses public transit five or more days per week. Among non-public transit users, 65% have never ridden this form of transportation.

Next, respondents were asked how likely they would be to use four different potential public transit services. In the table below, the potential service is followed by the percent of residents who would be at least “somewhat likely” to use it and the market projection of service users.

Potential Service	Likely to Use	Projected Use
Service to events in Downtown Minneapolis or Downtown Saint Paul for events like concerts or sporting events at Target Center, Target Field or the Xcel Energy Center	63%	24%
Service to the Minnesota State Fair, Valley Fair, Canterbury Park or the Renaissance Center	60%	22%
Regular weekly commuter service from Elko New Market to Downtown Minneapolis	34%	12%
Service to area Community and Technical Colleges, such as Normandale, Inver Hills, or Dakota County Technical College	25%	9%

As in the 2015 study, the most popular service is to events in either Downtown Minneapolis or Saint Paul. Close behind is seasonal service to periodic amusements. More limited interest is found in the daily commuter service to Downtown Minneapolis and service to area educational institutions.

Eighty-one percent report familiarity with the Minnesota Valley Transit Authority, or MVTA. Since 2015, familiarity has almost doubled.

Parks and Recreation:

The household use of existing facilities in the park system was examined in some detail. Eighty-seven percent report members using the trails and sidewalks. Seventy-four percent visit larger community parks and 68% visit smaller neighborhood parks. Fifty-eight percent, an 18% increase since the last study, use the community ballfields, while 52%, a 13% increase, indicate using the Wagner Park Shelter. Thirty-two percent, a 13% increase in three years, use the

Wagner Park skatepark, and 32% visit city ice rinks. When comparing Elko New Market to communities with similar demographics, use of park facilities is among the top quartile of cities.

Users were asked to rate each specific facility. A comparatively high average of 90% of facility users offering ratings post positive ratings; in only two cases, Wagner Park Skatepark and city ice rinks, did negative judgments exceed 10%. These park facility ratings continue to place the city within the top ten percent of cities across the Greater Metropolitan Area and among the top three exurban communities.

Park Facility	Change in Usership	Favorable	Unfavorable
Larger Community Parks	+10%	74%	2%
Smaller Neighborhood Parks	+2%	68%	8%
Trails and Sidewalks	+10%	87%	7%
Community Ballfields	+22%	56%	6%
Wagner Park Skatepark	+16%	29%	6%
Ice Rinks	+7%	32%	6%
Wagner Park Shelter	+17%	52%	3%

Ninety-one percent of the residents feel that existing recreational facilities offered by the City meet the needs of their household. Only seven percent disagree, principally citing the lack of baseball fields.

Ninety-two percent similarly feel that existing recreational programs offered by the City meets the needs of their households. Six percent disagree, citing particularly the lack of basketball programs. This level of satisfaction with recreational programs is right at the norm for the Greater Metropolitan Area.

Forty-four percent, consistent with the 2015 level, report household members participated in a City park and recreation program. The most popular are baseball/softball programs, accounting for almost one-third of the participants, and swimming, accounting for 14% of the participants. Among participants, a unanimous 99% are satisfied with the experience. Combining the use and rating of recreation programs, Elko New Market places among the top five communities across the Greater Metropolitan Area.

Ninety-six percent believe existing community events offered by the City meet the needs of their households. When comparing Elko New Market to communities with similar demographics, this level of satisfaction with community events is 17% higher than the average. A very large 86% think the City has the “right amount” of community events; only 11% believe it is “too few.” Eighty-one percent of community households participate in community events. Among participants, 21% attended “the Parade,” 16% attended “Fire & Rescue Days,” and 15% participated in “block parties” or “the Easter Egg Hunt.” One hundred percent are satisfied with

their experiences there. Combining the use and rating of community events, Elko New Market is at the top of communities across the Greater Metropolitan Area.

City Government and Staff:

Overall, residents continue to be extremely satisfied with their contacts with City Hall. Forty-five percent of the sample contacted Elko New Market City Hall during the past twelve months. Seventy-one percent called or visited one of four departments: Billing, Public Works, Parks and Recreation, or General Information. On two aspects of customer service, staff members are rated as either “excellent” or “good” by at least 91% of those who contacted City Hall: “response time from City Staff to assist you” and “courtesy of city staff.” There are no statistically significant differences between departments when looking at aspects of customer service. The standard threshold indicating quality customer service in the public sector is an 80% positive rating. The average 94% favorable ratings on customer service places Elko New Market in the top decile among Greater Metropolitan Area communities.

Sources of City Information:

Forty percent cite the “City Newsletter” as their principal source of information about Elko New Market City Government and its activities. Twenty-nine percent point to the “City Website.” Eight percent cite “social media,” while six percent each rely upon “e-mailed newsletters” or “word of mouth.” “Local newspapers” are the principal source of information for four percent. The City Newsletter audience is heavily skewed toward over 20 year residents, empty-nesters, over 45 year olds, and men. The “City Website” has especially high use percentages by 2-10 year residents, households containing children, 18-44 year olds, and women. These two sources of information appeal to different “generations.” Except with respect to one source of information, most respondents already rely upon their most preferred source; the only exception is “e-mailed newsletters,” preferred by 22% and currently relied upon only six percent.

Eighty-five percent report a household member regularly read the city’s newsletter. Among regular readers, 94% rate the quality of the newsletter either “excellent” or “good,” while seven percent rate it as “only fair” or “poor.”

If the printed version of the city’s newsletter were discontinued, 86% of Elko New Market households would be able to access the electronic version on a computer or mobile device. Sixty-seven percent are also at least “somewhat likely” to read an electronic version of the city newsletter; but, using standard market projection techniques, 26% would be expected to actually read this version.

Sixty-seven percent, an increase of 22%, of the households in the community accessed the City's website. Among users, 88% favorably rate the content of the website, while 85% rate the ease of navigating the website favorably.

A social media presence by the City of Elko New Market would supplement its current communications reach. At this point, Facebook users are 84% of the households in the city, while 62% use YouTube, and 42% access Twitter. Almost 90% of the users of Facebook, and about 70% of YouTube or Twitter users report they are likely to use that social media to obtain information about the community.

Conclusions:

In comparison with the opinion survey conducted in 2015, Elko New Market residents are growing more worried about a cluster of issues correlated with growth and development. Concerns about business development, development amenities, rate of growth, and tax levels emerged as city challenges. Even so, residents rate the quality of life in Elko New Market and rate city government and services relatively high.

The key issue facing decision-makers in the future remain balancing growth and development with natural ambience and the efficient provision of city services – in essence, balancing the wishes of residents against their concerns as taxpayers, City government and staff currently strikes an excellent balance when compared with other exurban communities. Strong positive city service ratings are posted across the board, though a slippage in intensity – from “excellent” to “good” ratings – is common, and more criticism can be found in the perceived lack of code enforcement and slow plowing response to snow storms. Public safety concerns remain focused on traffic speeding and stop sign violations in residential neighborhoods, as well as youth crimes and vandalism.

Development preferences are focusing on “Type II” growth, shifting from the rate of change and provision of basic services to desired types of general development. Residents see a need for additional amenities – more local business offerings, especially a grocery store.

Two opinion “blocs” are present in this survey. Demographically, the profile of the first group is over 20 year residents, empty-nesters, over 45 year olds, and men. They are concerned about “high taxes,” “preserving the rural ambience of the city by maintaining open spaces,” and “efficient city government spending.” The second group is composed of less than 20 year residents, households containing children, 18-44 year olds, and women. They are concerned about “safety,” “quality of schools,” “preserving the rural ambience of the city by maintaining open spaces,” and “lack of businesses in the community.” The first block primarily uses the City Newsletter to keep abreast of City government and its activities; the second bloc relies upon the

City Website.

Overall, the City of Elko New Market continues to do an exceptional job in communicating with residents about city government and policies. But, shifting away from the printed newsletter could disenfranchise one of the major opinion blocs in the community. Given their communication preferences, residents want to receive information directly from the City with no secondary filters.

As in the 2015 study, Elko New Market is still “working well.” Residents are very happy with their community. They endorse the direction the City is taking and are confident about the future of the community. The major challenge will be preserving the small town ambience of the community and simultaneously attracting more suburban-like amenities to the city.



STAFF MEMORANDUM

SUBJECT:	Solar Project Contract Amendment
MEETING DATE:	August 9, 2018
PREPARED BY:	Mark Nagel, Assistant City Administrator
REQUESTED ACTION:	Authorize City Administrator to Execute Solar Contract Amendment Document for Public Works Building

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND/DISCUSSION:

After studying the possible use of Community Solar Gardens, the City Council decided in late 2016, to look at more cost-effective approaches to securing the benefits of solar power. *Retrofitting*, or securing a utility to an existing structure, was deemed the recommended method of producing solar energy and

- Enables the City to have control over solar production
- Allows for each building to be its own accountable, metered solar producer.
- Benefit from the cost-saving reductions in billable energy usage.
- Diversify the city's energy portfolio.
- Take a leadership role in energy efficiency.
- Support clean energy by investing in green technology.

Solar panels are attractive financially, but they are expensive to purchase and install. Also, there will be a loss of "yield" over time due to degradation. Solar panels lose approximately 3% of their performance output in their first year and 0.5% per year thereafter. At year 21 the system would produce at a rate 13% lower than experienced in its first year. Other factors considered were:

- The average projected lifespan of solar panels is about 40-50 years.
- Most manufacturer warranties and output guarantees run for 20-25 years.
- Project financing, maintenance repairs and system administration will be required.
- There will be an aesthetic impact.

Based on Staff assessment, the pros outweighed the cons, for retrofitting, so Staff proceeded to develop a RFQ to use solar power for City Hall and the Public Works Maintenance Facility with the potential for future use at other City Buildings. Ideal Energies response was evaluated as the best one because it did not require any upfront costs for the City.

At the October 26th City Council directed Staff to prepare a contract with Ideal Energies for adding solar to the Public Works Building. The City council approved the contract on February 22nd.

During the ensuing 5 months, Ideal Energies was able to secure solar panels with higher energy efficiency (342W to 370W) for the Public Works Building, which will enable the panels to produce 31.82kW, instead of 31.5kW. As a result, the panels will produce slightly more energy and increase the City's energy savings by a few hundred dollars over the term of the contract.

Finally, the City Attorney has approved the Contract, as to form.

RECOMMENDATION:

Recommend the Elko New Market City Council approved the attached Contract Amendment with Ideal Energies for the provision of solar power to the Public Works Building.

ATTACHMENT:

Amendment to Solar Contract with Ideal Energies for Public Works Building



Solar Project Capital Lease Amendment

This **SOLAR PROJECT CAPITAL LEASE AMENDMENT**, (this "Agreement"), is made and entered into on **August 9th** by and between **City of Elko New Market**, a MN City (the "**Customer**"), **Ideal Energies, LLC**, a Minnesota limited liability company (the "**Seller**"), and **Green² Solar Leasing, LLC**, a Minnesota limited liability company (the "**Tenant**"). The Customer, Seller and Tenant are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**."

WITNESSETH

WHEREAS, the Customer, Seller and/or Tenant are Parties to the following documents dated **January 29, 2018** for Customer Installation Location(s) ("**Site(s)**") listed below: (a) Purchase Agreement (b) Facility Lease Agreement, (c) Power Purchase Agreement, and (d) Put and Call Agreement (collectively, documents (a) through (d) are the "**Transaction Documents**"). Pursuant to the Transaction Documents, the Seller sold Customer a Solar Array constructed by Seller that is paid for and operated by the Tenant pursuant to the Facility Lease Agreement, and the Customer pays the Tenant for the energy generated from the Solar Array pursuant to a Power Purchase Agreement for those Customer's Site(s) located at:

Public Works - 25499 Natchez Ave. Elko New Market, MN 55020 / Premise 302245372

WHEREAS, the Parties desire to amend the Transaction Documents for the Customer's Site(s) as follows:

1. Purchase Agreement Amendment(s)

a. **Section 2** of the Purchase Agreement(s) for all Site(s) is amended to change the total system Wattage from 31.5 KWDC to 31.82 KWDC.

b. **Schedule A, Items 1, 2, 3 & 4** (System Components) of the Purchase Agreement(s) for all Site(s) is deleted and replaced with the new **Schedule A, Items 1, 2, 3 & 4** included in this Amendment.

2. Power Purchase Agreement Amendment(s)

a. **Schedule A** (Power Purchase Payment Schedule) of the Power Purchase Agreement(s) for all Site(s) is deleted and replaced with the new **Schedule A** included in this Amendment.

Except for the modifications specified in this Amendment, the terms of the Transaction Documents and any and all subsequent Amendments shall remain in full force and effect.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Seller
IDEAL ENERGIES, LLC

By: _____

Chris Psihos, its President

Dated: _____

Customer
City of Elko New Market

By: _____

BOB CRAWFORD, its MAYOR

Dated: _____

SIGN HERE

Tenant
Green² Solar Leasing, LLC

By: _____

Richard Ragatz, its Vice President

Dated: _____

By: _____

SANDRA GREEN, its CITY CLERK

Dated: _____

PURCHASE AGREEMENT SCHEDULE A

System Components

The **Energy System** is comprised of the following System Components:

1. UL Listed and approved Solar Panels: **86 – SILFAB 370M @ 370 kW DC each**
2. UL listed and approved DC/AC inverters: **1 – SOLAR EDGE SE33K @ 33 kW AC each**
3. Power Optimizers: **43 – SOLAR EDGE P800**
4. Solar Panel Racking / mounting system: **IRON RIDGE, S5! CLIPS WITH UNISTRUT FLUSHMOUNT RACKING OR EQUIVALENET @ APPROXIMATELY 5 DEGREES**



POWER PURCHASE AGREEMENT SCHEDULE A

(Power Purchase Payment Schedule)

31.820 kW DC SilfabSLG370M,
33.30 kW AC SolarEdge SE33k 480V 3Ph Inverter Inverters, SolarEdge P800 Power Optimizers &
IronRidge, S5! Clips W/ Unistrut Flushmount Racking or equivalent @ approximately 5°

Xcel SolarRewards

Green2 Solar Leasing, LLC Utility Bill Expense				
Year	Facility Lease Runs Full Term		Put or Call Is Exercised	
	(Power Purchase Expense)		(Power Purchase Expense)	
	(\$/year)	(\$/month)	(\$/year)	(\$/month)
1	\$ 2922.96	\$ 243.58	\$ 2922.96	\$ 243.58
2	\$ 2962.92	\$ 246.91	\$ 2962.92	\$ 246.91
3	\$ 3080.76	\$ 256.73	\$ 3080.76	\$ 256.73
4	\$ 3203.28	\$ 266.94	\$ 3203.28	\$ 266.94
5	\$ 3330.72	\$ 277.56	\$ 3330.72	\$ 277.56
6	\$ 3463.20	\$ 288.60	\$ 3463.20	\$ 288.60
7	\$ 3600.96	\$ 300.08	\$ 3600.96	\$ 300.08
8	\$ 3744.12	\$ 312.01	\$ 3744.12	\$ 312.01
9	\$ 3893.04	\$ 324.42	\$ 3893.04	\$ 324.42
10	\$ 4047.96	\$ 337.33	\$ 4047.96	\$ 337.33
11	\$ 4208.88	\$ 350.74	\$ 4208.88	\$ 350.74
12	\$ 4376.28	\$ 364.69	\$ 4376.28	\$ 364.69
13	\$ 3075.00	\$ 256.25	\$	\$
14	\$ 3075.00	\$ 256.25	\$	\$
15	\$ 3075.00	\$ 256.25	\$	\$
16	\$ 3075.00	\$ 256.25	\$	\$
17	\$ 3075.00	\$ 256.25	\$	\$
18	\$ 3075.00	\$ 256.25	\$	\$
19	\$ 3075.00	\$ 256.25	\$	\$
20	\$ 3075.00	\$ 256.25	\$	\$
21	\$	\$	\$	\$
22	\$	\$	\$	\$
23	\$	\$	\$	\$
24	\$	\$	\$	\$
25	\$	\$	\$	\$
Total	\$ 67435.08		\$ 42835.08	



STAFF MEMORANDUM

SUBJECT: Terminate Contract with Ideal Energies for Provision of Solar Power to Elko New Market City Hall and Approve Contract with Ideal Energies to Provide Solar Power to the Elko New Market Water Treatment Facility

MEETING DATE: August 9, 2018

PREPARED BY: Mark Nagel, Assistant City Administrator

REQUESTED ACTION: Authorize City Administrator to Execute Solar Contract Termination for City Hall and Execute Contract for Provision of Solar Power to Water Treatment Facility.

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND/DISCUSSION:

After studying the possible use of Community Solar Gardens, the City Council decided in late 2016, to look at more cost-effective approaches to securing the benefits of solar power. *Retrofitting*, or securing a utility to an existing structure, was deemed the recommended method of producing solar energy and

- Enables the City to have control over solar production
- Allows for each building to be its own accountable, metered solar producer.
- Benefit from the cost-saving reductions in billable energy usage.
- Diversify the city's energy portfolio.
- Take a leadership role in energy efficiency.
- Support clean energy by investing in green technology.

Solar panels are attractive financially, but they are expensive to purchase and install. Also, there will be a loss of "yield" over time due to degradation. Solar panels lose approximately 3% of their performance output in their first year and 0.5% per year thereafter. At year 21 the system would produce at a rate 13% lower than experienced in its first year. Other factors considered were:

- The average projected lifespan of solar panels is about 40-50 years.
- Most manufacturer warranties and output guarantees run for 20-25 years.
- Project financing, maintenance repairs and system administration will be required.
- There will be an aesthetic impact.

Based on Staff assessment, the pros outweighed the cons, for retrofitting, so Staff proceeded to develop a RFQ to use solar power for City Hall and the Public Works Maintenance Facility with the potential for future use at other City Buildings. Ideal Energies response was evaluated as the best one because it did not require any upfront costs for the City.

