



MEMORANDUM

DATE: June 19, 2018

To: Honorable Mayor & City Council

CC: Dave Bennett, City Engineer/Director of Public Works; Monte Nelson, Police Chief; Chris Heineman, Community Planning and Development Director; Deb Little, City Clerk; Michelle Mahowald, Communications & Human Resources Director; Teresa Jensen, Director of Library and Information Technology Resources; Chris Hood, City Attorney

From: Ben Martig, City Administrator

RE: "Supplemental Agenda Background Memo" for June 19, 2018 No.1.

Summary Report:

The following is an update on agenda items as supplemental background agenda information made available on Monday, June 19, 2018.

Consent Agenda Item #4 – Consider Service Contract for Age Friendly Northfield

See attached service contract for the Age Friendly Northfield proposed for the consent agenda. This is a standard agreement that has the service provision to complete the Age Friendly Action Plan to AARP by the end of December, 2018. The total amount of the contract is \$5000 as previously approved by the City Council. The first payment will be \$2500 up front with the remaining \$2500 as progress payments. Please note this item is intended as a motion. There is no resolution as referenced in the last sentence of the summary report.

Regular Agenda Item #6 – Presentation and Consideration of Acceptance of the City of Northfield Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2017.

See attached PowerPoint provided by the Auditor's Abdo, Eick & Meyers.

Regular Agenda Item #7. – Consider Resolution of the City of Northfield Relating to the Imposition of a Sales and Use Tax and the Issuance of Bonds for Purposes of a Civic Center and Certain Parks, and Trails, and Recreational Facilities and Calling a Special Election Theron.

Please see attached estimated bond run provided by Ehlers and Associates. This information includes total estimated financing costs of \$237,240.00 and total interest over the life of the bonds of \$8,210,527.50. Additionally, staff has attached the estimated bond run for information purposes.

Regular Agenda Item #10 Consider Resolution of Approval for Agreements Related to the Benedictine Living Community of Northfield LLC Project.

A revised resolution is attached which includes the resolution number 2018-066 as well as a listing of the documents being approved as Appendices A-G. As explained at the May hearings for financing for the Benedictine bank qualified financing requests, the original agreements related to the development contemplated Yanik to be the owner and developer with provisions that would allow for the transition of ownership in the future. Benedictine has since decided to pursue this option to become owner and operator. Yanik would remain the developer of the project.

Director of Community Development Heineman will give a brief introduction to this agenda item and City Attorney Hood will summarize the individual agreements in the resolution.

CONSULTANT SERVICE CONTRACT

Age Friendly Northfield

This Contract is made this 19th day of June, 2018, by and between the City of Northfield, a Minnesota municipal corporation, (the “CITY”), 801 Washington Street, Northfield, MN 55057, and FiftyNorth, a Minnesota nonprofit corporation, (the “CONSULTANT”), 1651 Jefferson Parkway, Northfield, MN 55057, in partnership with Age Friendly Northfield Steering Committee, 1651 Jefferson Parkway; (individually referred to as “PARTY”, collectively the “PARTIES”).

WHEREAS, CITY requires certain services in conjunction with the City Strategic Initiative to develop an Equitable Service Access Strategy under the Diversity, Equity and Inclusion Strategic Outcome Program (the “Program”); and

WHEREAS, CONSULTANT agrees to furnish the various services required by CITY.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

SECTION I – CONSULTANT'S SERVICES AND RESPONSIBILITIES

- A. **Scope of Services.** CONSULTANT agrees to perform various Program services as detailed in Exhibit 1, Scope of Services, attached hereto and incorporated herein by reference.
- B. **Standard of Care.** Services provided by CONSULTANT or its subcontractors and/or sub-consultants under this Contract will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of CONSULTANT’s profession or industry. CONSULTANT shall be liable to the fullest extent permitted under applicable law, without limitation, for any injuries, loss, or damages proximately caused by Consultant's breach of this standard of care. CONSULTANT shall put forth reasonable efforts to complete its duties in a timely manner. CONSULTANT shall not be responsible for delays caused by factors beyond its control or that could not be reasonably foreseen at the time of execution of this Contract. CONSULTANT shall be responsible for costs, delays or damages arising from unreasonable delays in the performance of its duties.

SECTION II – CITY’S RESPONSIBILITIES

- A. CITY shall promptly compensate CONSULTANT as services are performed to the satisfaction of the City Administrator in accordance with Section III of this Contract.
- B. CITY shall provide access to any and all previously acquired information relevant to the Scope of Services detailed in Exhibit 1, attached hereto, in its custody to CONSULTANT for its use, at CONSULTANT’s request.

- C. CITY will, to the fullest extent possible, grant access to and make all provisions for entry upon both public and private property as necessary for CONSULTANT's performance of the services detailed in Exhibit 1, attached hereto.
- D. Ben Martig, CITY's City Administrator, shall serve as the liaison person to act as CITY's representative with respect to services to be rendered under this Contract. Said representative shall have the authority to transmit instructions, receive instructions, receive information, interpret and define CITY'S policies with respect to the Program and CONSULTANT's services. Such person shall be the primary contact person between CITY and CONSULTANT with respect to the services from CONSULTANT under this Contract. CITY reserves the right to substitute the authorized contact person at any time and shall notify CONSULTANT thereof.

SECTION III – CONSIDERATION

- A. **Fees.** CITY will compensate CONSULTANT as detailed in Exhibit 2, Compensation, which is attached hereto and incorporated herein by reference, for CONSULTANT's performance of services under this Contract.
- B. If CITY fails to make any payment due CONSULTANT for services performed to the satisfaction of the City Administrator and expenses within thirty days after the date of CONSULTANT's payment request and report, CONSULTANT may, after giving seven days written notice to CITY, and without waiving any claim or right against CITY and without incurring liability whatsoever to CITY, suspend services and withhold project deliverables due under this Contract until CONSULTANT has been paid in full all amounts due for services, expenses and charges.

SECTION IV – TERM AND TERMINATION

- A. **Term.** The term of this Contract ("Term") shall begin on June 19, 2018 (the "Commencement Date") and shall continue until December 31, 2018, unless earlier terminated as provided in this Contract.
- B. **Termination.** Notwithstanding the foregoing, this Contract may be terminated by either PARTY for any reason or for convenience by either PARTY upon thirty (30) days written notice. In the event of termination, CITY shall be obligated to CONSULTANT for payment of amounts due and owing including payment for services performed or furnished to the date and time of termination, computed in accordance with Section III of this Contract. In the event of early termination as provided herein, remaining funds as provided by CITY for the Program shall be returned by the CONSULTANT to the City.
- C. **Default.** If CONSULTANT fails to satisfy any of the provisions of this Contract, or so fails to perform and/or administer the services detailed in Exhibit 1, attached hereto, pursuant to the requirements of Section I of this Contract, in such a manner as to endanger the performance of the Contract or the services provided hereunder, this shall constitute default. Unless CONSULTANT's default is excused by CITY, CITY may,

upon written notice, immediately cancel this Contract or exercise any other rights or remedies available to CITY under this Contract or law. In the event of CONSULTANT's default, CONSULTANT shall be liable to CITY for any and all costs, disbursements, attorneys and consultant fees reasonably incurred by CITY in enforcing this Contract.

- D. **Suspension of Work.** If any work performed by CONSULTANT is abandoned or suspended in whole or in part by CITY, CONSULTANT shall be paid for any services performed to the satisfaction of the City Administrator prior to CONSULTANT's receipt of written notice from CITY of such abandonment or suspension, but in no event shall the total of CITY's payments to CONSULTANT under this Contract be required to exceed a percentage of the total contract price (calculated by either the Contract price or the maximum price set forth in Exhibit 2, attached hereto) equivalent to the percentage of the scope of services completed by CONSULTANT to the satisfaction of the City Administrator as determined by CITY.

SECTION V – INDEMNIFICATION

- A. CONSULTANT shall indemnify, protect, save, and hold harmless CITY, and its respective officers, directors, employees and members and agents, from and against any claims, liability, damages, costs, judgments, or expenses, including reasonable attorney's fees, to the extent attributable to or caused by the negligent or otherwise wrongful acts or omissions, including breach of a specific contractual duty, of CONSULTANT or CONSULTANT's independent contractors, subcontractors, agents, employees, vendors or delegates with respect to this Contract or the Project. CONSULTANT shall defend CITY against the foregoing, or litigation in connection with the foregoing, at CONSULTANT's expense, with counsel reasonably acceptable to CITY, except that for professional liability claims, CONSULTANT shall have no upfront duty to defend CITY, but shall reimburse defense costs to CITY to the same extent of CONSULTANT'S indemnity obligation herein. CITY, at its expense, shall have the right to participate in the defense of any claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CITY. All indemnification obligations shall survive termination, expiration or cancellation of this Contract. Nothing in this Contract shall be construed to waive any immunities or limitations to which CITY is entitled under Minn. Stat. Chapter 466 or otherwise.
- B. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against CITY or CONSULTANT. CONSULTANT's services under this Contract are being performed solely for CITY's benefit, and no other entity shall have any claim against CONSULTANT because of this Contract or the performance or nonperformance of services provided hereunder.

SECTION VI – GENERAL TERMS

- A. **Voluntary and Knowing Action.** The PARTIES, by executing this Contract, state that they have carefully read this Contract and understand fully the contents hereof; that in executing this Contract they voluntarily accept all terms described in this Contract without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound hereby.
- B. **Authorized Signatories.** The PARTIES each represent and warrant to the other that (1) the persons signing this Contract are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Contract against it; each PARTY indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- C. **Notices.** The PARTIES' representatives for notification for all purposes are:

CITY:

Ben Martig
City Administrator
801 Washington Street | Northfield MN 55057
Phone: 507/645.3009
Email: benn.martig@ci.northfield.mn.us

CONSULTANT:

Lynn Pederson
Director
FiftyNorth
1651 Jefferson Pkwy
Northfield, MN 55057
Email: lynne.pederson@fiftynorth.org

Subcontractor:

Age Friendly Northfield Steering Committee
c/o Lynn Pederson, Director Fifty North
1651 Jefferson Pkwy
Northfield, MN 55057
Email: lynne.pederson@fiftynorth.org

- D. **Independent Contractor Status.** CONSULTANT, at all times and for all purposes hereunder, shall be an independent contractor and is not an employee of CITY for any purpose. No statement contained in this Contract shall be construed so as to find CONSULTANT to be an employee of CITY, and CONSULTANT shall not be entitled to any of the rights, privileges, or benefits of employees of CITY, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims. CONSULTANT acknowledges that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise,

will be made from the payments due CONSULTANT, and that it is CONSULTANT's sole obligation to comply with the applicable provisions of all Federal and State tax laws. CONSULTANT shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein. CONSULTANT is responsible for hiring sufficient workers to perform the services/duties required by this Contract, withholding their taxes and paying all other employment tax obligations on their behalf.