At the October 26th City Council directed Staff to prepare a contract with Ideal Energies for adding solar to the Public Works Building. The City council approved the contract on February 22nd.

Upon contract signature, Ideal Energies and City Staff began the process of doing the engineering work to determine whether the City Hall/Fire Station met the load requirements for placement of the 40kW solar array on the roof of City Hall. It does, but with only about 2% to spare. As a result, City Staff and the Contractor decided that this was too close to the max load to allow for heavy snowstorms or additional HVAC or other equipment on the roof. Ground sites were then evaluated, but none were cost effective. Given the time constraints for Xcel Solar Rewards Program, City Staff and the Contractor requested the company to allow moving the credits from the program from City Hall to the Water Treatment Facility. This "exchange" was granted the first week of July by the State and the company. To make this happen, the City Attorney has advised that the existing Contract to provide solar power to City Hall be terminated and the replacement with the same terms, conditions, and savings be approved by the City Council.

A couple of additional notes – first, solar power can be provided on the roof of City Hall, but the array would need to be closer to 20kW, which means another application should credits become available, so City Staff will watch for this possibility; and, second, the solar array for Water Treatment Facility will be a ground mount, so that additional solar panels can be added, if the Water Treatment Facility expands as the City grows.

Finally, the City Attorney has approved the Contract Termination for City Hall and the new Contract for the Water Treatment Facility, as to form.

RECOMMENDATION:

Recommend the Elko New Market City Council terminate the attached Contract with Ideal Energies and Approve the attached Contract with Ideal Energies for Provision of Solar Power to the Water Treatment Facility.

ATTACHMENT:

Termination of Solar Contract with Ideal Energies for City Hall
Proposed Solar Contract with Ideal Energies for Water Treatment Facility

Termination Agreement

This **Termination Agreement**, (this “**Agreement**”), is made and entered into on **August 9, 2018** by and between **City of Elko New Market**, a MN City (the “**Customer**”), **Ideal Energies, LLC**, a Minnesota limited liability company (the “**Seller**”), and **Green² Solar Leasing, LLC**, a Minnesota limited liability company (the “**Tenant**”). The Customer, Seller and Tenant are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**.”

WITNESSETH

WHEREAS, the Customer, Seller and/or Tenant are Parties to the following documents dated **January 29, 2018** for Customer Installation Location(s) (“**Site(s)**”): (a) Purchase Agreement (b) Facility Lease Agreement, (c) Power Purchase Agreement, and (d) Put and Call Agreement (collectively, documents (a) through (d) are the “**Transaction Documents**”) for those Customer’s Site(s) located at:

City Hall / Fire Station - 601 Main Street, Elko New Market, MN 55054

NOWTHEREFORE, Parties desire to terminate the Transaction documents.

1. **Termination Date:** The Transaction Documents are terminated as of the date first written above (“**Termination Date**”).
2. **Further Obligations:** effective on the Termination Date, each Party shall have no further obligations, benefits, or liability to any other Party under the Transaction Documents.

Seller
IDEAL ENERGIES, LLC

By: _____

Chris Psihos, its President

Dated: _____

Customer
City of Elko New Market

By: _____

BOB CRAWFORD, its MAYOR

Dated: _____



Tenant
Green² Solar Leasing, LLC

By: _____

Richard Ragatz, its Vice President

Dated: _____

By: _____

SANDRA GREEN, its CITY CLERK

Dated: _____



Solar Array Purchase, Capital Lease & Power Purchase Agreements w/ Put & Call

39.960 kW DC SilfabSLG370M,
40.00 kW AC SolarEdge SE20k 480V 3Ph Inverter(s),
SolarEdge P800 Power Optimizers & APA, Unirac, Schletter (or equivalent) Groundmounted Racking @ approximately 30°

Xcel Solar Rewards

Customer Information

Date:	August 9, 2018
Solar Array Legal Owner:	City of Elko New Market
Customer Corporate Form:	MN City
Customer Mailing Address:	601 Main Street, PO Box 99, Elko New Market, MN 55020
Customer Signer Name:	Bob Crawford and Sandra Green
Customer Signer Title:	Mayor and City Clerk
Customer Authorized Representative:	Mark Nagel
Customer Authorized Representative Tel:	952-461-2777
Installation Address:	WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020
Premise Number:	304526740
Real Property Owner:	City of Elko New Market
Real Property Owner Mailing Address:	601 Main Street, PO Box 99, Elko New Market, MN 55020

Project Information

System Size in kW DC	39.960 kW DC (+/- 0.10 kW DC)
Installation Cost:	\$144500.00
Project Completion Date:	Summer/Fall, 2018
Rebate Name:	Xcel SolarRewards
Rebate Amount:	\$0.08 (per kWh/kW)
Rebate Payer:	Xcel Energy
REC Owner:	Xcel Energy
Tax Credit Percent:	30%
Panel Description:	SilfabSLG370M
Panel Size in Watts DC:	370 (Watts DC)
Inverter Description:	SolarEdge SE20k 480V 3Ph Inverter
Total Inversion in kW AC:	40.00 (kW AC)
Power Optimizer Description:	SolarEdge P800 Power Optimizers
Solar Racking Description:	APA, Unirac, Schletter (or equivalent) Groundmounted Racking @ approximately 30°

Lease, Power Purchase, and Put & Call Agreement Information

Real Property Use:	Waste Water Treatment Facility
Tenant:	Green ² Solar Leasing, LLC
Tenant Signer Name:	Richard Ragatz
Tenant Signer Title:	VP Sales
Leased Space Rent Payment:	\$90.00 per year
Leased Equipment Rent Payment:	\$10.00 per year
Put and Call Year:	13

Purchase Agreement

39.9 kW DC Silfab SLG-M350 or equivalent,
40.10 kW AC SolarEdge SE20K Inverters,
SolarEdge P730 Power Optimizers &
Unirac, Panelclaw, or PR2 Ballasted Racking or equivalent @
approximately 10 degrees

Xcel Solar Rewards

This **PURCHASE AGREEMENT** (this “**Agreement**”), dated July 11, 2018, is between **IDEAL ENERGIES, LLC**, a Minnesota limited liability company, whose principal place of business is located at 5810 Nicollet Avenue Minneapolis, MN 55419 (“**Seller**”), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** (“**Customer**”). Seller and Customer are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

RECITALS

- A. Seller sells and installs grid-tied photovoltaic solar electric systems (the “**Energy System**”) and Customer desires to purchase and install an Energy System on the Installation Location described above (the “**Site**” or “**Real Property**”); and
- B. Seller has or will apply for Rebates (as described below) on behalf of Customer for the Energy System, and after the Rebates are secured for the Project (as defined below), will install the Energy System, all on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE CUSTOMER’S PROJECT SECURING THE REBATE DESCRIBED IN SECTION 9 BELOW.**
2. **Services.** After the Project has secured the Rebate, if available, Seller will, at its expense, perform electrical engineering on the Energy System, perform structural engineering on the Site to verify it is adequate to support the Energy System, provide and install an Energy System of **39.9 kW DC** on the Site, and perform Energy System commissioning (the “**Project**”). The Energy System will consist of the Energy System components identified on **Schedule A** (the “**System Components**”) and the Project’s design documents (the “**Design Documents**”).
3. **Title and Risk of Loss.** Title and risk of loss for the Energy System will pass to Customer upon Final Project Completion (as defined below). and completion of Inspection as provided under paragraph 4.
4. **Inspection.** Upon Final Project Completion, the Customer will have ten (10) days to inspect the goods and installation for compliance with this Agreement. As the result of the inspection, the Customer will:
 - a. Accept the goods subject to an inspection report requiring correction and make payment; or
 - b. Refuse to make payment until corrections are complete.
5. **Purchase and Sale; Installation Costs and Payment Terms.** Seller agrees to sell and Customer agrees to

Customer / Owner	City of Elko New Market
Installation Location	WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020
Xcel Premise #	304526740

purchase the Energy System and the services provided for hereunder for a total cost for the Project (the “**Installation Cost**”) of **\$134500.00**. The Installation Cost will be paid in full net 15 days after the Final Project Completion, except in the event that Customer has entered into an Installment Sale Finance Agreement or a Facility Lease Agreement with Seller or Seller’s affiliates, in which case the terms of those agreements will govern payment of the Installation Cost.

6. **Customer’s Representations and Responsibilities.**

- a. Customer represents either (i) that the Site is owned by Customer, or an affiliated entity that has common ownership with Customer, as described in **Schedule B**, or (ii) that where Customer leases the Site from a non-affiliated owner, Customer has obtained the written permission of the Site’s owner to install the Energy System at the Site to the extent required under such lease.
- b. The individual listed in **Schedule B** is authorized to act on behalf of Customer.
- c. Customer will, at least two weeks before the Energy System is commissioned, provide either a wireless internet connection or a RJ45 Internet outlet at the electrical room for connecting web-based monitoring equipment. If needed, Seller will provide this service for an additional fee.
- d. If required by the applicable Rebate program, Customer will participate in energy audits to identify additional energy savings opportunities.

7. **Seller’s Representations and Responsibilities.**

- a. Seller will provide all System Components, labor, equipment, supplies and services necessary to install the Energy System and the System Components at the Site in accordance with the “Scope of Work” described in **Schedule C**.
- b. Seller will perform all services in compliance with all applicable laws, rules, regulations, governmental approvals and permits, including all applicable agreements with, and tariffs of, the local utility (collectively, “**Applicable Requirements**”).

8. **Installation Plan.** Customer and Seller will work together to develop a proposed work plan and schedule for the installation (the “**Schedule**”). If events arise which make meeting the Schedule impractical, such as availability of equipment and other reasonable delays, Seller will notify Customer of the same as soon as reasonably possible, and the Parties will adjust the Schedule accordingly. The Project will be completed when system witness test is performed and the full system is turned on and is capable, and authorized under all Applicable Requirements, to generate and deliver electric energy to Customer and the local utility’s electrical grid at the Interconnection Point (“**Final Project Completion**”).

Notwithstanding any delays, the anticipated date for Final Project Completion is Summer/Fall, 2018

9. **Changes.**

- a. It is the desire of the Parties to keep changes to the Project to a minimum. Either Party may initiate a change by advising the other Party in writing of the change. For any change request, Seller will prepare a revised Schedule and a cost estimate. Customer will advise Seller in writing of its approval or disapproval of the change. If Customer approves the change, Seller will perform the services as changed, and the Installation Costs will be updated.
- b. The equipment selected by Seller and described on **Schedule A** may be substituted by Seller with other substantially comparable equipment (with at least a 10-year manufacturer's workmanship warranty and a 25-year production warranties achieving at least 80% of rated capacity) as required to accommodate structural limitations of the building, the availability of equipment, or other reasonable reasons. In the event a Rebate is paid based on the use of specific equipment and the equipment is substituted with new equipment, the new equipment will have an equal or greater Rebate.

10. **Rebates, Utility Bill Credits, and Tax Credits.** The Parties anticipate the Project will be eligible for the following rebates and credits:

- a. The Project should be eligible to receive the **Xcel Solar Rewards** (the "**Rebate**") totaling **\$0.08** per kWh generated from the Energy System paid to Customer (or its assignee) from **Xcel Energy**. The Rebate is scheduled to be paid annually for ten consecutive years based on the prior year's annual kWh production. In exchange for receiving the Rebate, Customer agrees to convey Renewable Energy Credits ("**RECs**") for the Project to **Xcel Energy**, and execute any required paperwork. Any RECs remaining after the termination of the conveyance to **Xcel Energy** belong to the Customer'.
- b. The Project is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of the Lease equal to **30%** of the Energy System's eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.
- c. Customer should be eligible to participate in the local utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the utility, and for months where the Energy System produces more kWh than the site consumes, the utility will compensate Customer at the applicable rate.

11. **Insurance.**

- a. Seller will, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the services being performed by Seller under this Agreement. Seller shall provide Customer with certificate(s) evidencing such insurance prior to commencement of any work at the Site. The Seller shall obtain and maintain for the duration of this Agreement, statutory Worker's Compensation Insurance and Employer's liability Insurance as required under the laws of the State of Minnesota. Any insurance policies obtained by Seller shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Customer.

- b. Customer will at all times, at its own cost and expense, maintain in full force and effect, insurance reasonable and customary for the Site and, after the Final Project Completion has occurred, for the Energy System and the System Components.
- c. As required, Customer will provide Seller and the Utility with a certificate of insurance that conforms with the Rebate and Utility program requirements.

12. **Seller's Waiver and Indemnity Regarding Liens.** To the fullest extent permitted under the Applicable Requirements, Seller waives any right to file or impose any mechanic's, materialman's, or other liens with respect to the Site or the Project. Seller shall promptly pay all undisputed amounts owed for services, materials, equipment, and labor furnished by any person to Seller with respect to the Project. Seller shall, at Seller's sole cost and expense, discharge and cause to be released, whether by payment or posting of an appropriate surety bond in accordance with the Applicable Requirements, within thirty (30) days of its filing, any mechanic's, materialmen's, or other lien in respect of the Project, the Energy System, or the Site created by, through or under, or as a result of any act or omission (or alleged act or omission) of, Seller or any subcontractor or other person providing services, materials, equipment or labor with respect to the Project. If Seller defaults in its obligation to discharge, satisfy or settle such liens, Customer may discharge, satisfy or settle such liens and Seller shall, within fifteen (15) days of a written request by Customer, reimburse Customer for all costs and expenses incurred by Customer to discharge, satisfy or settle such Liens.

13. **Warranties.**

- a. Seller will provide the warranties set forth on **Schedule D** hereto. Except as otherwise set forth in **Schedule D**, the System Components furnished and installed by Seller, but not manufactured by Seller (including without limitation the solar modules, inverters, power optimizers, racking, and monitoring equipment and their performance/energy output), will carry only the warranty of their manufacturer. For more detailed information about warranties on the System Components, please see the applicable manufacturer's specification sheets and warranties included in the Operations Manual provided to Customer, or available on the manufacturer's websites. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Seller, for any warranty with respect thereto. Seller will assist Customer in resolving any warranties relating to System Components on a time and material basis.
- b. **EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE D, SELLER MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO THE INSTALLATION, DESIGN, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, USEFUL LIFE, ENERGY PRODUCTION, PROJECTED ECONOMIC VIABILITY, FINANCIAL DATA AND PROJECTIONS, ROOF PERFORMANCE, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER MATTER OF THE ENERGY SYSTEM, THE SYSTEM COMPONENTS, THE**

PROJECT, OR ANY SERVICES PROVIDED UNDER THIS AGREEMENT.

14. **Ownership of Project Documents and Design.** All Design Documents shall be the sole and exclusive property of Seller. Seller grants Customer a perpetual, royalty free license to use the Design Documents for its own private use in conjunction with the ownership and operation of the Energy System.

15. **Indemnification; Limitation of Damages.**

a. Subject to the limitations set forth below, Seller hereby indemnifies and holds harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "Damages") incurred or suffered by any of them caused by (i) any material breach of this Agreement by Seller, performance of work or services or (ii) the negligence, gross negligence or willful misconduct of Seller, its employees, or subcontractors in connection with the Project. The Seller shall take all reasonable precautions for the safety of all employees on the site and shall provide reasonable protection to prevent damage or loss to the property on the site or properties adjacent thereto and to work, materials and equipment under the Seller's control.

b. Customer hereby indemnifies and holds harmless Seller and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any material breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of Customer or its employees in connection with the Project.

c. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.

d. **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE ENERGY SYSTEM OR THE PROJECT, OR TO SELLER'S OR CUSTOMER'S ACTS OR OMISSIONS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, WHETHER FOR NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE, EXCEPT FOR ANY DAMAGES OF THIRD PARTIES FOR WHICH ONE PARTY IS REQUIRED TO INDEMNIFY THE OTHER PARTY.**

e. **IN NO EVENT WILL SELLER'S LIABILITY, EXCLUDING ANY LIABILITY WITH RESPECT TO INDEMNIFICATION OF THIRD PARTY CLAIMS, WHETHER IN CONTRACT, IN TORT (INCLUDING**

GROSS NEGLIGENCE), IN STRICT LIABILITY OR OTHERWISE, EXCEED THE AMOUNT OF THE INSTALLATION COSTS PAID TO SELLER.

f. **Patented Devices, Materials and Processes.** If this Agreement requires, or Seller desires, the use of any design, device, material or process covered by letters, patent or copyright, trademark or trade name, Seller shall provide for such use by suitable legal agreement with the patentee or Customer and a copy of said agreement shall be filed with the Customer. If no such agreement is made or filed as noted, Seller shall indemnify and hold harmless the Customer from any and all claims for infringement by reason of the use of any such patented device, material or process, or any trademark or trade name or copyright in connection with the services agreed to be performed under the contract, and shall indemnify and defend the Customer for any costs, liability, expenses and attorney's fees that result from any such infringement.

g. **Copyright.** Seller shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the Customer from loss or damage resulting therefrom.

h. **Software License.** If the equipment provided by the Seller pursuant to this Agreement contains software, including that which the manufacturer may have embedded into the hardware as an integral part of the equipment, the Seller shall pay all software licensing fees. The Seller shall also pay for all software updating fees for a period of one year following cutover. The Seller shall have no obligation to pay for such fees thereafter. Nothing in the software license or licensing agreement shall obligate the Customer to pay any additional fees as a condition for continuing to use the software.

16. **Termination.** This Agreement may be terminated as follows:

a. Either Party may terminate this Agreement by providing the other Party written notice in the event (i) the Rebate is not secured within two (2) years after the date first written above, or (ii) the structural analysis indicates the Site is not capable of supporting the solar array (except where Seller provides alternate equipment and/or structural retrofits or other requirements specified in the structural engineering report that render the Site suitable for installing the solar array in the Installation Costs). In addition, Seller may, in its sole discretion, terminate this Agreement by providing Customer written notice in the event the procurement times for solar equipment are too long to allow execution on the Project in accordance with the terms of this Agreement.

b. Customer may terminate this Agreement by giving written notice to Seller at any time prior to completion of the Project in the event that: (i) Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Seller of the breach, and the breach has continued without cure by Seller or written waiver by Customer for a period of thirty (30) days after the notice of breach; or (ii) upon sixty (60) days' prior notice to Seller if Seller has not achieved Final Project Completion on or prior to **December 31, 2018.**

c. Seller may terminate this Agreement by giving written notice to Customer at any time prior to completion of the Project in the event Customer has breached any representation, warranty or covenant contained in this

- Agreement in any material respect, Seller has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Seller for a period of thirty (30) days after the notice of breach.
- d. If either Party terminates this Agreement pursuant to Sections 16(a), 16(b) or 16(c), all rights and obligations of the Parties under this Agreement will terminate without any liability of any Party to any other Party, except with respect to Section 15, Section 17, and as otherwise provided in this Section 16, and except for any liability of any Party then in breach.
 - e. Except as otherwise provided in this Section 16, the termination rights under this Section 16 are cumulative with and in addition to any other rights or remedies to which the Parties may be entitled at law or under this Agreement.
17. **General.**
- a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the “**Utility Rebate Agreements**”) to which Seller or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.
 - b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
 - c. **Entire Agreement.** This Agreement and the **Schedules** hereto, together with any agreements referenced herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
 - d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
 - e. **Amendment.** This Agreement may be amended or modified only by a document executed by the Parties. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
 - f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
 - g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
 - h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, product unavailability, civil commotion, riots, invasions, wars, acts of God, terrorism, or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Parties.
 - i. **Governing Law / Venue** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought only in a court of general jurisdiction in Hennepin County, Minnesota.
 - j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.
 - k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party, provided Seller may assign this Agreement in connection with the sale of any or all of its assets to a third party or Bank. Any attempted assignment or transfer without prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.
 - l. **Marketing and Promotion.** Seller shall not use Customer's name, image or likeness in connection with advertising and promoting the Project or the Energy System without Customer's approval, which shall not be unreasonably withheld.
 - m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Seller must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The Seller must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Seller shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Seller shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.
 - n. **Trade Secret Data Provided to Governmental Entities.** Seller may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Seller qualifies as trade secret under the law. For Seller data that City determines is trade secret, City will not

share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Seller designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Seller ten (10) days' notice before releasing the data in order to permit the Seller to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

Seller:
Ideal Energies, LLC

By: _____
Chris Psihos, its President

Dated: _____

Customer:
City of Elko New Market



By: _____
Name: Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

The Parties hereto have caused this Agreement to be duly signed in their respective names effective the date first written above.

SCHEDULE A

System Components

The Energy System will consist of the following System Components:

1. UL Listed and approved Solar Panels: **108 – SilfabSLG370M @ 370 kW DC each**
2. UL listed and approved DC/AC inverters: **2 - SolarEdge SE20K 480V 3Ph Inverter @ 20.00 kW AC each**
3. Power Optimizers: **54 - SolarEdge P800 Power Optimizers**
4. Solar Panel Racking / mounting system: **APA, Unirac, Schletter (or equivalent) Groundmounted Racking @ approximately 30°**
5. Electrical components including but not limited to conductive wiring, ground circuitry, conduit, junction boxes, disconnects, switches, over-current protection, and any associated hardware necessary to complete the installation of the solar electric modules and interconnect with the Site's existing electric service.
6. Monitoring equipment and web-based remote system monitoring. Customer is responsible for bringing and providing internet service at the installation location (typically the electrical room).

The Parties agree that The Energy System does **NOT** include the following unless purchased as an option (except where Seller includes them in the Installation Costs):

1. Any structural improvements to the building required to support the Energy System and the System Components.
2. Batteries or emergency back-up power capability.
3. Any Upgrades to Customer's electrical service to bring their service up to code.

SCHEDULE B

Contact Information for Parties

Real Property Owner: Owner of Property/Building where the Energy System is installed]

City of Elko New Market

601 Main Street, PO Box 99, Elko New Market, MN 55020

Customer's Authorized Representative:

Mark Nagel

952-461-2777

Seller/Installer:

Ideal Energies, LLC

Chris Psihos t. (612)928-5008

chris.psihos@idealenergies.com

5810 Nicollet Avenue Minneapolis, MN 55419

Project Electrician(s):

Green² Electric, LLC

Russell Goetze t. (612)928-5008 f: (612)928-5009

5810 Nicollet Avenue Minneapolis, MN 55419

License EA719118

SCHEDULE C

Scope of Work

A. Design Scope

1. Seller will prepare structural and electrical Design Documents describing the Project.
2. Seller will comply with all building codes and, as necessary, obtain any code variances.
3. Seller will ensure that the Energy System installation meets then current National Electrical Code requirements.
4. Seller will apply for all permits, and complete inspections to close such permits after Project Completion.
5. Seller will apply for interconnection of the Energy System and net metering with the local utility.

B. Installation

1. Seller will furnish and install all required material or equipment for a complete installation.
2. Seller will connect the Energy System to Customer's electric panel.
3. Seller will commission and test the Energy System after installation.
4. Electrical interconnections will be performed by licensed electricians.
5. Except as provided in the Purchase Agreement, the Parties agree that Seller will not be liable for any indirect or consequential losses incurred by Customer as a result of the Energy System installation. Such losses may result from disruption of operations, interruption of electrical service, suspension of mechanical services and other interruptions reasonably related to standard Energy System installation of the size and type contemplated by the Project.

C. Safety

1. Seller will adhere to all current safety laws including without limitation federal, state and local safety regulations.
2. Seller's workers will conform to standard OSHA safety practices and procedures during installation.

D. General

1. Seller will provide all required design, engineering, construction, administration and management services necessary to complete the Project.
2. Seller will take all action reasonably necessary or required to bring the Project to commercial operation.
3. Seller will provide to Customer copies of all operating and maintenance manuals and third party warranties.
4. Customer is responsible for scheduling and completing, if necessary, the energy audit required for purposes of the Rebates.

SCHEDULE D

Seller's Warranties

Engineering and Design Services Warranty Seller warrants that it will perform the engineering and design services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, during the period beginning on the Final Project Completion date and ending five years later (the "**Warranty Period**"), it is shown that there was an error in such engineering and design services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Installation Services Warranty Seller warrants that it will perform the installation services in a professional and workmanlike manner using the degree of care, skill, prudence, judgment and diligence that a reasonable, qualified and competent provider of similar services would exercise. Except as otherwise provided herein, if during the Warranty Period it is shown that there was an error in such installation services as a result of Seller's failure to meet those standards, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, re-perform such services to remedy such error within a reasonable timeframe.

Limited System Components Warranty Seller warrants that the System Components will be new and not physically damaged by Seller at the time of Final Project Completion. If Customer notifies Seller within a reasonable timeframe after Final Project Completion that any System Components were not new or are physically damaged by Seller at the time of Final Project Completion, Seller shall replace such System Components within a reasonable timeframe with System Components that are new and undamaged.

Roof Warranty Except as otherwise provided herein, if during the Warranty Period it is shown that the roof leaks solely as a result of Seller's installation of the Energy System, and if Customer properly notifies Seller within the Warranty Period, Seller will, at its own expense and at no cost to Customer, promptly repair the roof so that it does not leak; provided that such leaking is not due to normal wear and tear.

Limitation on Warranties The above warranties do NOT cover damage, malfunctions or services failures to the extent caused by:

1. Failure to follow the any applicable operations or maintenance manual or any other maintenance instructions provided by Seller or the manufacturer of the System Components, or failure to maintain or operate the Energy System;
2. Repair, modification, maintenance, movement or relocation of the Energy System or the System Components by someone other than a service technician approved by Seller or the manufacturer of the System Components;
3. Attachment or connection to the Energy System of any equipment not supplied by Seller, or the use of the Energy System for a purpose for which the Project was not intended;
4. Abuse, misuse or acts of Customer or any third person (other than Seller or its employees or agents), including intentional damage, theft or vandalism; or
5. Damage or deteriorated performance of the Energy System or Site caused by electrical surges, building settling, building component failure, work done on the building or adjacent structures, use of machinery or vehicle in the area, winds in excess of the system design rating, lightning, fire, flood, extreme weather conditions, pests, tornadoes, hurricanes, hail, storms, explosions, earthquakes, ground subsidence, falling debris, accidental breakages (not caused by Seller or its employees or agents), normal wear and tear, and other events or accidents outside the reasonable control of Seller.

Customer's Right to Remedy In the event that Seller fails to remedy any breach of warranty within the prescribed timeframe under this Schedule D or such breach threatens imminent harm to Customer or its property, Customer shall have the right to employ any reasonable means necessary to remedy such breach, and shall have any remedy available in law or equity, and Seller shall reimburse Customer for all expenses incurred by Customer in carrying out such remedy.

Facility Lease Agreement

39.960 kW DC SilfabSLG370M,
40.00 kW AC SolarEdge SE20k 480V 3Ph Inverter(s),
SolarEdge P800 Power Optimizers & APA, Unirac, Schletter
(or equivalent) Groundmounted Racking @ approximately
30°

Xcel Solar Rewards

This **FACILITY LEASE AGREEMENT** (this "**Agreement**"), dated July 11, 2018, is between **GREEN² SOLAR LEASING, LLC**, a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("**Tenant**"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("**Customer**"). The Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Customer is the owner or lessee of certain real property located at **WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020** (the "**Installation Location**") presently used as an **Office Building/Fire Station** (the "**Property**"); and
- B. Tenant desires to lease from Customer, and Customer desires and is authorized to lease to Tenant, subject to the terms and conditions of this Agreement, a portion of the Property for the construction, operation and maintenance of a photovoltaic solar electric system ("**Energy System**") as defined in that certain Purchase Agreement (the "**Purchase Agreement**") between Customer and **Ideal Energies, LLC** ("**Seller**") of even date herewith; and
- C. Customer has or will be the **legal owner of the Energy System upon purchasing it from Ideal Energies, LLC**, and Customer desires to lease the same to Tenant subject to the terms and conditions of this Agreement; and
- D. Tenant and Customer will, in connection with this Agreement, enter into a **Power Purchase Agreement** (the "**Power Purchase Agreement**") pursuant to which Tenant will sell power generated by the Energy System to Customer; and
- E. For federal tax purposes, Customer and Tenant will treat this Agreement as a transfer of the ownership of the Energy System from Customer to Tenant; and
- F. Tenant is eligible to receive a Federal Tax Credit from the U.S. Treasury pursuant to the terms of this Lease equal to **30%** of the Energy System's eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN**

Customer / Owner	City of Elko New Market
Installation Location	WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020
Xcel Premise #	304526740

ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.

2. **Energy System and Leased Space.** Customer hereby leases to Tenant and Tenant hereby leases from Customer the following: (a) the Energy System and (b) all roof/ground space required for the installation and operation of the Energy System on the Property ("**Leased Space**") as generally prescribed on the Plan View drawing included herewith as **Schedule A**, including rights to place wiring to the point of electrical interconnection. The Energy System and the Leased Space together constitute the leased property ("**Leased Property**"). The final As-Built Plan View drawing provided by Seller in its Operations Manual is hereby incorporated into **Schedule A** of this Agreement by reference.
3. **System Payments, Tax Ownership.**
 - a. **Installation Cost Payment.** Tenant will pay Customer's Installation Cost (as defined in the Purchase Agreement) on the Final Project Completion date.
 - b. **Transfer of Tax Ownership.** The Parties shall treat the Energy System as having been sold to the Tenant for federal tax purposes in consideration of the payments made under Section 3(a) above.
4. **Rebate.** The Rebate, as defined in the Purchase Agreement, including any increase resulting from Seller's substitution of panel with a greater Rebate, (the "Rebate") is irrevocably assigned to Tenant as additional consideration and will be treated by Tenant as a fee earned for services. In the event the actual Rebate received is greater or less than the expected Rebate described in the Purchase Agreement Section 9a, there will be no adjustment to the Rebate or the terms of this Agreement, and each Party waives its right to recover any surplus or deficiency from the other Party.
5. **Access to Leased Space.** Customer grants to Tenant the right to access the Leased Space via reasonable route or routes over and across the Property upon reasonable prior notice to Customer. Customer will cooperate with Tenant to access the meter or any other part of the Energy System which are not located within the Leased Property.
6. **Permitted Use of Leased Space.** During the Term (as defined below), Tenant shall have the exclusive right to use the Leased Space for the construction, installation, operation, maintenance, repair, replacement, relocation, reconfiguration, removal, alteration, modification, improvement, use and enjoyment of the Energy System and other necessary and incidental uses for the operation of the Energy System to fulfill Tenant's obligations under the Power Purchase Agreement (the "**Permitted Uses**"). Tenant may not erect any other facilities or use any other equipment on the Leased Space that is not expressly permitted under the terms of this Agreement without first obtaining Customer's written consent, which consent shall not be unreasonably withheld, delayed or

- conditioned provided the other facilities or equipment are necessary for the operation of the Energy System and are not likely, in Customer's reasonable opinion, to damage the Property or interfere with Customer's business.
7. **Term.** The term (the "**Term**") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is **twenty (20) years** after Final Project Completion occurs.
 8. **Rent of Leased Space.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Leased Space in the amount of **\$90.00** per year.
 9. **Rent of Energy System.** Beginning on the first anniversary of the Final Project Completion and continuing on each and every anniversary thereof throughout the Term, Tenant shall pay to Customer rent for the Energy System in the amount of **\$10.00** per year.
 10. **Holdover.** If Tenant holds over its tenancy after expiration of the Term, such tenancy shall be month-to-month subject to the terms and conditions of this Agreement. Either Party may terminate such month-to-month tenancy at any time upon the giving to the other Party no less than thirty (30) days written notice.
 11. **Operating Permits.** Tenant shall, at its sole expense, maintain in full force and effect all certificates, permits and other approvals ("**Operating Permits**") required by any federal, state or local authorities ("**Governmental Authorities**") having jurisdiction over Tenant or the Leased Property.
 12. **Ownership and Maintenance of Energy System.** The Parties agree that legal title to any and all fixtures, equipment, improvements or personal property of whatsoever nature at any time constructed or placed on or affixed to the Leased Space by Tenant, including without limitation the Energy System, shall be and remain with Customer. Tenant shall leave the Energy System at the end of the Term in substantially the same condition as existed on the Final Project Completion date plus any improvements, ordinary wear and tear and casualty damage excepted.
 13. **Energy System Operation and Maintenance.**
 - a. **Tenant will Maintain System.** Tenant will at its sole cost and expense operate the Energy System and monitor the system's performance and keep and maintain the Energy System in good condition and repair, utilizing the Maintenance List provided in **Exhibit B** herewith as a guideline, with strict adherence hereto not expected by the parties. In the case of casualty, Tenant agrees to repair the Energy System to the extent available insurance proceeds are received resulting from such casualty, along with any deductible due under said policies that Customer will pay Tenant in accordance with Section 17.a. Tenant shall repair any damage to the Property, with contractors approved by Customer (such approval not to be unreasonably withheld), that results from the Energy System's repair, reconfiguration, alteration, modification or replacement. Customer is solely responsible for pursuing any available warranties on System Components against the manufacturer at its own expense, and may look only to such manufacturer, and not to Tenant, for any warranty with respect thereto. Tenant will assist Customer in resolving any warranties relating to System Components on a time and material basis.
 - b. **Operation and Maintenance Standard of Care.** Tenant will use commercially reasonable efforts to identify, respond to, and complete necessary maintenance and repairs and to operate the Energy System, to maximize the Energy System's production. Notwithstanding the foregoing, the Parties understand that delays may be caused by multiple causes including without limitation delay in the identification of operational issues, troubleshooting issues, warranty replacement, warranty procurement, parts availability, parts delivery, crew availability, equipment defects, equipment performance, and similar causes.
 14. **Repair of Leased Space During Term.** Customer shall have the right at any time to access the Leased Space to inspect, maintain, replace or repair items and components thereof, excluding the Energy System. Customer, at its own cost, and using Seller or another third party approved by Tenant (which approval will not be unreasonably withheld), shall temporarily remove such components of the Energy System as will interfere with Customer's inspection, maintenance or repair of the roof, and shall replace such components upon completion of their work. Customer shall provide thirty (30) days prior notice to Tenant of any such maintenance or repair work to be done, unless in an emergency, in which case Customer shall give such notice as soon as possible. Customer will reimburse Tenant for any lost Rebate revenue resulting from the Energy System being non-operational during Customer's repairs. Reimbursement under this Section is only due where the total cumulative downtime over the Term of the Lease exceeds 30 days
 15. **Utilities/taxes.** Customer shall pay all taxes and assessments levied after Final Project Completion upon the Energy System and other personal property located and/or installed on the Property by Tenant, and Customer's real property.
 16. **Interference.**
 - a. **Interference by Tenant.** Tenant shall operate the Energy System in a manner that will not unreasonably interfere with any existing operations or equipment located, operated or owned by Customer or any other permitted occupants as of the date of this Agreement ("**Existing Operations**"). All operations by Tenant shall be lawful and in material compliance with all regulations and requirements of the Minnesota Public Utilities Commission, as well as any other applicable state, federal or local regulations and requirements ("**Legal Requirements**") and any applicable agreements with, or tariffs of, the local utility.
 - b. **Interference by Customer.** Following installation of the Energy System, Customer shall not, and shall not cause or permit any other persons or parties to, install equipment or facilities or construct or allow any construction of a structure or structures ("**New Construction**") near the Leased Space if such New Construction will interfere with the Energy System. Customer shall not move, modify, remove, adjust, alter, change, replace, reconfigure or operate the Energy System, or any part of it, during the term of the Agreement, without prior written direction or approval of Tenant, except if there is an occurrence reasonably deemed by Customer to be a bona fide emergency, in which case Customer will immediately notify Tenant of such emergency and Customer's proposed actions. Customer shall be responsible for, and promptly notify Tenant, of any damage to the Energy System caused by the Customer or its employees, invitees or agents, and

shall promptly pay Tenant the costs to repair such damage to the Energy System, along with any lost Rebate revenue.