- E. **Subcontracting.** CONSULTANT shall not enter into any subcontract for performance of any services contemplated under this Contract without the prior written approval of CITY with the exception that the CONSULTANT may subcontract for the performance of services under this Contract with Age Friendly Northfield Steering Committee. CONSULTANT shall be responsible for the performance of all subcontractors and/or sub-consultants and the terms and conditions contained in the Contract shall apply to all such subcontractors. As required by Minn. Stat. § 471.425, CONSULTANT must pay all subcontractors, less any retainage, within 10 calendar days of CONSULTANT's receipt of payment from CITY for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).
- F. **Acceptance of Deliverables.** Each deliverable shall be subject to a verification of acceptability by CITY to ensure such deliverable satisfies stated requirements. The acceptability of any deliverable will be based on CITY's satisfaction or non-satisfaction with the deliverable based on requirements of this Contract.
- G. **Assignment.** This Contract may not be assigned by either PARTY without the written consent of the other PARTY.
- H. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Contract shall only be valid when they have been reduced to writing, and signed by authorized representative of CITY and CONSULTANT.
- I. **Records—Availability and Retention.** Pursuant to Minn. Stat. § 16C.05, subd. 5, CONSULTANT agrees that CITY, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of CONSULTANT and involve transactions relating to this Contract. CONSULTANT agrees to maintain these records for a period of six years from the date of termination of this Contract.
- J. **Force Majeure.** The PARTIES shall each be excused from performance under this Contract while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to fire, storm, flood, earthquake, explosion, war, total or partial failure of transportation or

delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either PARTY is rendered unable wholly or in part by force majeure to carry out its obligations under this Contract then the PARTY affected by force majeure shall give written notice with explanation to the other PARTY immediately.

- K. **Compliance with Laws.** CONSULTANT shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Contract or to the facilities, programs and staff for which CONSULTANT is responsible.
- L. **Covenant Against Contingent Fee.** CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for CONSULTANT to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from award or making of this Contract.
- M. **Covenant Against Vendor Interest.** CONSULTANT warrants that it is not employed by any vendor of equipment or service provider that could result in a commission, percentage, brokerage, or contingent fee as a result of CONSULTANT's association with CITY.
- N. **Non-Discrimination.** The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Contract as if fully set forth herein.
- O. **Interest by City Officials.** No elected official, officer, or employee of CITY shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Contract or the proceeds thereof.
- P. **Work Product.** All materials such as reports, exhibits, models, graphics, computer files, maps, charts, and supporting documentation produced under work authorized by this Contract ("Materials") shall become the property of CITY upon completion of the work. CITY may use the information for the Program for which they were prepared. Such use by CITY shall not relieve any liability on the part of CONSULTANT. Notwithstanding any of the foregoing to the contrary; (a) CONSULTANT may reuse standard details of its Materials in the normal course of its business; and (b) CITY understands that the Materials have been prepared for a specific project, and are not intended to be reused for other purposes. If CITY reuses the Materials for any other purpose, CITY waives any claims against CONSULTANT arising from such reuse and agrees to defend and indemnify CONSULTANT from any claims arising from such reuse.
- Q. **Governing Law.** This Contract shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Contract without regard to its choice of law or conflict of laws principles.

- R. **Data Practices.** The PARTIES acknowledge that this Contract is subject to the requirements of Minnesota's Government Data Practices Act (Act), Minnesota Statutes, Section 13.01 *et seq.* CONSULTANT agrees to abide by the applicable provisions of the Act, HIPAA requirements and all other applicable state or federal rules, regulations or orders pertaining to privacy or confidentiality. CONSULTANT understands that all of the data created, collected, received, stored, used, maintained or disseminated by CONSULTANT in performing those functions that the CITY would perform is subject to the requirements of the Act, and CONSULTANT must comply with those requirements as if it were a government entity. This does not create a duty on the part of CONSULTANT to provide the public with access to public data if the public data is available from the CITY, except as required by the terms of this Contract.
- S. **No Waiver.** Any PARTY's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Contract or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that PARTY's right to assert or rely upon the terms and conditions of this Contract. Any express waiver of a term of this Contract shall not be binding and effective unless made in writing and properly executed by the waiving PARTY.
- T. **Data Disclosure.** Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, CONSULTANT consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to CITY, to federal and state agencies and state personnel involved in the payment of CITY obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring CONSULTANT to file state tax returns, pay delinquent state tax liabilities, if any, or pay other CITY liabilities.
- U. **Patented Devices, Materials and Processes.** If this Contract requires, or CONSULTANT desires, the use of any design, device, material or process covered by letters, patent or copyright, trademark or trade name, CONSULTANT shall provide for such use by suitable legal agreement with the patentee or owner and a copy of said agreement shall be filed with CITY. If no such agreement is made or filed as noted, CONSULTANT shall indemnify and hold harmless CITY from any and all claims for infringement by reason of the use of any such patented designed, 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 CITY for any costs, liability, expenses and attorney's fees that result from any such infringement.
- V. **Mechanic's Liens.** CONSULTANT hereby covenants and agrees that CONSULTANT will not permit or allow any mechanic's or materialman's liens to be placed on CITY's interest in the Property that is the subject of the Program during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on CITY's interest, CONSULTANT shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; provided, however, that CONSULTANT may contest any such lien provided CONSULTANT first posts a surety

bond, in favor of and insuring CITY, in an amount equal to 125% of the amount of any such lien.