17. **Insurance.**

- a. **General Liability and Property Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazard as Tenant shall reasonably require with an insurance company acceptable to Tenant (for purposes of this Lease, the League of Minnesota Insurance Trust is deemed acceptable) in its reasonable discretion and at all times an amount equal to the Installation Cost (as defined in the Purchase Agreement). The insurance policy(ies) shall name Tenant as an additional insured and be payable to Customer and Tenant as their interests may appear. Customer shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Energy System. Customer shall provide Tenant with evidence of having acquired such insurance coverages prior to the date of Final Project Completion and on an annual basis thereafter. The loss, injury or destruction of the Energy System shall not release Customer from payment as provided in this Agreement. Any insurance policies obtained by Customer shall provide that such policy of insurance cannot be terminated or cancelled by the insurer without 30 days prior written notice to Tenant. Customer is responsible for any deductibles due under the insurance policies for losses, and will pay Tenant said deductible along with insurance proceeds to repair the Energy System.
- b. **Workers' Compensation Insurance and Employers' Liability Insurance.** In accordance with Minnesota state law, Tenant shall maintain in force workers' compensation insurance for all of its employees. Tenant shall also maintain employer's liability coverage in an amount of not less than One Million Dollars (\$1,000,000.00) per accident. Tenant shall also secure and maintain adequate comprehensive general liability insurance against liability related to the Leased Premises. Upon request, Tenant will provide Customer with a Certificate of Insurance naming Customer as an additional insured.

18. **Indemnification**

- a. Tenant shall indemnify and hold harmless Customer and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any damages, liabilities, losses, costs and expenses, including reasonable attorney fees and costs (collectively, "**Damages**") incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Tenant, or (ii) the negligence, gross negligence or willful misconduct of Tenant or its employees or agents in connection with the transactions contemplated by this Agreement.
- b. Tenant shall indemnify Customer from any mechanic's, materialman's, or other lien with respect to the Property or the Leased Property to the extent such lien is attributable to Tenant's failure to pay the Installation Cost.
- c. Customer shall indemnify and hold harmless Tenant and its officers, directors, members, consultants, representatives, agents, employees and affiliates against any Damages incurred or suffered by any of them in any way arising out of, relating to, or in connection with (i) any breach of this Agreement by Customer, or (ii) the negligence, gross negligence or willful misconduct of

Customer or its employees or agents in connection with the transactions contemplated by this Agreement.

- d. A Party claiming indemnification will give the other Party prompt notice of the relevant claim and will reasonably cooperate with the indemnifying Party, at the indemnifying Party's expense, in the defense of such claim. The indemnifying Party shall control the defense and settlement of such claim; provided however that the indemnifying Party shall not agree to any settlement that affects the indemnified Party without the prior written consent of the indemnified Party, which approval shall not be unreasonably withheld. The indemnified Party may, at its option and its own expense, participate in the defense of any such claim with legal counsel of its own choice.

19. **Event of Default.** Each of the following shall constitute an event of default ("**Event of Default**"):

- a. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach;
- b. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure;
- c. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors; or
- d. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment.

20. **Remedies.** If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:

- i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;
- ii. Exercise any other remedies available under law or equity; or
- iii. Any remedy available at law.

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

21. **General.**

- a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate**

Agreements) to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the **Schedules** hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.

- k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party. Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under this Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank.
- l. **Quiet Possession.** Customer agrees that upon compliance with the terms and conditions of this Agreement, Tenant shall peaceably and quietly have, hold and enjoy the Leased Space for the Term and any extensions thereof.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Seller to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: _____
Richard Ragatz, its VP Sales

Dated: _____

Customer:
City of Elko New Market



By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____

SCHEDULE A

Site Plan

Facility Plan View Drawing Indicating the Final Location of the Energy System on the Leased Space and the point of interconnection of the Energy System with the electrical system at the Property

[The above document is provided by Seller, and is included in the Owner's Manual that is provided to the Customer after Final Project Completion]

SCHEDULE B

Maintenance Items

- A. Weekly performance monitoring via online monitoring system to validate performance of panels and inverters, energy production; benchmark performance vs. similar systems for validation
- B. Identify any defective equipment via on-line monitoring system
- C. Semi-annual site audits of system performing the following tasks
 - i. Inspect panels, inverters, and racking for physical damage
 - ii. Clean any debris on or under the solar arrays
 - iii. Ensure labels are intact
 - iv. Check for loose hanging wires, repair as necessary
 - v. Check electrical connections; tighten/torque as necessary
 - vi. Check for corrosion of electrical enclosures, repair as necessary
 - vii. Ensure roof drainage is adequate, that roof drains are not clogged, and confirm there are no signs of pooling water in the vicinity of the solar array
- D. Management of System Component Warranty Claims

Power Purchase Agreement

39.960 kW DC SilfabSLG370M,
 40.00 kW AC SolarEdge SE20k 480V 3Ph Inverter(s),
 SolarEdge P800 Power Optimizers & APA, Unirac, Schletter
 (or equivalent) Groundmounted Racking @ approximately
 30°

Customer / Owner	City of Elko New Market
Installation Location	WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020
Xcel Premise #	304526740

Xcel Solar Rewards

This **POWER PURCHASE AGREEMENT** (this "**Agreement**"), dated July 11, 2018, is between **GREEN2 SOLAR LEASING, LLC** a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** ("**Tenant**"), and **CITY OF ELKO NEW MARKET**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** ("**Customer**"). Tenant and Customer are sometimes also referred to in this Agreement jointly as "**Parties**", or individually as a "**Party**".

RECITALS

- A. Tenant leases, operates and maintains Customer's photovoltaic solar electric system (the "**Energy System**") (as located at the Installation Location (the "**Installation Location**") described above as defined in that certain **Purchase Agreement** (the "**Purchase Agreement**") between Customer and **Ideal Energies, LLC** of even date herewith) pursuant to a Facility Lease Agreement (the "**Lease**") between the Parties of even date herewith; and
- B. Tenant desires to sell renewable electric power inclusive of all rights to its available environmental attributes to Customer, and Customer desires to purchase from Tenant all such electricity which is produced by the Energy System; and
- C. Tenant or its affiliate has, or will, apply for the "**Rebate**" (as defined in the Purchase Agreement) on behalf of Customer. After award of the Rebate and before Final Project Completion (as defined in the Purchase Agreement), Customer will enter into an agreement ("**Utility Agreement**") with the local utility ("**Utility**"), pursuant to which Customer will assign all renewable energy credits ("**RECs**") for electricity produced by the Energy System during the term of the Rebate to the Utility in exchange for the Rebate; and
- D. Customer is eligible to participate in the Utility's **Net Metering Program**. Under this program, the energy generated from the Energy System is available for use and reduces the total amount of energy that needs to be purchased from the Utility. Under this program, for months where the Energy System produces more kWh than the site consumes, the Utility will compensate Customer at the applicable rate; and
- E. Pursuant to the Lease, Tenant should be eligible to receive a Federal Tax Credit from the U.S. Treasury equal to **30%** of the Energy Systems Eligible Installation Cost ("**Tax Credit**") for Energy Systems put into service during **2017, 2018 or 2019**.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT.**

2. **Power Purchase.** Tenant shall deliver all power generated from the Energy System to Customer at the point of interconnection shown on Schedule A to the Lease. Customer will pay Tenant for all the power generated from the Energy System and delivered to the interconnection point by making the payments specified in **Schedule A** (the "Power Payments"). The Power Payments are due monthly beginning on the first day of the first month following the Final Project Completion date and continuing each month until expiration of the Term (as defined below) of this Agreement. Power payments do not include any sales tax. Sales tax will be added to the Power Payments based on Customer's applicable sales tax rate. Customer will either mail or wire payments to Tenant as provided below.

Mail

Anchor Solar Investments, LLC
 c/o Green² Solar Leasing, LLC
 5810 Nicollet Avenue
 Minneapolis MN 55419

3. **Ownership of Renewable Energy Credits.** Customer owns all REC's. Customer will convey to the Utility pursuant to the Utility Agreement, all RECs generated by the Energy System for the term specified in the Utility Agreement. For purposes of this Agreement, RECs include all attributes of an environmental or other nature that are created or otherwise arise from the Energy System, including without limitation tags, certificates or similar projects or rights associated with solar energy as a "green" or "renewable" electric generation resource. RECs shall also include any other environmental attribute intended to be transferred to the Utility under the Utility Agreement.
4. **Term.** The term (the "**Term**") of this Agreement shall begin on the date that Final Project Completion occurs, and shall expire on the date that is twenty (20) years after Final Project Completion occurs.
5. **Late Charge/Costs of Collection.** In the event Customer fails to make any Power Payment when due, Customer agrees that the greater of \$50, or interest due based on an interest rate not to exceed the lesser of one and one-half percent (1-1/2%) per month or the highest rate permitted by law for commercial transactions, may be charged as a late charge on a monthly basis on the amount of any Power Payment remaining unpaid more than 10 days after it is due from the due date until paid in full. In addition, Customer agrees to pay Tenant's attorney's fees and costs of collection, including expert witness fees, whether a lawsuit is commenced or not commenced, and Customer's liability for attorneys' fees and costs of collection, including expert witness fees, extends to any appeals.
6. **Grant of Security Interest.** In order to secure the payment and performance of all of Customer's liabilities, obligations and covenants under this Agreement or the Lease, Customer hereby grants to Tenant a security interest in all Rebates and the Energy System, together with all attachments, accessories or replacement parts and labor placed upon the Energy System, and proceeds thereof. Upon the request of Tenant,

Customer shall promptly obtain a subordination agreement in favor of Tenant from any third party lienholder who may have a lien in the Energy System. Customer irrevocably assigns the right to receive Rebates to Tenant and Tenant may exercise this right upon default of Customer. Tenant's security interest and other rights under this Section 8 shall be extinguished upon the later of termination of this Agreement and the Lease and performance of all of Customer's obligations hereunder and thereunder, and Tenant shall execute and file any evidence of such extinguishment reasonably requested by Customer.

7. **Insurance.** Customer shall keep the Energy System insured against loss by fire, theft, hail and wind and such other hazards as required by the Lease.

8. **Events of Default.** Each of the following shall constitute an event of default ("**Event of Default**"):

- a. Customer shall fail to make any undisputed payment to Tenant when due hereunder, Tenant has notified the Customer of such failure, and the failure has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of failure;
- b. Customer shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Tenant has notified Customer of the breach, and the breach has continued without cure by Customer or written waiver by Tenant for a period of thirty (30) days after the notice of breach;
- c. Customer shall cease to do business, become insolvent, make an assignment for the benefit of creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;
- d. Any involuntary petition shall be filed under any bankruptcy statute against Customer or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Customer unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment; or
- e. The Customer fails to comply with any of its obligations under any of Customer's agreements with the Utility.
- f. Tenant shall breach any representation, warranty or covenant contained in this Agreement in any material respect, Customer has notified Tenant of the Breach, and the breach as continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of the breach.
- g. Tenant fails to comply with any of its obligations under the terms of the Lease, Customer has notified the Tenant of such failure, and the failure has continued without cure by Tenant or written waiver by Customer for a period of thirty (30) days after the notice of failure.
- h. Tenant shall cease to do business, become insolvent, make an assignment for benefit of its creditors or file any petition under bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of debtors;
- i. Any involuntary petition shall be filed under any bankruptcy statute against Tenant or any receiver, trustee, or similar official shall be appointed to take possession of the properties of Tenant unless such petition or appointment ceases to be in effect within 30 days of such filing or appointment

9. **Remedies.**

a. If an Event of Default by Customer shall occur, Tenant may, at its option, exercise any one or more of the following remedies:

- i. Declare all amounts due or to become due under this Agreement immediately due and payable;
- ii. Recover any additional damages and expenses sustained by Tenant by reason the Event of Default;
- iii. Enforce the security interest granted hereunder, in which event Customer agrees to make the Energy System available to Tenant at a place or places acceptable to Tenant and Tenant shall have the right to take possession of the Energy System without legal process for which purpose Tenant may enter any premises where the Energy System may be found without legal process and without breaching the peace, provided that in such case the fair market value of the Energy System shall offset any amounts due under this Agreement;
- iv. Retain all payments made by Customer as liquidated damages for the non-performance of this Agreement, for use of the Energy System and for depreciation thereof; and
- v. Exercise any other remedies available under law, including those under Article 9 of the UCC.

b. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System is not sufficient to pay the amount due under this Agreement, Customer agrees to pay immediately to Tenant such deficiency. In the event the Energy System is sold, foreclosed on, or repossessed in the manner provided herein or by law and the fair market value of the Energy System exceeds the amount that Customer is required to pay Tenant under this Agreement, Tenant agrees to pay immediately to Customer such excess.

c. If an Event of Default by Tenant shall occur, Customer may, at its option, exercise any one or more of the following remedies:

- i. Recover any additional damages and expenses sustained by Customer by reason the Event of Default;
- ii. Exercise any other remedies available under law or equity; or
- iii. Any remedy available at law;

The remedies provided herein shall be cumulative and may be exercised singularly, concurrently or successively with and in addition to all other remedies in law or equity. If either Party fails to perform any of its obligations under this Agreement, the other Party may (but need not) at any time thereafter perform such obligation, and the expenses incurred in connection therewith shall be payable in full by the nonperforming Party upon demand. In addition, the nonperforming Party agrees to pay the other Party's reasonable attorney's fees and costs of collection in pursuing any remedies.

10. **Annual Energy Production Not Guaranteed. THE PARTIES UNDERSTAND AND AGREE THE ANNUAL ENERGY PRODUCTION FROM THE ENERGY SYSTEM MAY VARY FROM ANNUAL PROJECTIONS FOR REASONS BEYOND THE PARTIES CONTROL INCLUDING WITHOUT LIMITATION SEASON WEATHER VARIATIONS, ROUTINE AND NON-ROUTINE MAINTENANCE CAUSING DOWNTIME,**

EQUIPMENT PERFORMANCE, PROCESSING ANY EQUIPMENT WARRANTIES FOR MALFUNCTIONING EQUIPMENT, FORCED MAJEURE, ETC. THE PARTIES UNDERSTAND THAT THE REBATES AND UTILITY BILL CREDITS ARE PAID PROPORTIONALLY WITH ENERGY SYSTEM ENERGY PRODUCTION, AND THAT THE ACTUAL AMOUNTS RECEIVED BY CUSTOMER WILL VARY ACCORDINGLY. TENANT DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT PRODUCTION WILL MATCH PROJECTIONS, AND CUSTOMER AND TENANT ASSUME, AT THEIR SOLE RISK, THE VARIABILITY OF ANNUAL ENERGY PRODUCTION AND VARIATIONS FROM ANY FINANCIAL PROJECTIONS RELATING TO UTILITY BILL CREDITS AND REBATES.

11. **Customer's Maximum Payment Obligation.** Customer's maximum payment obligation to Tenant under this Agreement is the sum of all the Power Purchase Payments listed in **Schedule A**.

12. **Power Production Adjustment.** In any 12 month period beginning with the Final Project Completion Date that the solar array does not produce at least 900 kWh per KW DC, Tenant will reimburse Customer within 60 days after the then applicable twelve month period as follows: Total payments made over the then applicable 12 month period * (1 - (actual kWh/kWDC / 900 kWh/kWDC)). For Example, a 40 kWDC Solar array produces 800 kWh/kWDC and power payments equaling \$3000 are paid during the then applicable 12 month period. A \$333.33 cash reimbursement will be paid to the Customer that is calculated as follows: $\$3000 * (1 - 800/900) = \333.33 .

13. **Miscellaneous.**

a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the "**Utility Rebate Agreements**") to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the terms and conditions of Utility Rebate Agreements shall control. The Utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the Utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.

c. **Entire Agreement.** This Agreement and the **Schedules** hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.

d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall

survive the execution of this Agreement and the consummation of the transactions contemplated herein.

e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any affect.

f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).

g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.

h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.

i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.

j. **Severability.** If any word or provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.

k. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other Party. Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under this Power Purchase Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank

l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.

m. **Prompt Payment to Subcontractors.** Pursuant to Minnesota Statute 471.425, Subdivision 4a, the Tenant must pay any subcontractor within ten (10) days of the Seller's receipt of payment from the Customer for undisputed services provided by the subcontractor. The

Tenant must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Seller shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Seller shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

n. **Trade Secret Data Provided to Governmental Entities.**

Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Tenant to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: _____
Richard Ragatz, its VP Sales

Dated: _____

Customer:
City of Elko New Market

By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____



**SCHEDULE A
Power Purchase Payment Schedule**

39.960 kW DC SilfabSLG370M,
40.00 kW AC SolarEdge SE20k 480V 3Ph Inverter Inverters, SolarEdge P800 Power Optimizers &
APA, Unirac, Schletter (or equivalent) Groundmounted Racking @ approximately 30°

Xcel SolarRewards

Green2 Solar Leasing, LLC Utility Bill Expense				
Year	Facility Lease Runs Full Term		Put or Call Is Exercised	
	(Power Purchase Expense)		(Power Purchase Expense)	
	(\$/year)	(\$/month)	(\$/year)	(\$/month)
1	\$ 4076.28	\$ 339.69	\$ 4076.28	\$ 339.69
2	\$ 4131.84	\$ 344.32	\$ 4131.84	\$ 344.32
3	\$ 4296.24	\$ 358.02	\$ 4296.24	\$ 358.02
4	\$ 4467.12	\$ 372.26	\$ 4467.12	\$ 372.26
5	\$ 4644.84	\$ 387.07	\$ 4644.84	\$ 387.07
6	\$ 4829.52	\$ 402.46	\$ 4829.52	\$ 402.46
7	\$ 5021.64	\$ 418.47	\$ 5021.64	\$ 418.47
8	\$ 5221.32	\$ 435.11	\$ 5221.32	\$ 435.11
9	\$ 5429.04	\$ 452.42	\$ 5429.04	\$ 452.42
10	\$ 5644.92	\$ 470.41	\$ 5644.92	\$ 470.41
11	\$ 5869.56	\$ 489.13	\$ 5869.56	\$ 489.13
12	\$ 6102.96	\$ 508.58	\$ 6102.96	\$ 508.58
13	\$ 6345.72	\$ 528.81	\$ 6345.72	\$ 528.81
14	\$ 1600.00	\$ 133.33	\$	\$
15	\$ 1600.00	\$ 133.33	\$	\$
16	\$ 1600.00	\$ 133.33	\$	\$
17	\$ 1600.00	\$ 133.33	\$	\$
18	\$ 1600.00	\$ 133.33	\$	\$
19	\$ 1600.00	\$ 133.33	\$	\$
20	\$ 1600.00	\$ 133.33	\$	\$
21	\$	\$	\$	\$
22	\$	\$	\$	\$
23	\$	\$	\$	\$
24	\$	\$	\$	\$
25	\$	\$	\$	\$
Total	\$ 77281.00		\$ 66081.00	

Put and Call Agreement

39.960 kW DC SilfabSLG370M,
40.00 kW AC SolarEdge SE20k 480V 3Ph Inverter(s),
SolarEdge P800 Power Optimizers & APA, Unirac, Schletter
(or equivalent) Groundmounted Racking @ approximately
30°

Customer / Owner	City of Elko New Market
Installation Location	WW Treatment Facility - 25499 Natchez Ave, Elko New Market, MN 55020
Xcel Premise #	304526740

Xcel Solar Rewards

This **PUT AND CALL AGREEMENT** (this “**Agreement**”), dated July 11, 2018, is between **Green² Solar Leasing, LLC**, a Minnesota limited liability company, whose principal place of business is located at **5810 Nicollet Avenue, Minneapolis, MN 55419** (“**Tenant**”), and **City of Elko New Market**, a MN City, whose principal place of business is located at **601 Main Street, PO Box 99, Elko New Market, MN 55020** (“**Customer**”). Tenant and Customer are sometimes also referred to in this Agreement jointly as “**Parties**”, or individually as a “**Party**”.

RECITALS

- A. Customer is the purchaser of a photovoltaic solar electric system (the “**Energy System**”) located at the Installation Location described above (the “**Installation Location**”) (and as defined in the Purchase Agreement between Customer and **Ideal Energies, LLC** (“**Seller**”) of even date herewith (the “**Purchase Agreement**”)); and
- B. Tenant is the lessee of the Energy System and associated rights under the **Facility Lease Agreement** with Customer (the “**Lease**”) of even date herewith, and Tenant sells the Energy System generated from the Energy System pursuant to a Power Purchase Agreement with Customer (the “**Power Purchase Agreement**”) of even date herewith (Tenant’s interests in the Lease and **Power Purchase Agreement** is referred to herein as the “**Interest**”); and
- C. The Parties hereto now desire to enter into this Agreement to set forth the terms and conditions upon which Tenant has an option to put its Interest to the Customer and upon which Customer has an option to call Tenant’s Interest from Tenant.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby agree as follows:

1. **Contingency. THE PARTIES PERFORMANCE UNDER THIS AGREEMENT IS CONTINGENT ON THE FINAL PROJECT COMPLETION (AS DEFINED IN THE PURCHASE AGREEMENT) OCCURRING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT AND NEITHER PARTY HAS TERMINATED THE LEASE OR POWER PURCHASE AGREEMENT.**
2. **Put of Tenant’s Interest.** Commencing on the **13 year anniversary of the Final Project Completion Date**, and for a period of **three (3) months thereafter** (the “**Put Period**”), Tenant shall have the right and option to require Customer to purchase all, but not less than all, of Tenant’s Interest (the “**Put**”). Tenant may exercise the Put by delivering notice of exercise of such option in writing to Customer during the Put Period. If exercised, Tenant shall be obligated to sell, and Customer shall be obligated to purchase, all of the Interests

owned by Tenant. The purchase price for the Interest shall be **\$1.00** (the “**Put Price**”). The date of the Put closing will be thirty (30) days following the notice of exercise of the Put, or such earlier date as the Parties may agree in writing (the “**Put Closing Date**”). The Put Price shall be paid by Customer to Tenant in cash on the Put Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Put Closing Date.

3. **Call of Tenant’s Interest.** For a period of **(9) nine months beginning the day following the last day of the Put Period** (the “**Call Period**”), Customer shall have the right and option to purchase all, but not less than all, of Tenant’s Interest (the “**Call**”). Customer may exercise the Call by delivering notice of exercise of such option to Tenant during the Call Period. If exercised, Customer shall be obligated to purchase, and Tenant shall be obligated to sell, all of the Interest owned by Tenant. The purchase price for the Interest pursuant to the Call shall be an amount equal to the fair market value (the “**Fair Market Value Price**”) of such Interest and the Energy System as agreed by the Parties and if no agreement is possible, then by an independent qualified appraiser selected by the Customer and the cost of which is paid for by the Tenant (the “**Call Price**”). The Parties agree that a reasonable method of establishing the Fair Market Value Price is to use a discounted cash flow value. As of the date hereof, the Parties believe that a discount rate of 15% is reasonable. The date of the Call closing shall be thirty (30) days following delivery of the notice of exercise of the Call, or such earlier date as the Parties may agree in writing (the “**Call Closing Date**”). The Call Price shall be paid by Customer to Tenant in cash on the Call Closing Date. Each Party shall remain liable for any obligations arising under the Lease prior to the Call Closing Date.
4. **Obligations following exercise of Put or Call.**
 - a. **Tenant.** After the transfer and assignment of the Interest pursuant to the Put or Call, Tenant shall have no further obligations in connection with the Interest.
 - b. **Customer.** After the transfer and assignment of the Interest pursuant to the Put or Call, Customer shall make, if not already paid, the Power Payments described in Schedule A of the Power Purchase Agreement between the Parties of even date herewith beginning with the month after Project Completion through and including the month of the Put or Call Closing date. Customer is not obligated to pay Tenant any Power Purchase Payments after the Put or Call Closing date through the end of the Term specified in the Power Purchase Agreement.
5. **Miscellaneous.**
 - a. **Subordination to Utility Rebate Agreement.** No portion of this Agreement is intended to conflict with any Utility Rebate Agreements (the “**Utility Rebate Agreements**”) to which Tenant or Customer is a party. In the case of a conflict between the terms or conditions of this Agreement and the Utility Rebate Agreements, the

terms and conditions of Utility Rebate Agreements shall control. The utility, or its successors and assigns, is a third-party beneficiary of the provision of this paragraph. Nothing in this Agreement shall prevent the utility, from fully enforcing the terms and conditions of Utility Rebate Agreements.

- b. **Relationship of the Parties.** The Parties shall for all purposes be considered independent contractors with respect to each other, and neither shall be considered an employee, employer, agent, principal, partner or joint venturer of the other.
- c. **Entire Agreement.** This Agreement and the Schedules hereto, together with any agreement reference herein, constitute the entire agreement and understanding of the Parties relative to the subject matter hereof. The Parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement replaces and supersedes any and all prior oral or written agreements, representations and discussions relating to such subject matter.
- d. **Survival of Representations.** All representations, warranties, covenants and agreements of the Parties contained in this Agreement, or in any instrument, certificate, exhibit or other writing provided for in it, shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.
- e. **Amendment.** This Agreement may be amended or modified only by a writing executed by the Parties to this Agreement. No custom or practice of the Parties at variance with the terms hereof shall have any effect.
- f. **Notices.** All notices to be given under this Agreement shall be in writing and shall be effectively given upon personal delivery, facsimile or email transmission (with confirmation of receipt), delivery by overnight delivery service or three days following deposit in the United States Mail (certified or registered mail, postage prepaid, return receipt requested).
- g. **No Delay.** No delay or failure on the part of any Party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof.
- h. **Force Majeure.** Neither Party will be liable to the other Party for any delay, error, failure in performance or interruption of performance resulting from causes beyond its reasonable control, including without limitation fires, flood, accidents, explosions, sabotage, strikes or other labor disturbances, civil commotion, riots, invasions, wars, acts of God, terrorism or any cause (whether similar or dissimilar to the foregoing) beyond the reasonable control of the Party.
- i. **Governing Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principals. Any lawsuit brought in connection with this Agreement shall be brought only in a court of general jurisdiction in Hennepin County, Minnesota.
- j. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any portion thereof, without the prior written consent of the other

Party. Any attempted assignment or transfer without such prior written consent of the other Party shall be of no force or effect. As to any permitted assignment: (a) reasonable prior notice of any such assignment shall be given to the other Party; and (b) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party in writing.

- k. Notwithstanding the foregoing, as may be required for Tenant to avoid being classified as a Public Utility under Minnesota Statutes Chapter 216B.02, Subd. 4., or to leverage tax benefits as tax owner, Tenant may, at its sole discretion, assign and/or sublease all or part of its full interest under the Lease Agreement to a controlled affiliate of Tenant, assign its rights under the Power Purchase Agreement a controlled affiliate of Tenant, assign its rights under this Agreement a controlled affiliate of Tenant, or assign this Agreement in connection with any sale of any or all of its Assets to a third party or Bank
- l. **Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.
- m. **Trade Secret Data Provided to Governmental Entities.** Tenant may provide data that it designates as trade secret to City. Under Minnesota Statutes section 13.37, subdivision 1(b), City is responsible for determining whether data marked as trade secret by Tenant qualifies as trade secret under the law. For Tenant data that City determines is trade secret, City will not share the data with any other Person or entity except as required by law. If City receives a request under the Minnesota government Data Practices Act for access to data that Tenant designated as trade secret but City has determined is not trade secret, then City will use its best efforts to give the Tenant ten (10) days' notice before releasing the data in order to permit the Tenant to exercise whatever legal remedies are available to the Tenant to prevent such disclosure.

The Parties acknowledge they have read this Agreement, understand it and agree to be bound by its terms and conditions as of the date first set forth above.

Tenant:
Green² Solar Leasing, LLC

By: _____
Richard Ragatz, its VP Sales

Dated: _____

Customer:
City of Elko New Market

By: _____
Bob Crawford, Mayor

And: _____
Sandra Green, City Clerk

Dated: _____





STAFF MEMORANDUM

SUBJECT:	Authorize Administrative Intern Position
MEETING DATE:	August 9, 2018
PREPARED BY:	Thomas Terry, City Administrator
REQUESTED ACTION:	Authorize Administrative Intern Position and authorize City Administrator to hire the position.

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

As part of the goals and priorities discussion for the 2019 budget, Staff asked the Council to consider budgeting for an Administrative Intern. As proposed, the Administrative Intern position would be funded for an average of 20 hours per week for the entire year, but each internship should not exceed a 3-6 month period. It is anticipated that the intern would be recruited from one of several community development or public administration graduate and undergraduate programs in the state. The intern would provide support for administration with the majority of time spent on community development related activities. The duties and responsibilities of the intern would vary depending on the capabilities and tenure of the individual. However, it is expected that they would include, but not be limited to, research projects, building permit review and processing, responding to customers and data practices requests, records management projects, assisting with Comprehensive Plan, assisting with census, code enforcement, and administration of Planning Commission meetings (packets, minutes, etc.).

The Council was supportive of budgeting for the intern position in 2019. Furthermore, the Council directed staff to review and present a proposal for an intern position for the remainder of 2018.

DISCUSSION

Upon review, staff is recommending that the City Council authorize the Administrative Intern Position and authorize City Administrator to hire the position.

BUDGET

The estimated cost of the Administrative Intern position for 2018 is \$5,200. The estimate reflects an assumption of an hourly salary of \$16 per hour and a period of mid-September through the end of the year. For budget purposes, the intern would be allocated 70% to Community Development and 30% to the City Administrator Department.

Staff believes that this expense can reasonably be accommodated within the current budget based on YTD budget trends. Additionally, multiple General Fund line items are sufficiently underbudget to offset the expense. Most notably, the full-time Police Officer salaries assumed the hire of an Officer mid-year. Based on the status of the current hiring process, the position is not expected to be filled until the beginning of the last quarter. As a result, approximately \$20,000 or half of the budget for the officer this year would be available to offset the expense of the Administrative Intern.

Please contact the City Administrator with any questions regarding the matter in this memorandum (952-461-2777).



STAFF MEMORANDUM

SUBJECT:	Reassignment of Former Councilmember Timmon's Duties
MEETING DATE:	August 9, 2018
PREPARED BY:	Sandra Green, City Clerk
REQUESTED ACTION:	Reassign Former Councilmember Timmon's Duties on Various Boards and Committees

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

The City Council is being asked to reassign the City Council duties associated with various Boards and Committees on which the former Councilmember Timmons served as Council Representative.

DISCUSSION

Former Councilmember Timmons was assigned to various Boards and Committees as a City Council representative in 2018. The resignation of Councilmember Timmons from the City Council has created vacancies on those Boards and Committees. Council is being asked by motion to reassign the duties as City Council Representative on I-35 Solutions Alliance, Minnesota Valley Transit Authority (MVTA) – Alternate and Chamber of Commerce Representative – Alternate and Administrative Appeals Board.

The Council may want to have a discussion on the need or practicality of appointing a Council Representative on the Workforce Committee since this is a SCALE appointed position and not a City Council appointment.

ACTIONS REQUESTED

1. Appoint Councilmember _____ to the I-35 Solutions Alliance
2. Appoint Councilmember _____ to MVTA as alternate
3. Appoint Councilmember _____ to the Chamber of Commerce as alternate

2nd Quarter Report

City of Elko New Market
Elko New Market, Minnesota

As of June 30, 2018



AEM Financial Solutions™

People
+ Process®
Going
Beyond the
Numbers



July 20, 2018

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Elko New Market
Elko New Market, Minnesota

We have compiled the accompanying statement of revenues and expenditures for the General Fund and statements of revenues and expenses for the Water, Storm Water and Sewer funds of the City of Elko New Market, Minnesota as of June 30, 2018, for the quarter then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC



AEM Financial Solutions™

July 20, 2018

Honorable Mayor and City Council
City of Elko New Market
Elko New Market, Minnesota

Dear Honorable Mayor and City Council:

We have reconciled all bank accounts through June 30, 2018 and reviewed activity in all funds. The following is a summary of our observations. All information presented is unaudited.

Budget Summary

A more detailed analysis of funds is included as Attachment A.

Cash Balance Summary

A detailed view of department totals compared with budget is included as Attachment B.

Enterprise Fund Summary

A detailed summary of enterprise fund financial results is included as Attachment C.

City of Elko New Market, Minnesota
Statement of Revenue and Expenditures -
Budget and Actual -
General Fund (Unaudited)
For the Six Months Ended June 30, 2018

ATTACHMENT A

	Annual Budget	Actual Through 6/30/2018	Remaining Budget Dollars	Percent Received or Expended Based on Actual through 6/30/2018
Revenues				
Taxes	\$ 1,654,293	* \$ 857,652	\$ 796,641	51.8 %
Licenses and permits	85,507	67,603	17,904 (1)	79.1
Intergovernmental	249,909	* 1,812	248,097 (2)	0.7
Charges for service	120,500	59,868	60,632	49.7
Fines and forfeitures	15,000	7,359	7,641	49.1
Miscellaneous revenue	12,500	(14,067)	26,567 (3)	(112.5)
Total Revenues	2,137,709	980,227	1,157,482	45.9
Expenditures				
Mayor and City Council	42,069	24,874	17,195	59.1 %
City Administration	132,503	57,732	74,771	43.6
City Clerk	158,055	79,677	78,378	50.4
Elections	6,800	343	6,457 (4)	5.0
Assessing	31,500	30,894	606 (5)	98.1
Professional Services	277,750	92,832	184,918 (6)	33.4
General government building	76,600	30,475	46,125 (7)	39.8
Police	576,342	250,265	326,077	43.4
Public safety	39,500	16,832	22,668	42.6
Building inspection	95,620	74,249	21,371 (8)	77.7
Public works	334,712	147,142	187,570	44.0
Parks	171,234	66,202	105,032 (9)	38.7
Unallocated	24,000	20,604	3,396 (10)	85.9
Total Expenditures	1,966,685	892,121	1,074,564	45.4
Excess Revenues (Expenditures)	\$ 171,024	\$ 88,106	\$ 82,918	51.5
Other Financing Sources (Uses)				
Operating transfers out	\$ (169,432)	\$ -	\$ (169,432)	-
Total Other Financing Sources (Uses)	(169,432)	-	(169,432)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ 1,592	\$ 88,106	\$ (86,514)	5,534.3 %

* Property taxes and intergovernmental state aids are only paid twice a year

Item Explanation of items percentage received/expended less than 40% or greater than 60%.