- W. **Severability.** The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Contract to the extent of its invalidity or unenforceability, and this Contract shall be construed and enforced as if the Contract did not contain that particular provision to the extent of its invalidity or unenforceability.
- X. **Entire Contract.** These terms and conditions constitute the entire Contract between the PARTIES regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Contract.
- Y. **Headings and Captions.** Headings and captions contained in this Contract are for convenience only and are not intended to alter any of the provisions of this Contract and shall not be used for the interpretation of the validity of the Contract or any provision hereof.
- Z. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any PARTY or PARTIES, and any undischarged obligations of CITY and CONSULTANT arising prior to the expiration of this Contract (whether by completion or earlier termination), shall survive such expiration.
- AA. **Execution.** This Contract may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any PARTY to the counterpart shall be deemed a signature to the Contract, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing PARTY.

Remainder of page intentionally left blank.

SECTION VII –SIGNATURES

IN WITNESS WHEREOF, the PARTIES have hereunto executed this document the day and year first above written.

CONSULTANT: FIFTYNORTH

By: _____
(Signature)

Date: _____

Title: _____

Print Name: _____

By: _____
(Signature)

Date: _____

Title: _____

Print Name: _____

SUBCONTRACTOR: AGE FRIENDLY NORTHFIELD STEERING COMMITTEE

By: _____
(Signature)

Date: _____

Title: _____

Print Name: _____

By: _____
(Signature)

Date: _____

Title: _____

Print Name: _____

CITY OF NORTHFIELD:

By: _____
Rhonda Pownell, Its Mayor

Date: _____

By: _____
Deb Little, Its City Clerk

Date: _____

EXHIBIT 1

SCOPE OF SERVICES

Subject to the terms of this Contract, CONSULTANT shall perform the following services:

Completion of a 5-Year Action Plan that will address the gaps and needs in Northfield identified by community members. The Action Plan will be completed by December 31, 2018 and forwarded to the AARP Liveable Communities program manager.

EXHIBIT 2

COMPENSATION

Subject to the limitations set forth in this Exhibit, CITY will pay to the CONSULTANT a flat fee of \$5,000.00 (“Contract price”) for CONSULTANT’s services, including expenses, under this Contract. Payment from CITY to CONSULTANT shall be made one-half upon execution of this Contract and remainder as requested to the City through progress payments to CITY toward completing the report required in the Scope of Services and approved by the City Administrator. All payments under this Contract shall be made by CITY to the CONSULTANT for services rendered under this Contract.

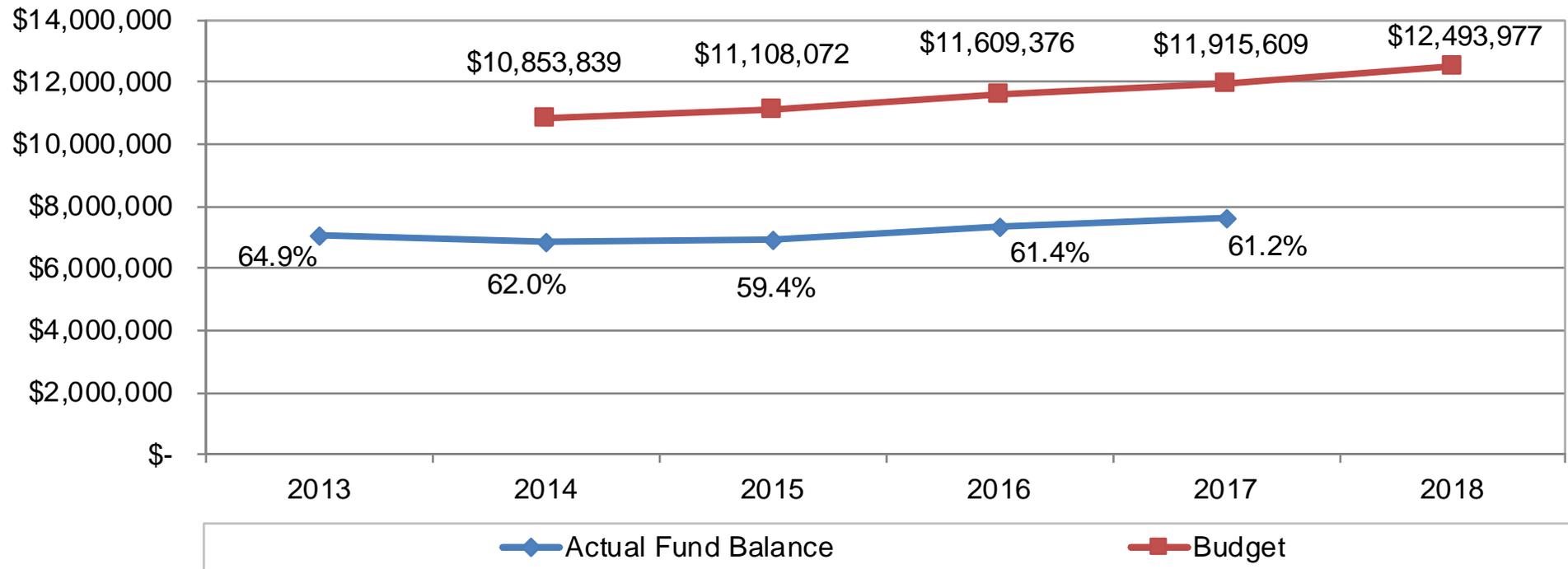
City of Northfield 2017 Audit

Tom Olinger
Government Service Partner
thomas.oling@aemcpas.com
507-304-6802

2016 Audit Results

- **Audit Opinion – unmodified or “clean”**
- **Financial Report Findings**
 - **Material Audit Adjustments**
 - **Preparation of financial statements**
- **GFOA Certificate for 2016**
- **No Minnesota Legal Compliance findings**

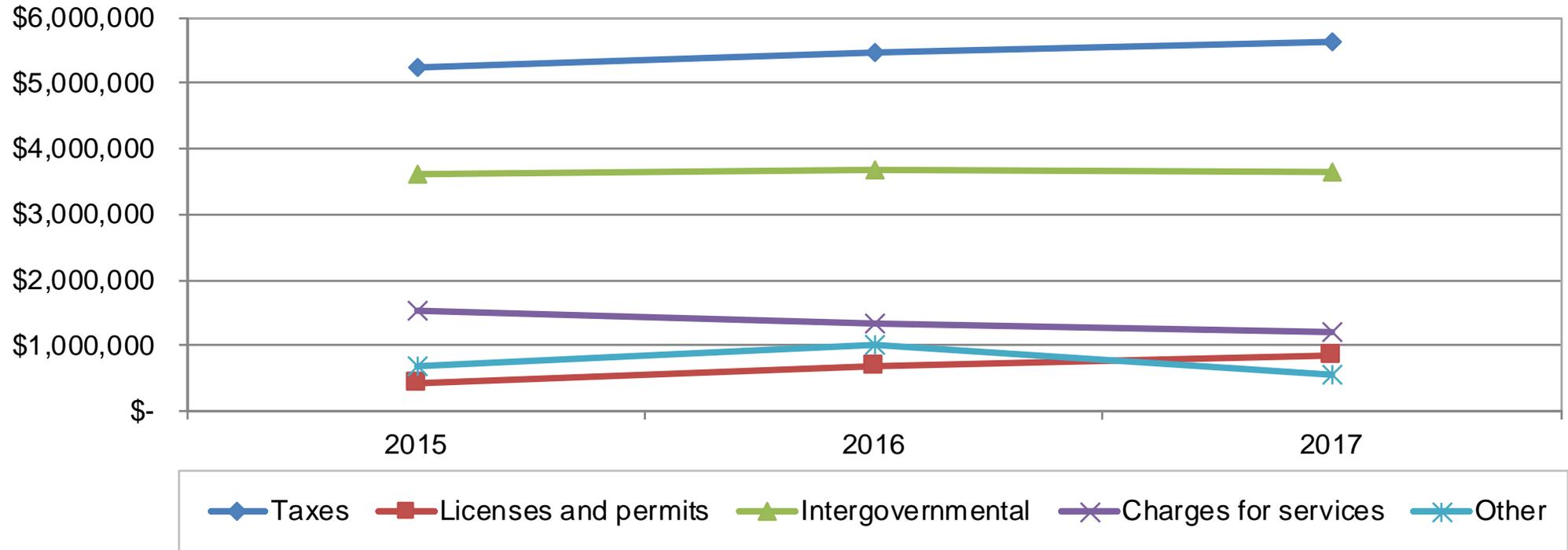
General Fund Ending Fund Balance as a Percent of Next Year's Budget



2017 General Fund Operations

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 11,696,909	\$ 11,764,118	\$ 67,209
Expenditures	<u>11,852,909</u>	<u>11,296,641</u>	<u>556,268</u>
Revenues in Excess (Deficiency) of Expenditures	<u>(156,000)</u>	<u>467,477</u>	<u>623,477</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	17,464	17,464
Transfers in	156,000	150,000	(6,000)
Transfers out	<u>(267,017)</u>	<u>(302,192)</u>	<u>(35,175)</u>
Total Other Financing Sources (Uses)	<u>(111,017)</u>	<u>(134,728)</u>	<u>(23,711)</u>
Net Change in Fund Balances	<u><u>\$ (267,017)</u></u>	332,749	<u><u>\$ 599,766</u></u>
Fund Balances, January 1		<u>7,315,431</u>	
Fund Balances, December 31		<u><u>\$ 7,648,180</u></u>	