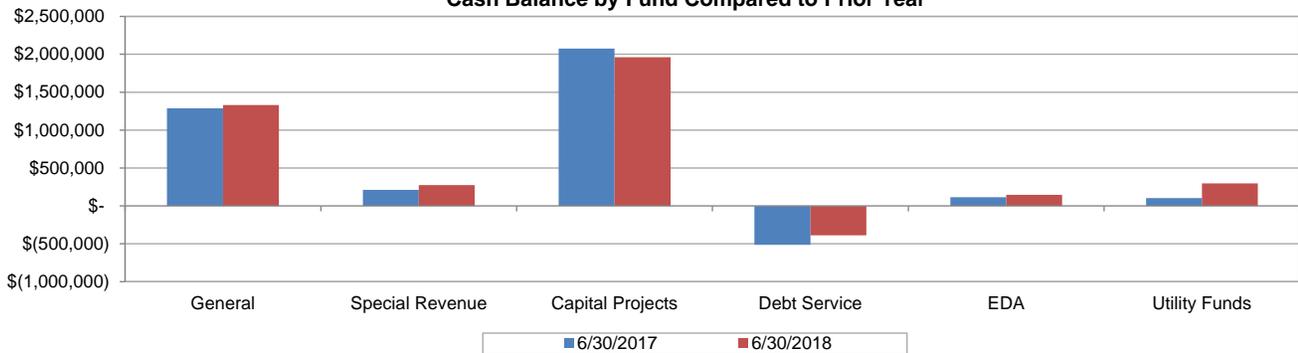
- (1) Received a \$62,000 building permit in second quarter.
- (2) LGA dollars and other state grants not received yet, will be received in July.
- (3) Reclassing of revenue codes occurred during the year which is why it shows as negative. This relates to 2017 financial information which was not realized until after audit was completed.
- (4) Elections will start near the end of the year
- (5) Scott County one-time payment made during 3rd Quarter for entire year of service. This will even out with budget as year continues.
- (6) Engineering fees are \$40,500 under budget thus far and legal services are under budget by approx. \$13,500. remaining has to do with remaining budgeted
- (7) Minor repairs and maintenance needed thus far during the year.
- (8) Building inspection is over budget for this quarter by \$21,000 and full time employees including over time are also over budget by \$5,400 due to more building activity for this second quarter. This will be larger as long as we are seeing increased building activity which is a good thing.
- (9) Full-time and part time wages are under budget as of this time of the year, this will increase as more activity occurs in the next quarter.
- (10) Insurance only paid out once a year

Fund	Balance 06/30/2017	Balance 12/31/2017	Balance 06/30/2018	Change From 12/31/2017	Percent Change From 12/31/2017
101 General fund	\$ 1,286,748	\$ 1,344,179	\$ 1,331,171	\$ (13,008)	(1) %
103 Fire fund	152,581	86,666	161,091	74,425 (1)	86
104 Police forfeiture fund	11,543	12,970	13,583	613	5
230 Park dedication fund	4,241	14,335	52,410	38,075	-
240 Charitable gambling fund	15,617	16,410	22,594	6,184	38
250 Capital projects fund	1,001,756	991,561	985,344	(6,217)	(1)
260 Economic development fund	115,113	147,620	147,065	(555)	(0)
270 PEG fund	13,917	5,954	8,343	2,389	40
280 Community events fund	14,730	14,597	17,246	2,649	18
290 SCA construction & maint fund	24,672	24,704	24,757	53	-
300 GO bonds fund	(514,113)	(70,981)	(389,450)	(318,469) (2)	449
400 Developer escrows fund	166,811	75,987	143,007	67,020 (3)	88
433 Fishrock carwash removal fund	2,972	3,541	4,085	544	15
436 Library construction fund	-	-	-	-	-
437 2013 Trail improvements fund	6	6	(6)	(12)	(200)
438 Public works facility fund	2	2	-	(2)	(100)
439 Police garage fund	-	-	-	-	-
441 Elko main streets fund	-	-	-	-	-
442 2015A bond project fund	(29,087)	64,210	(89,466)	(153,676) (4)	(239)
445 Roundabout Construction	-	-	(42,921)	(42,921)	-
501 Capital outlay fund	557,050	698,586	626,370	(72,216)	(10)
503 Capital outlay - fire fund	351,034	326,784	311,144	(15,640)	(5)
510 Developer charges fund	-	-	-	-	-
601 Water fund	25,757	(99,114)	213,122	312,236 (5)	(315)
602 Sewer fund	(117,012)	(86,899)	(8,201)	78,698 (6)	(91)
620 Storm water fund	193,806	79,143	92,736	13,593	17
700 Interest holding fund	196	474	474	-	-
Total	\$ 3,278,340	\$ 3,650,735	\$ 3,624,498	\$ (26,237)	\$ (206)

Item Explanation of items percentage received/expended of 20% and \$ variance greater than \$50,000 comparing current quarter to prior year.

- (1) One-time payment made from Fire Relief which is made at beginning of year.
- (2) Bonds are recouped by tax dollars which have not been received for 2018. The biggest bond payments of principal and interest occur in February of every year cash decrease is to be expected.
- (3) Variance due to more developments in 2018 which is a good thing.
- (4) Bonds are recouped by tax dollars which have not been received for 2018. The biggest bond payments of principal and interest occur in February of every year cash decrease is to be expected.
- (5) Increase due to utility fees received from the new development
- (6) Increase due to utility fees received from the new development

Cash Balance by Fund Compared to Prior Year



- Fund
- ➔ General Fund
 - ⬆ Special Revenue Fund
 - ➔ Capital Projects Fund
 - ⬆ Debt Service Funds increased due to selling of land (Dakota Acres) and correctly transferring dollars to cover bond payments.
 - ⬆ EDA increase due to purchasing of land for future purposes.
 - ⬆ Utility funds

- Key
- ⬆ Balance increased more than 10% over prior year
 - ⬆ Balance decreased more than 10% over prior year
 - ➔ Balance within 10% of prior year

City of Elko New Market, Minnesota

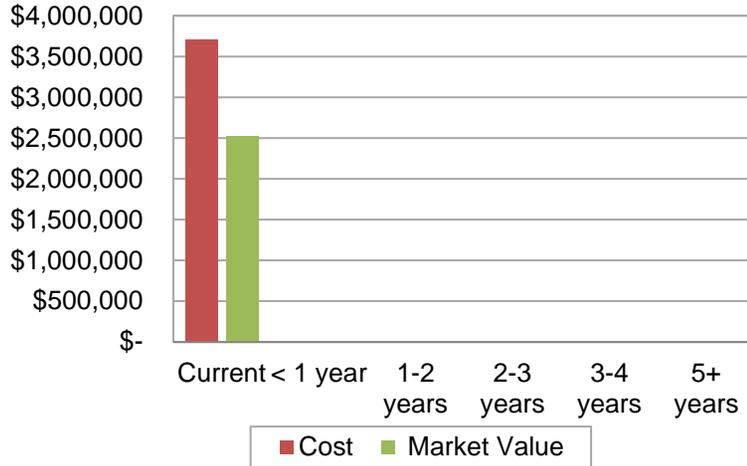
ATTACHMENT B

Schedule of Cash and Investments
For the Month Ending June 30, 2018

Description	Market Value 1/1/2018	Deposits	Expenditures	Transfers	Interest	Cost 6/30/2018	Market Value 6/30/2018	Unrealized gain / loss
General Fund	\$ 268,344.90	\$ 2,323,293.47	\$ (3,831,013.97)	\$ 1,500,000.00	\$ 176.57	\$ 260,800.97	\$ 81,877.73	\$ (178,923.24)
General Fund Savings	2,254,724.58	1,366,414.13	(949.87)	(1,500,000.00)	930.71	2,121,119.55	\$ 1,127,639.53	(993,480.02)
Revolving Investments	1,281,087.12	-	-	-	7,323.08	1,288,410.20	\$ 1,284,723.22	(3,686.98)
4M Savings	31,959.96	-	-	-	208.98	32,168.94	\$ 32,048.70	(120.24)
	\$ 3,836,116.56	\$ 3,689,707.60	\$ (3,831,963.84)	\$ -	\$ 8,639.34	\$ 3,702,499.66	\$ 2,526,289.18	\$ (1,176,210.48)

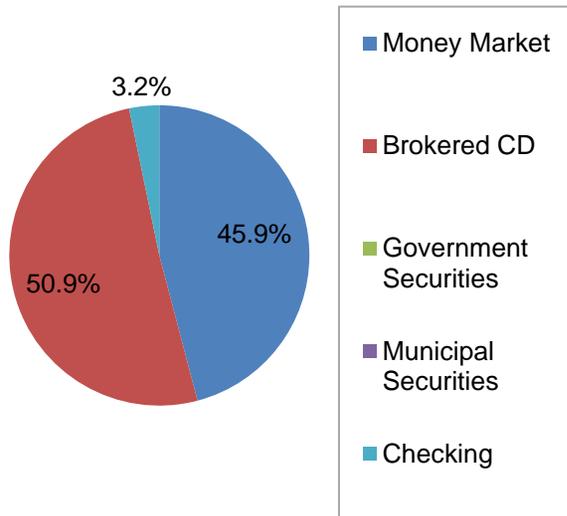
City of Elko New Market, Minnesota
Investments
For the Month Ending June 30, 2018

Maturities



Maturity	Cost 6/30/2018	Market Value 6/30/2018	Variance 6/30/2018
Current	\$ 3,702,499.66	\$ 2,526,289.18	\$ (1,176,210.48)
< 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
3-4 years	-	-	-
5+ years	-	-	-
	<u>\$ 3,702,499.66</u>	<u>\$ 2,526,289.18</u>	<u>\$ (1,176,210.48)</u>

Weighted average Rate of return	0.27%	6/30/2018
Average Maturity (years)	-	6/30/2018



Investment Type	Cost 6/30/2018	Market Value 6/30/2018
Money Market	\$ 2,153,288.49	\$ 1,159,688.23
Brokered CD	1,288,410.20	1,284,723.22
Government Securities	-	-
Municipal Securities	-	-
Checking	260,800.97	81,877.73
Cash with Fiscal Agent	-	-
	<u>\$ 3,702,499.66</u>	<u>\$ 2,526,289.18</u>

Gen Fund (10100)	
O/S Receipts	\$ 19,437.87
O/S Checks	(97,981.20)
	(78,543.33)
Total Reconciled	\$ 3,623,956.33

City of Elko New Market, Minnesota
 Statement of Revenues and Expenses -
 Budget and Actual -
 Sewer Fund (Unaudited)
 For the Six Months Ended June 30, 2018

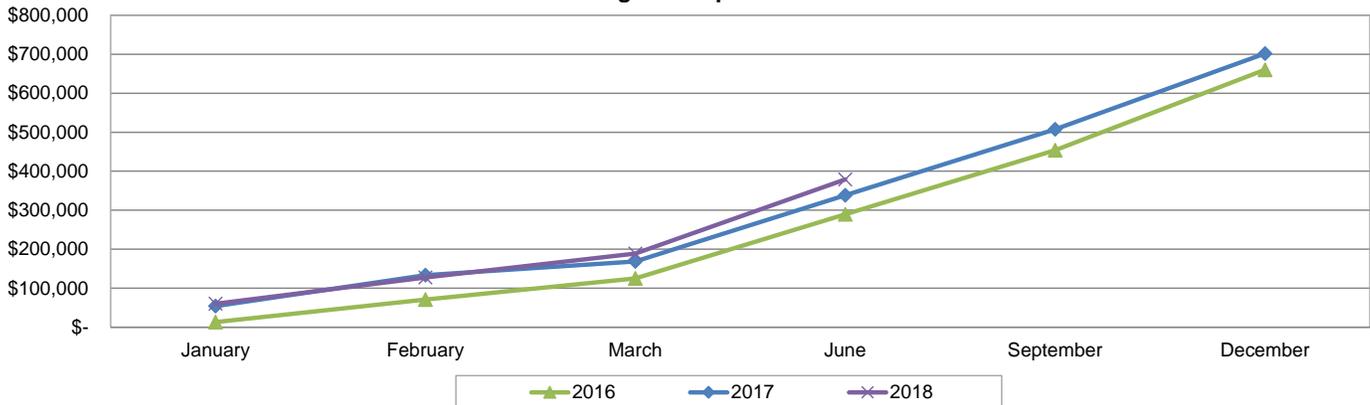
SEWER FUND

	Annual Budget	Actual Thru 06/30/2018	Variance - Favorable (Unfavorable)	Percent Change from Prior YTD
Revenues				
Special Assessments	\$ -	\$ 67,291	\$ 67,291 (1)	- %
User charges	790,000	378,922	(411,078)	48.0
Connection charges	281,510	227,122	(54,388) (2)	80.7
Other	-	36	36	-
Interest earnings	-	-	-	-
Total Revenues	1,071,510	673,371	(398,139)	(94.3)
Expenses				
Wages and salaries	157,532	71,450	86,082	45.4
Employee benefits	55,239	29,009	26,230	52.5
Materials and supplies	49,544	18,271	31,273	36.9
Repairs and maintenance	30,800	5,631	25,169 (3)	18.3
Professional services	59,000	28,848	30,152	48.9
Insurance	7,500	7,418	82 (4)	98.9
Utilities	13,600	6,018	7,582	44.3
Depreciation	244,000	-	244,000	-
Miscellaneous	1,000	28	972 (5)	2.8
Metro Sewer service charges	287,966	106,678	181,288	37.0
Capital Improvements	-	-	-	-
Bond principal and interest	359,802	180,497	179,305	50.2
Total Expenses	\$ 1,265,983	\$ 453,848	\$ 812,135	165.9 %

Item Explanation of items percentage received/expended less than 30% or greater than 70%.

- (1) Budget is not established for special assessments resulting in variance.
- (2) Have received minimal connection charges based on the home building activity within the City. Have some, just budgeted for more activity.
- (3) No significant repairs and maintenance needed thus far through the year, well under budget.
- (4) Insurance is only paid once a year during June. This will even out as year progresses.
- (5) No miscellaneous expenditures have occurred thus far throughout the year.

Sewer User Charges Comparison 2016 - 2018



City of Elko New Market, Minnesota
 Statement of Revenues and Expenses -
 Budget and Actual -
 Water Fund (Unaudited)
 For the Six Months Ended June 30, 2018

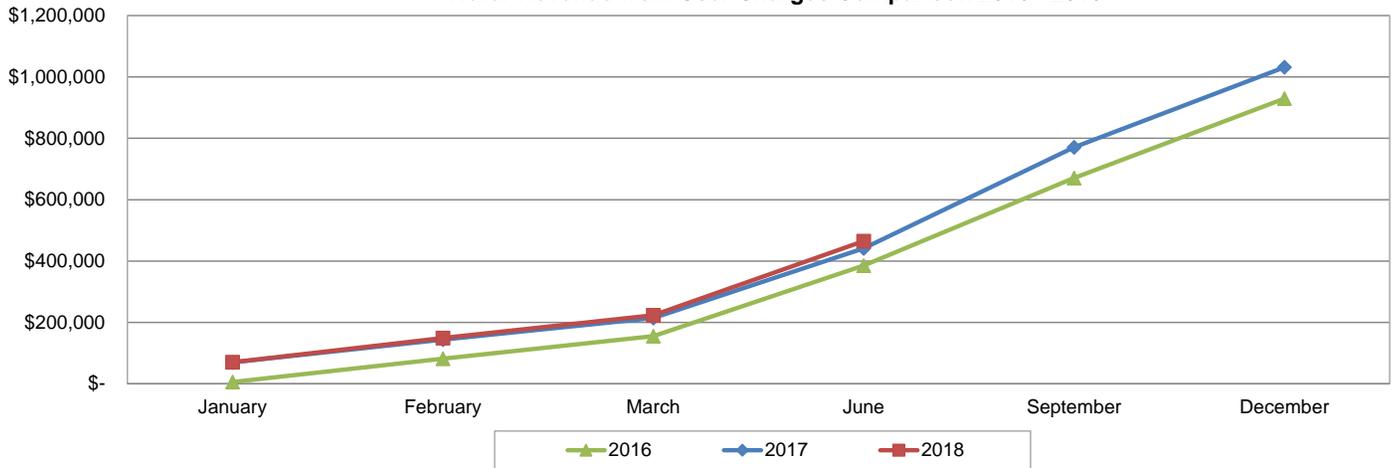
WATER FUND

	Annual Budget	Actual Thru 06/30/2018	Variance - Favorable (Unfavorable)	Percent Budget thru YTD
Revenues				
Special Assessments	\$ -	\$ 3,543	\$ 3,543 (1)	- %
User charges	1,065,805	465,088	(600,717)	43.6
Connection charges	202,955	130,529	(72,426)	64.3
Other	-	4,771	4,771	-
Interest earnings	1,500	502	(998)	33.5
Total Revenues	1,270,260	604,433	(665,827)	47.6
Expenses				
Wages and salaries	174,059	81,597	92,462	46.9 %
Employee benefits	63,288	33,692	29,596	53.2
Materials and supplies	85,194	40,634	44,560	47.7
Repairs and maintenance	40,800	15,496	25,304	38.0
Professional services	80,350	29,583	50,767	36.8
Insurance	15,500	8,528	6,972	55.0
Utilities	80,000	33,728	46,272	42.2
Depreciation	445,000	-	445,000	-
Miscellaneous	1,000	254	746 (2)	25.4
Capital Improvements	30,000	-	30,000 (3)	-
Bond principal and interest	767,867	192,803	575,064 (4)	25.1
Total Expenses	\$ 1,783,058	\$ 436,315	\$ 1,346,743	24.5 %

Item Explanation of items percentage received/expended less than 30% or greater than 70%.

- (1) Budget is not established for special assessments resulting in variance.
- (2) Miscellaneous charges were coded to this, nothing significant thus far.
- (3) No Improvements done during the first quarter
- (4) Portion of Principal and interest paid so far in this fund.

Water Revenue from User Charges Comparison 2016 - 2018



City of Elko New Market, Minnesota
 Statement of Revenues and Expenses -
 Budget and Actual -
 Storm Water Fund (Unaudited)
 For the Six Months Ended June 30, 2018

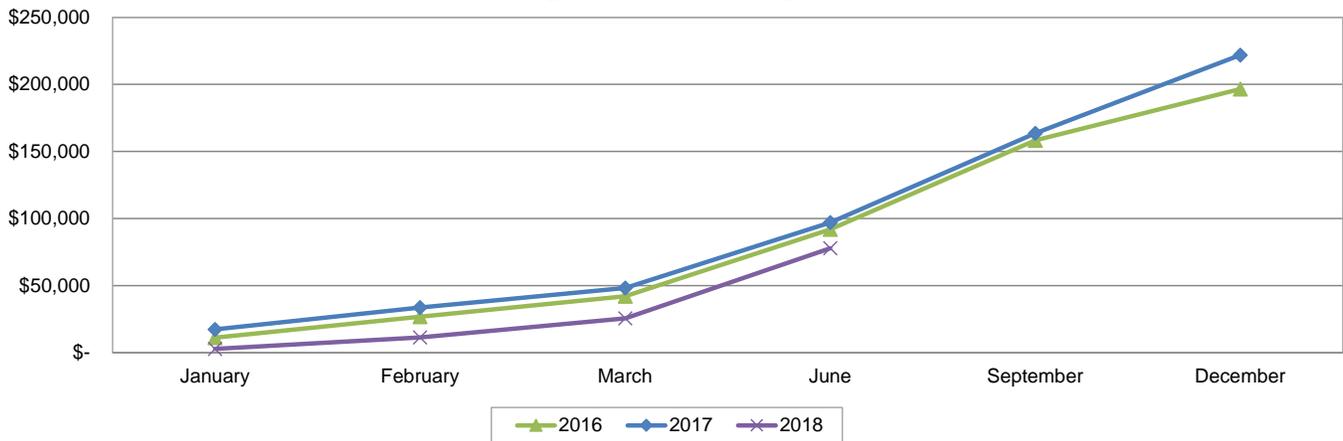
Storm Water

	Annual Budget	Actual Thru 06/30/2018	Variance - Favorable (Unfavorable)	Percent Change from Prior YTD
Revenues				
Special Assessments	\$ -	\$ 3,488	\$ 3,488 (1)	- %
Charges for services	192,250	77,814	(114,436)	40.5
Connection charges	81,185	48,449	(32,736)	59.7
Other	-	(192)	(192)	-
Interest earnings	-	113	113	-
Total Revenues	273,435	129,672	(143,763)	(127.8)
Expenses				
Wages and salaries	34,963	14,994	19,969	42.9
Employee benefits	11,528	6,200	5,328	53.8
Materials and supplies	20,322	9,232	11,090	45.4
Repairs and maintenance	15,320	2,309	13,011 (2)	15.1
Professional services	49,375	7,712	41,663 (3)	15.6
Insurance	500	1,343	(843) (4)	268.6
Depreciation	100,000	-	100,000	-
Miscellaneous	1,000	10	990 (5)	1.0
Capital Improvements	10,000	-	10,000	-
Bond Principal and Interest	121,357	76,867	44,490	63.3
Total Expenses	\$ 364,365	\$ 118,667	\$ 245,698	180.3 %

Item Explanation of items percentage received/expended less than 30% or greater than 70% .

- (1) Budget is not established for special assessments resulting in variance.
- (2) Have not had any major expenses compared to budget for the repairs and maintenance items related to the Facilities.
- (3) Engineering fees are under budget by \$16,000 for this second quarter
- (4) Insurance allocated to Storm Water Fund was larger than prior year and that is what budget was based off of.
- (5) Miscellaneous charges were coded to this, nothing significant thus far.

Storm Water Charges for Services Comparison 2016 - 2018



Cash and Investments

The City's cash and investment balances are as follows:

	6/30/2018	12/31/2017	Increase/ (Decrease)
Checking and Savings	\$ 182,799	\$ 2,337,688	\$ (2,154,889)
Investments (at Market Value)	3,441,699	1,313,047	2,128,652
Total Cash and Investments	\$ 3,624,498	\$ 3,650,735	\$ (26,237)

Investment Type	06/30/2018	12/31/2017	Increase/ (Decrease)
Checking and Savings	\$ 182,799	\$ 1,384,142	\$ (1,201,343)
Cash With Fiscal Agent	-	953,546	(953,546)
Money Market	3,441,699	1,313,047	2,128,652
Total Investments	\$ 3,624,498	\$ 3,650,735	\$ (26,237)

Current short-term rates being offered by financial institutions are very low as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return. This information is provided to show that the amount of interest that cities are earning is very minimal especially if investments are locked in for 3 years or less.

Treasury Yields									
Date	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
12/31/2012	0.02	0.05	0.11	0.16	0.25	0.36	0.72	1.18	1.78
12/31/2013	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04
12/31/2014	0.03	0.04	0.12	0.25	0.67	1.10	1.65	1.97	2.17
03/31/2015	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.65	1.87
06/30/2015	0.02	0.01	0.11	0.28	0.64	1.01	1.63	2.07	2.35
09/30/2015	-	-	0.08	0.33	0.64	0.92	1.37	1.75	2.06
12/31/2015	0.14	0.16	0.49	0.65	1.06	1.31	1.76	2.09	2.27
3/31/2016	0.14	0.20	0.39	0.61	0.76	0.91	1.26	1.60	1.83
6/30/2016	0.20	0.26	0.36	0.45	0.58	0.71	1.01	1.29	1.49
9/30/2016	0.20	0.29	0.45	0.59	0.77	0.88	1.14	1.42	1.60
12/31/2016	0.44	0.51	0.62	0.85	1.20	1.47	1.93	2.25	2.45
3/31/2017	0.74	0.76	0.91	1.03	1.27	1.50	1.93	2.22	2.40
6/30/2017	0.84	1.03	1.14	1.24	1.38	1.55	1.89	2.14	2.31
9/30/2017	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33
12/31/2017	1.28	1.39	1.53	1.76	1.89	1.98	2.20	2.33	2.40
3/31/2018	1.63	1.73	1.93	2.09	2.27	2.39	2.56	2.68	2.74
6/30/2018	1.77	1.93	2.11	2.33	2.52	2.63	2.73	2.81	2.85

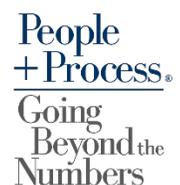
* * * * *

This information is unaudited and is intended solely for the information and use of management and City Council and is not intended and should not be used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC



People
+ Process
 Going
 Beyond the
 Numbers



STAFF MEMORANDUM

SUBJECT:	Alternative Rate Structure for New Lawn Watering
MEETING DATE:	August 9, 2018
PREPARED BY:	Stephanie Schultz, Administrative Assistant
REQUESTED ACTION:	Council Direction on Irrigation of New Sod

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND

Staff received inquiries from Kevin Michael (K Michael Homes) and Chad & Kimberly Haugen (new residents) regarding large water bills received due to aggressively irrigating their newly installed sod. Both individuals requested Staff bring the possibility of establishing a policy to provide relief for consumers irrigating new sod to the City Council. This item was brought to the City Council for their review and feedback. Council directed Staff to research data regarding irrigation of new sod installed at newly built homes and provide the Council with a recommendation or options.

Sod installation upon completion of building a new home is a requirement for all new homes built in Elko New Market. Irrigating new sod after it has been installed is very critical. It is essential to begin watering newly installed sod after it is laid on the soil and regular watering is necessary until the root system has become deeply established, usually one full growing season. This will typically result in greater than normal water usage for irrigation.

RESEARCH:

Staff has researched and compiled water use data for all new homes built during the last three (3) years. Data collected focused on irrigation only, so depending on whether the home was vacant or occupied, normal household usage was taken into account to establish an estimated irrigation usage. Homes with unusual usage or no valid data were removed from the compilation.

In review of the data, most homes experienced additional irrigation usage for a minimum of two consecutive months; although, the majority of homes had significantly more usage in one of the two months, depending on the time of the month that the new sod was installed. Because the City bills monthly for water usage, the billed water was broken down by tier for each month, allowing for 20,000 gallons of use each month before being billed for water at the highest rate. Because the City bills monthly, statistics are based on monthly usage.

Of 32 homes sampled:

- On average, consumers used approximately 33,000 gallons per month for irrigation of new sod.
 - Using 2018 water rates, a monthly water bill for 33,000 gallons equates to \$482.22 (this example uses 4,000 gallons/month for sewer usage).
 - For comparison purposes, the same water bill for 10,000 gallons equates to \$126.90/month (all water billed at lowest tier).
- Only 2 of 32 homes (6.25%) exceeded 80,000 gallons, equating to water bills exceeding \$1400 for the month. (These cases would be considered an anomaly and do not reflect normal sprinkling usage.)
- 22 of the 32 homes (68.75%) exceeded 20,000 gallons and had at least a portion of their water billed at Tier 3.
- Excluding the 2 homes above that exceeded 80,000 gallons, the monthly water bills ranged from \$283.17 per month for a home using 23,630 gallons per month incrementally up to \$956.74 per month for a home using 61,610 gallons per month. *(Keep in mind that every home sewer usage is different and based on their actual usage during the averaging months or set at 4,000 gallons if they are new residents without water use history.)*
- 10 homes (31.25%) used less than 20,000 gallons, meaning that no water was billed at Tier 3 rates.

- 5 of the top 10 usages occurred in the month of August, which is typically the hottest month of the summer.

Based on the average additional usage, the cost ranges between \$197.40 to \$296.10 for one month.

In addition to compiling irrigation water use data, Staff also contacted nine (9) surrounding cities to find out if any other city has a policy in place with regards to irrigation of new sod. Cities contacted were Belle Plaine, Farmington, Jordan, Lakeville, Lonsdale, New Prague, Prior Lake, Savage, and Shakopee. None of the cities contacted currently have a program in place strictly for irrigation of new sod.

DISCUSSION

Based on the above data, Staff is requesting Council provide feedback on the following two (2) options relating to irrigation of new sod.

1. No Change
2. Separate Rate Structure

Option #1: No Change

Based on the statistical data above, most consumers either do not exceed the 20,000 gallon tier mark in 1-month or exceed it by roughly 15,000 gallons. As indicated above, 15,000 gallons billed at the top tier equates to an additional \$296.10/month. Consumers should by this time be aware that irrigating new sod will increase their monthly water bill; however, once the sod has been established, irrigation uses should drop substantially down to a reasonable amount with little or no water billed at the highest tier.

As noted previously, based on a survey of surrounding communities, no other city currently has a policy in place relating specifically to irrigation of new sod. The Banyon Utility Billing software currently does not have the capability to automatically make adjustments . Any adjustments required to provide financial relief to residents watering new sod would have to be done manually by Staff.

PROCESS – No change to current process

Option #2: Separate Rate Structure

The current utility billing software has the capability to set-up a separate rate structure specifically for months where new sod installation irrigation occurred. To incorporate a new rate structure for new sod irrigation, the homeowner/builder would have to notify the City prior to the billing for the month the new sod was installed and irrigation occurred. A possible option would be to provide a flyer to the builder/homeowner at the time the new home permit is issued which would outline the policy and rate structure for new sod installation. Again, the requirement to notify the City in advance to qualify for the special irrigation rate structure would be essential.

This option would require manual changes which leaves room for human error. It should be noted that water usage for the month would include household usage, as well as sprinkling usage, as the water meter does not have the capability to differentiate one usage from the other.

Separate Modified Rate Structure:

Based on the current tier rate structure put in place in 2016 to promote conservation, Staff would recommend leaving a tiered structure in place, but adjusting the gallons for each tier allowing for increased usage at the lowest tier level. Based on the data research above, and the average of 33,000 gallons used per month, the proposed tier structure would take into account the average amount of irrigation and also provide room for household usage.

	<u>Current Tiers</u>	<u>Modified Rate Tiers</u>	<u>Rates</u>
(1)	0-10,000 gallons	0-40,000 gallons	\$3.41/1,000 gallons
(2)	10,000-20,000 gallons	40,001-50,000 gallons	\$9.87/1,000 gallons
(3)	20,001 + gallons	50,001 + gallons	\$19.74/1,000 gallons

Using a modified tier structure such as this, allows for increased usage at the lowest tier level, but does not allow for a consumer to over-water aggressively without being billed at the highest tier for at least a portion of their water. The review of data researched showed in three (3) years, only two (2) homes used over 80,000 gallons in one (1) month. Except for the two (2) usages over 80,000 gallons, there were no other estimated irrigation uses over 60,000 gallons.

PROCESS - When billing for the month(s) of irrigation usage, the rate structure would have to be manually changed by Staff for the specific address in the utility billing system. After the billing for the irrigation has concluded, Staff would have to manually change the rate structure back to the standard rate structure to bill correctly for the following month(s).



STAFF MEMORANDUM

SUBJECT: Monthly Public Works Report – July 2018
MEETING DATE: August 9, 2018
PREPARED BY: Corey Schweich, Public Works Superintendent
REQUESTED ACTION: Information Only

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance “shovel ready” status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND:

Staff is presenting a written report for Public Works activities in July.

DISCUSSION:

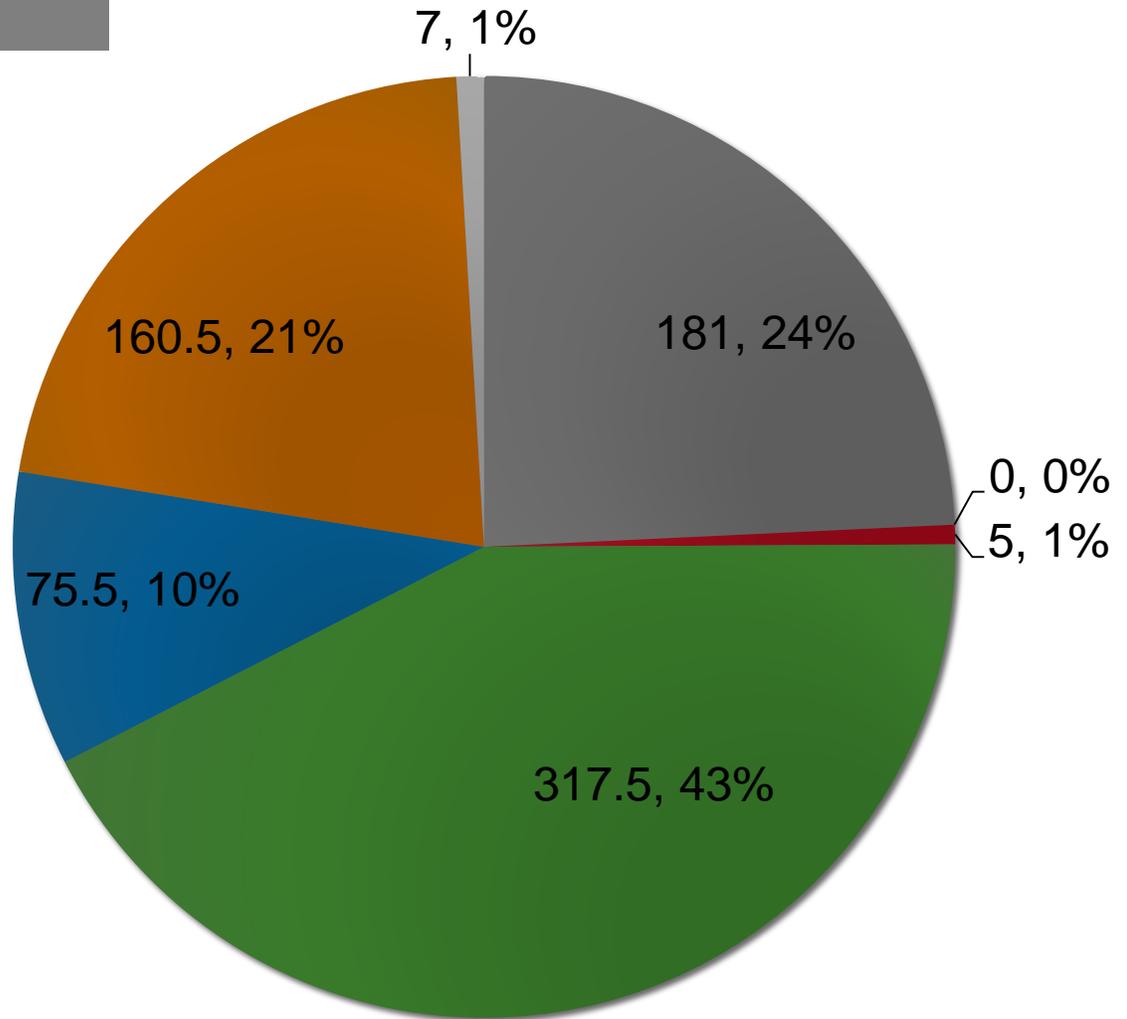
- As part of the annual maintenance of the City's sewer system, Staff cleaned and inspected all of the lift stations. During the inspections, Staff identified some issues with the pumps and associated parts at the Carter lift station. The pumps in that station are the original pumps and are roughly 20 years old and are nearing the end of their lifespan. Staff will evaluate the options to either repair or replace the pumps and associated parts.
- Staff will continue main line sewer jetting as time permits throughout the season.
- Staff worked with Three Rivers to set up and take down all of the equipment for the archery program.
- Staff installed the nets on all of the soccer goals at the school. Staff will continue to stripe all of the soccer fields as needed throughout the season.
- Gravel roads were graded and dust control was applied.
- Staff has continued to feed a polyphosphate to the water during the treatment process. As many of you know the City's water is very hard, and the plant was not designed to soften the water. As a result of the hard water, users may have noticed some scaling on plumbing fixtures and appliances. The polyphosphate is intended to help with that by keeping the hardness in solution longer. Staff is still in the initial setup and testing process, and will continue to make adjustments to dosages as needed.
- Staff has started to mount the snow plow equipment from the old loader to the new loader. This project should be completed sometime in August.
- Staff continued to spray weeds throughout the community.
- As part of the regional safety group made up of Elko New Market, Lakeville, and Farmington, Staff attended respirator safety training. Staff will continue to attend monthly safety trainings through this group.
- Staff continues to perform all of the day to day activities associated with mowing and trimming.
- The contractor has started to do some of the prep work for the solar panels that will be placed on the Public Works Facility.
- Staff assisted with moving the playground equipment at Rowena Park. After the equipment was moved, Staff installed the new border, placed wood chips, hauled out the old chips, re-graded and seeded the area that the equipment was previously located. All of this work was done as part of the Rowena Park repurposing master plan. The playground equipment needed to be relocated to make room for the baseball field that is also to be moved. Public Works will continue to work with the Parks Commission to perform as much work in-house as possible to keep the costs associated with the improvements as low as possible.
- Staff assisted Scott County by unplugging some culverts with the vac/jetter truck.