General Fund Revenue By Source



General Fund Expenditures

Program	2015	2016	2017	Percent of Total	Per Capita	Peer Group Per Capita 2nd Class	Peer Group Per Capita 3rd Class
Current							
General government	\$ 2,053,218	\$ 2,095,141	\$ 2,106,224	18.2 %	\$ 103	\$ 94	\$ 109
Public safety	3,849,981	4,045,397	4,159,937	35.8	204	258	229
Public works	2,231,624	2,381,026	2,489,659	21.5	122	87	109
Culture and recreation	1,959,915	2,084,284	2,180,036	18.8	107	60	63
Miscellaneous	150,623	109,809	130,676	1.1	6	3	15
Total Current	10,245,361	10,715,657	11,066,532	95.4	542	502	525
Capital Outlay	76,102	43,555	24,650	0.2	1	4	19
Debt Service	205,461	205,460	205,459	1.8	10	-	-
Transfers Out	936,236	794,600	302,192	2.6	15	-	-
Total Expenditures and Transfers	\$ 11,463,160	\$ 11,759,272	\$ 11,598,833	100.0 %	\$ 568	\$ 506	\$ 544

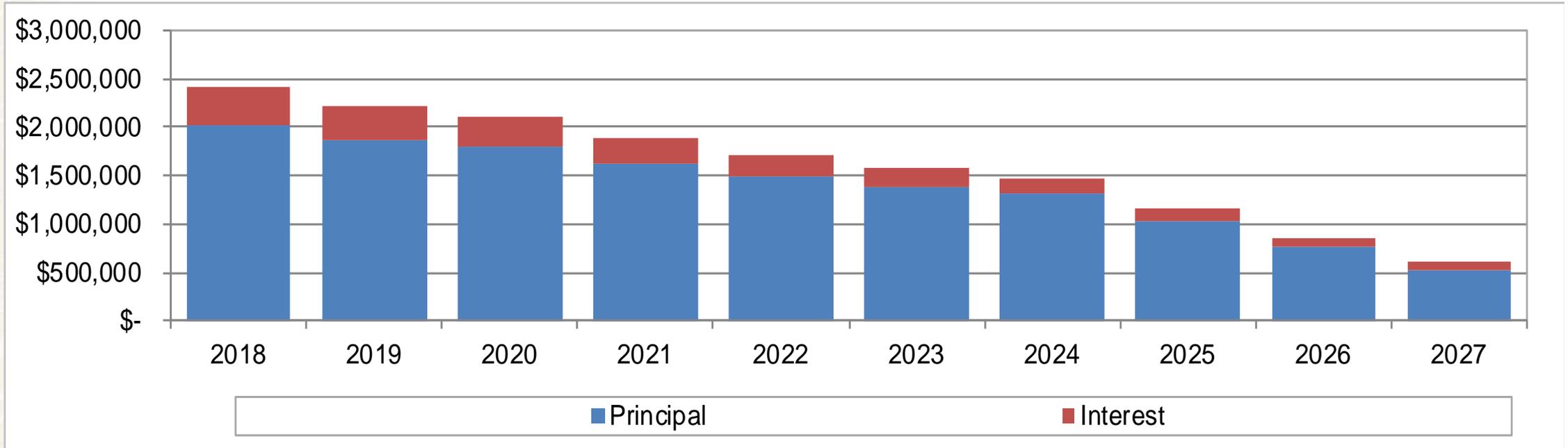
Peer Group 2nd Class – Population 20,000-100,000

Peer Group 3rd Class – Population 10,000-20,000

Special Revenue Funds

Fund	Fund Balances December 31,		Increase (Decrease)
	2017	2016	
Community Resource Center	\$ 392,309	\$ 216,627	\$ 175,682
Motor Vehicle	171,959	160,023	11,936
Communication	603,648	514,655	88,993
Library Gift	72,966	77,883	(4,917)
G.W. Bunday	24,175	24,917	(742)
Scriver Memorial	140,330	139,866	464
L.J. Gustafson	32,587	33,567	(980)
Myrtle Houston Trust	42,083	42,039	44
C.C. Cloherty Endowed Book	12,533	12,364	169
Arts and Culture	9,250	14,200	(4,950)
Community Development Block Grant	354	(2,655)	3,009
Transit Grants	-	(19,197)	19,197
TZD Enforcement	21,867	13,524	8,343
Jefferson Square TIF	11,121	11,876	(755)
Master Development TIF	492,605	569,105	(76,500)
Whittier Trust	341,886	344,401	(2,515)
Rescue Squad Trust	21	10,506	(10,485)
Spring Creek TIF	8,074	4,975	3,099
Total	<u>\$ 2,377,768</u>	<u>\$ 2,168,676</u>	<u>\$ 209,092</u>