PUBLIC WORKS

Combined Time By Department

July 2018

Total Hours:
746.50



- Public Works
- Buildings
- Water
- Stormwater
- Snow Plowing
- Parks & Grounds
- Sewer

Photo Album

by Corey Schweich
Public Works Superintendent











STAFF MEMORANDUM

SUBJECT: Monthly Police Activity – July 2018
MEETING DATE: August 9, 2018
PREPARED BY: Steve Mortenson, Chief of Police
REQUESTED ACTION: Information Only

COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance “shovel ready” status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

BACKGROUND:

Staff is presenting a written report to the City Council reporting on Police Department activities for the past month.

DISCUSSION:

July 14 – Officer Eve Rudolph attended a fundraising event for Cystic Fibrosis. Event was held at a residence on Lake Marion. Eve visited with attendees, handed out stickers and provided tours of the squad car. See photographs.

July 18 – Chief Steve Mortenson & Officer Craig Bell attended recertification training Emergency Medical Responder (EMR) which is required every two years. They also received training in the application of Narcan and now can deliver doses to any potential victims needing application.

July 26 – Staff attended the “State of the City” presentation hosted by the Chamber of Commerce.

July 26 – Staff participated in quarterly firearms training (Summer Shoot) out at the Regional Training Facility firearms range.

July 26 – Officer Melissa Wirtz attended the Scott County Fair for “Kid’s Day.” Melissa visited with the children, handed out stickers and provided tours of the squad car. See photograph.

As the Mayor and City Council is aware, the last Police Officer candidate did not successfully pass the background investigation. A new hiring advertisement is currently posted and closes on August 10, 2018. Staff will keep the Mayor and City Council updated with the latest hiring process.

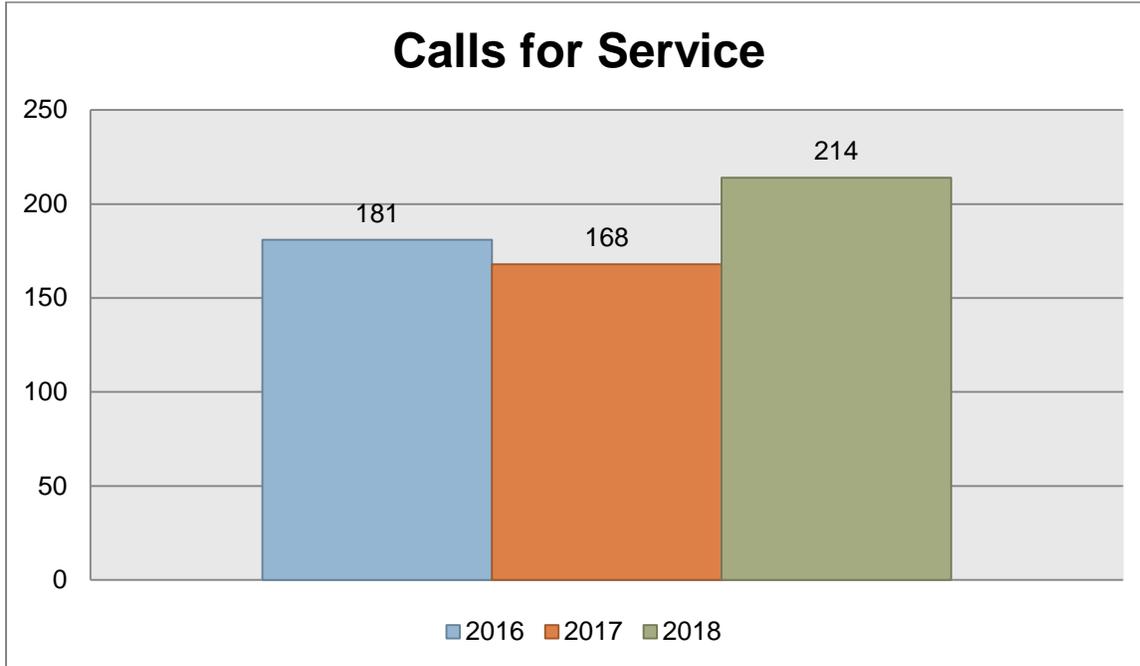
STATISTICAL INFORMATION – July 2018

Types of calls officers responded to:

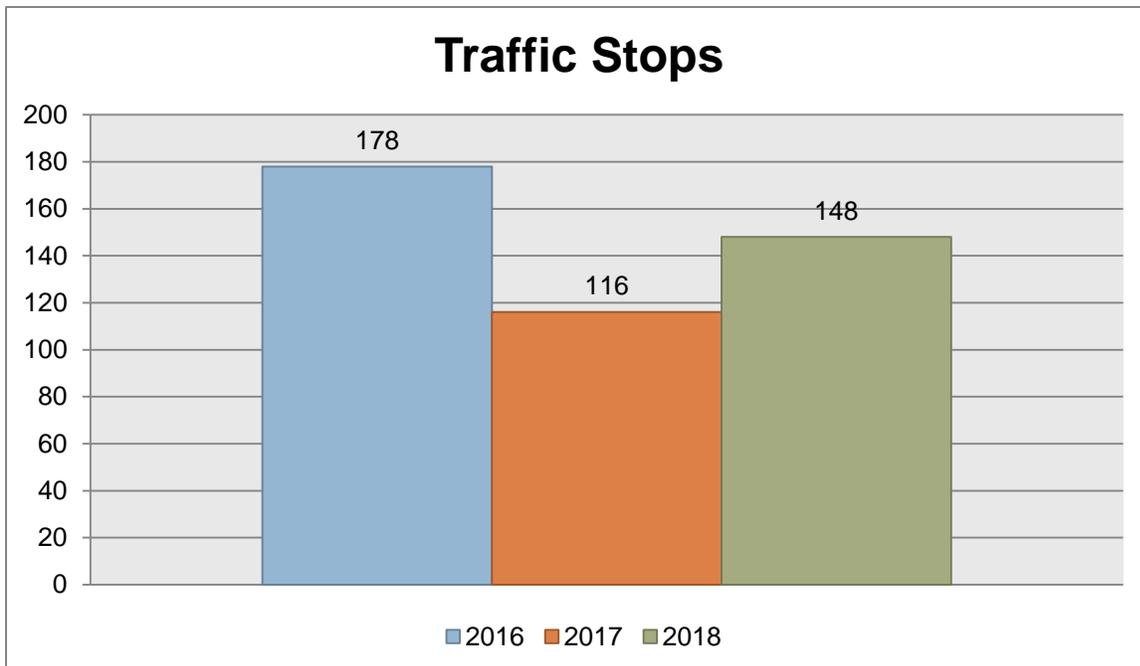
- 1 Assault – Occurred at a residence and investigation revealed no assault had occurred.
- 1 DWI Arrest (an adult male was arrested for 2nd Degree DWI. The suspect's BAC was .22. Vehicle he was driving is currently being held for forfeiture.)
- 2 Mental Health (officers responded to mental health calls and in both cases placed the person on a 72 hour Health & Safety hold. Both cases involved adult males.)
- 2 Domestic (verbal only, no assault.)
- 3 Disturbances
- 7 Medicals
- 3 Fraud
- 1 Theft
- 2 Motor Vehicle Thefts (In one case it was determined that the motorcycle was picked up by the owner.)
- 5 Vandalism (In one incident, 3 juvenile males were caught by officers tipping over picnic tables. No damage to the tables and juveniles were banned from Wagner Park for the remainder of the summer.)
- 14 Nuisance complaints (Fireworks complaints.)
- 2 Motor vehicle crash
- 2 Motor vehicle crash resulting in personal injury.
- 23 Suspicion (Includes: Suspicious activity, vehicles and people.)

A total of 1 person, an adult male was arrested and transported to the Scott County Jail in July.

Calls for Service:

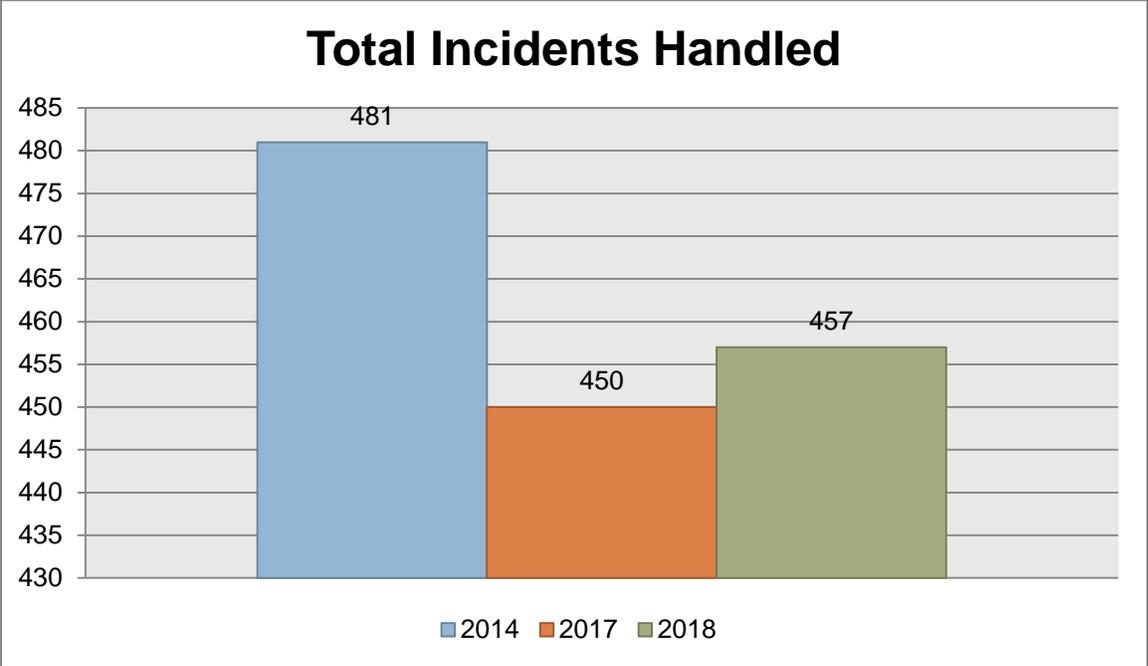


Total Traffic Stops:



148 traffic stops were conducted in July 2018. **105** warnings issued and **43** citations issued for speed, stop sign violation, no proof of insurance/no insurance, no seat belt use, and driving after suspension & revocation.

Total Incidents Handled:



PICTURES – July 2018







ENM Parks Commission Update

July 25, 2018

1. The City Council approved a budget of \$171,234.00 for the Parks Department for 2018. Through June 30, 2018, expenditures total \$66,202.04, or about 38.7%, of the total budgeted. We are well under the 50 % guideline for the first 6 months of 2018, but we are coming into the busiest quarter of the year, so that difference is likely to be much less by the end of September!
2. The Rowena Pond Park RePurposing Master Plan is now underway! The Public Works Department has started to prepare the playground equipment for being moved by Midwest Playscapes, who should have it completed by the August 7th Parks Commission Meeting. Once the playground equipment has been moved, the next step will be the relocation of the baseball field this Fall. I will meeting with the neighbors adjacent to the park before that part of the project is started to go over resolution of their current drainage issues.
3. The new Skatepark equipment has been installed by the American Ramp Company! The SkatePark reopened on Monday, June 18th and will be open during regular park hours. It does seem quieter...I am working on the Rules and Regulations now that everything is complete, so the Police Department can better monitor inappropriate behavior. I hope to have them for your review at the August 7th Park Commission meeting.
4. The second and final installment for the SkatePark equipment - \$22,181.33 - will be on the Consent Agenda for the July 26th City Council Meeting, now that the final inspection is complete. The warranty period began following the completion of the final inspection.
5. I have purchased the posts for the 2 Little Free Libraries to be installed in City parks – one near the digital sign board in front of City Hall and one in Wagner Park. I will purchase a third Little Free Library for Little Windrose Park to go along with the installation of the one near the digital sign and the one at Wagner Park this Spring. The Eagle Scout that I thought would take on this project has decided not to, so the Little Free Libraries will be put up as the Public Works Department gets time to do it this Summer.
6. Speaking of Summer, all the programs offered in Elko New Market by Lakeville Community Ed and New Prague Community Ed are on the City's website under the Events Tab...there are a total of 56 and there's

something to do for residents of any age! Thanks to Stephanie for getting them online and keeping them updated!

7. The 3 week Youth Archery program of the Summer is being held Friday, July 13, 20, and 27 at Windrose Park with a class of 11 participants. Thanks to the Public Works Department for doing the setup and take down of the range each week!
8. Lakeville Community Education held a moviemaking class for 10-year-olds at the Wagner Park shelter on Monday, July 16 through Thursday, July 19. They had 6-8 participants who wrote, produced, and directed a short film. They made a copy of their film for me, which includes a cameo appearance by yours truly, that I'll show at a future Parks Commission Meeting. They did a great job and have a knack for spotting talented actors, too 😊
9. The Elko Baseball Team requested a fence that would surround Old Elko City Hall Park. The City Council approved the concept of movable gates that will only be closed during ballgames and approved an Encroachment Agreement, which legally addresses the design, installation and maintenance of the fence, at the April 12th City Council Meeting. The Team has now provided the City Attorney with the proper deed indicating their ownership, so now the Agreement can be signed by both parties and the project can move forward once the reimbursement for the City Attorney's expenses is received.
10. The City Council will consider a Resolution to accept the donation of \$700 by the N.E.W. Lions Club for the purchase of an electric stove/oven for the Wagner Park Shelter on July 26th. Assuming approval, I can then get started on buying one and getting it installed.
11. The streetlight request for Pete's Hill was approved at the December 7th City Council Meeting. As recommended by the Parks Commission, the light will be paid for out the City's Contingency line-item and the monthly utility cost would be taken from the Park's Budget. I met with MVEC on Tuesday June 26th on the placement of the light, which will be the same style – Decorative Colonial – as the rest of the neighborhood. The cost for the new streetlight will be about \$3,845, which is \$750 less than the original estimate. It should take about 3 weeks for them to finish the engineering for the project and another 2 weeks to install it, so it should be done by Labor Day.
12. I met with Soccer Coordinator, Melissa Sulich, on the upcoming Fall program at Eagle View Elementary School. The Public Works Department

will be mowing and lining the 10 soccer fields beginning the week of July 23rd and the season will get underway on July 31st and will run on Tuesday and Thursday nights from 6:15 to 8:15 through September 6th with Annual Soccer Jamboree on Saturday, August 18th. Our new Soccer Coordinator for the Summer will be Aga Franek, who will be the City's contact for the program.

13. The City's new contact for 3 Rivers Park System programming will be Tyler Thompson, who will be starting on July 30th. He will be doing programs such as geocaching for s'mores, winter survival skills, and archery...and, maybe some others for us!
14. Eagle Scout candidate Hartman Sadusky constructed 6 benches and placed them along Pete's Hill trail on Saturday, July 14th...take a look when you get a chance! It's always great to work with on these projects with the Eagle Scouts!
15. I met with Michelle Moschkau after the April meeting to discuss her request for a bench along the CSAH 91 bike/hike trail for resting and watching the annual migration of trumpeter swans, and other birds, that stop on the pond. The best viewing is not on city-owned property, so I contacted the property owner, who is still considering it. Hartman Sadusky for his Eagle Scout Project built a couple of extra benches to use there assuming approval can be obtained.
16. Also from the May meeting, I am following up on a request from resident Robert Satrom about the potential for a water fountain at Wagner Park. There was one there before, but it was vandalized several times, so was not replaced when the new Park Shelter went in. I am checking to see if one could be attached to the Shelter and on possible "stand alone" sites. I hope to have a further update at the September Meeting.
17. Summer Family Fun Nights at the Wagner Park Shelter have going great! We're looking to reschedule the "The Rad Zoo", which was cancelled due to inclement weather on Thursday, July 12th, for the 2018 Community Picnic on Saturday, August 18th. We did have about 70 people at "The Big Fun Show" despite rainy weather again! We had help from the River Valley Girl Scouts for this always popular event! Hopefully, we'll have better weather for the free pony rides on Thursday July 26th!
18. Also on the August Meeting Agenda will be the final draft of the Agreement for the Disc Golf Course at Windrose Park. The City Attorney is putting the finishing touches on it this week. As you recall from the July Meeting, the

cost would be about \$8,100, plus some Staff time for clearing brush in a couple of places.

19. There has been no further action by the developer of the Christmas Pines subdivision on an offer for the Parks Commission to accept approximately 7.5 acres of land off of Dakota Avenue at the City's northern boundary, instead of paying Park Dedication fees for the proposed subdivision.
20. Another reminder that the next Parks Commission Meeting will be on Tuesday, August 7th, 2018 at 4:00 PM at ENM City Hall. This is a week earlier for "Night to Unite", so once again, we will hold a short monthly meeting and then move over to the SkatePark for a Ribbon Cutting and some treats!