Annual Debt Service Requirement

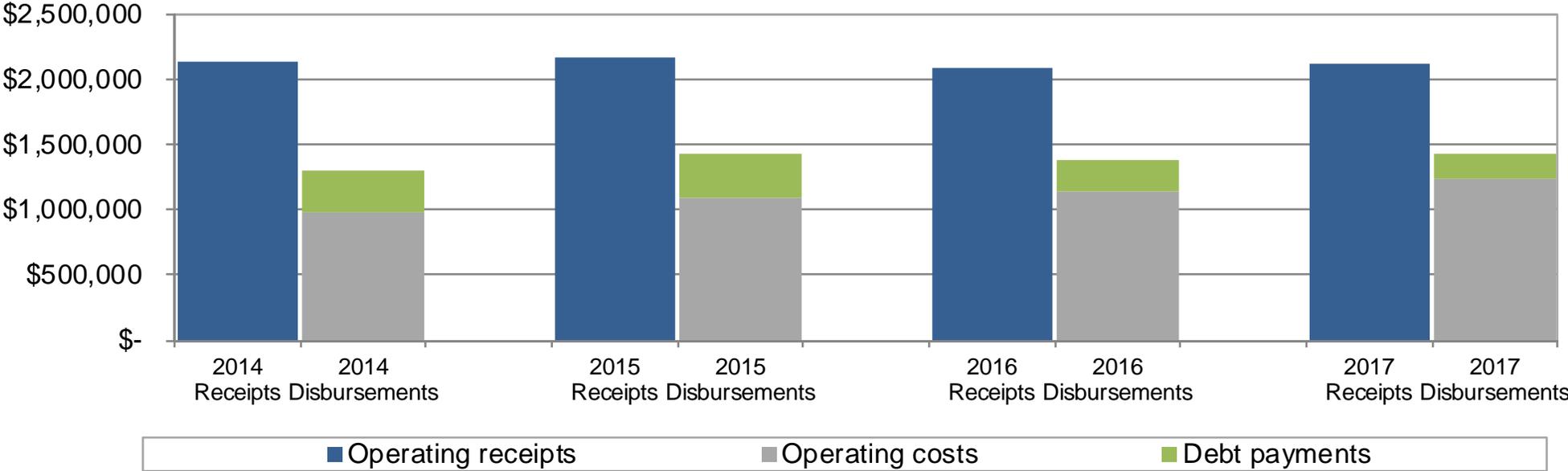


The Debt Service Funds currently have \$4,098,581 in cash and \$5,662,063 in total assets. The total current outstanding debt as of December 31, 2017 is \$16,790,758.

Capital Project Funds

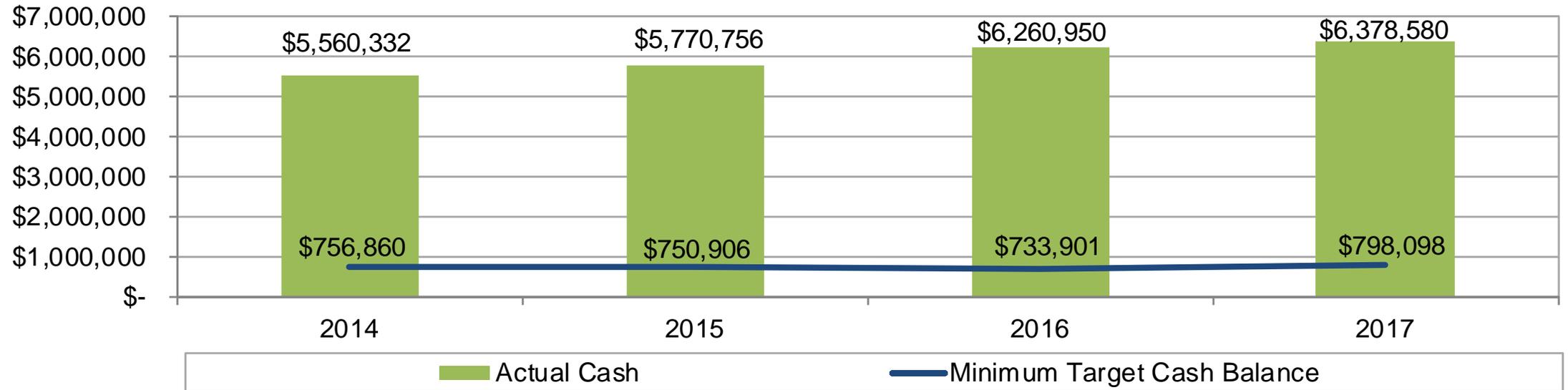
Fund	Fund Balances		Increase (Decrease)
	December 31, 2017	2016	
Major funds			
2018 Capital Project Fund	\$ (170,063)	\$ -	\$ (170,063)
Nonmajor funds			
2015 Capital Project Fund	-	163,735	(163,735)
2016 Capital Project Fund	-	186,917	(186,917)
2017 Capital Project Fund	41,225	(8,938)	50,163
Park	123,389	230,988	(107,599)
Fire Replacement Fund	75,986	75,238	748
City Facilities Fund	37,180	58,281	(21,101)
Equipment and Vehicle Replacement Fund	436,084	460,883	(24,799)
Hauberg Park	3,715	2,554	1,161
Public Safety Center Project Fund	963,225	964,755	(1,530)
Library Capital Project Fund	-	(197,382)	197,382
NAFRS Building	(102,432)	-	(102,432)
Capital Reserve Fund	832,520	917,181	(84,661)
Total	<u>\$ 2,240,829</u>	<u>\$ 2,854,212</u>	<u>\$ (613,383)</u>

Water Utility Fund Cash Flows



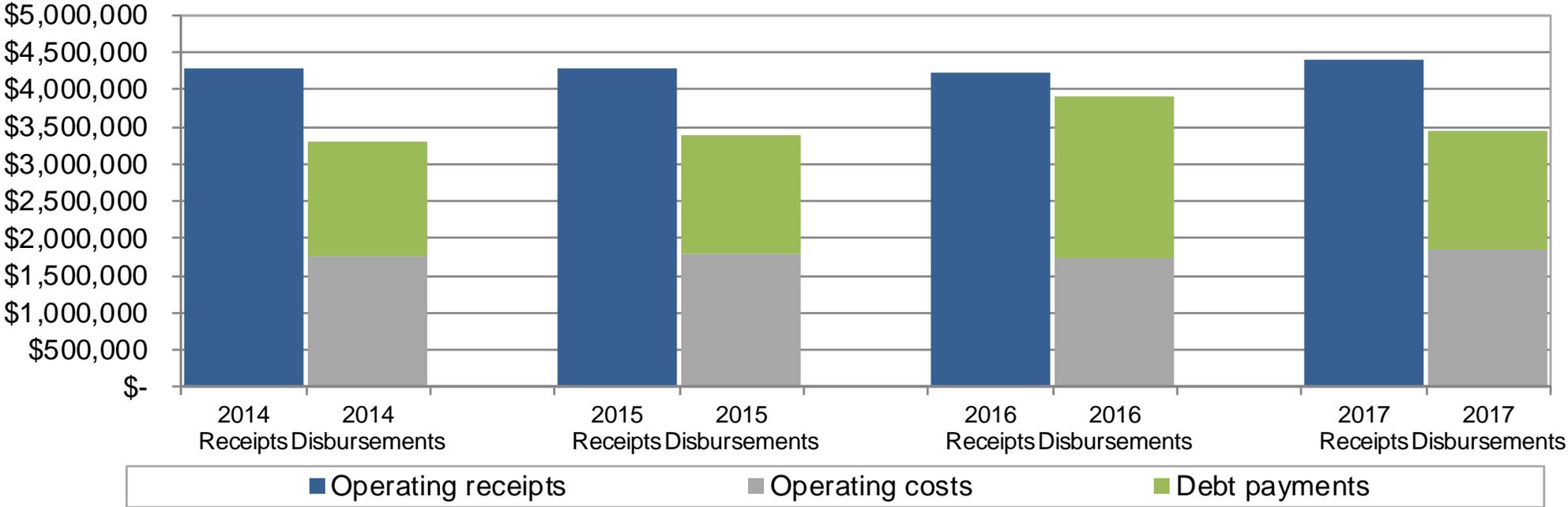
	2014	2015	2016	2017
Bonds Payable	\$ 967,691	\$ 668,020	\$ 443,351	\$ 258,680

Water Utility Fund Cash Balances



The minimum target cash balance is based on 50 percent of operating costs plus 5/6th next year's debt payments for the Water Utility Fund.

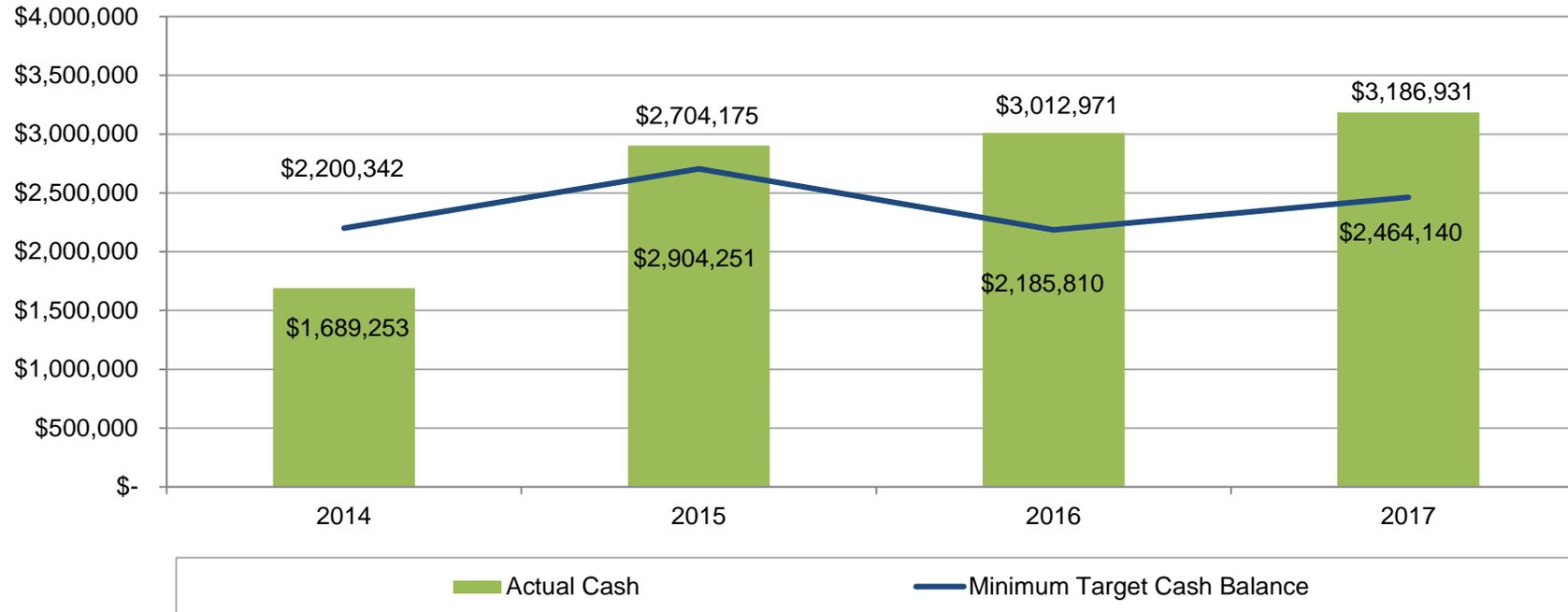
Wastewater Utility Fund Cash Flows



Bonds Payable

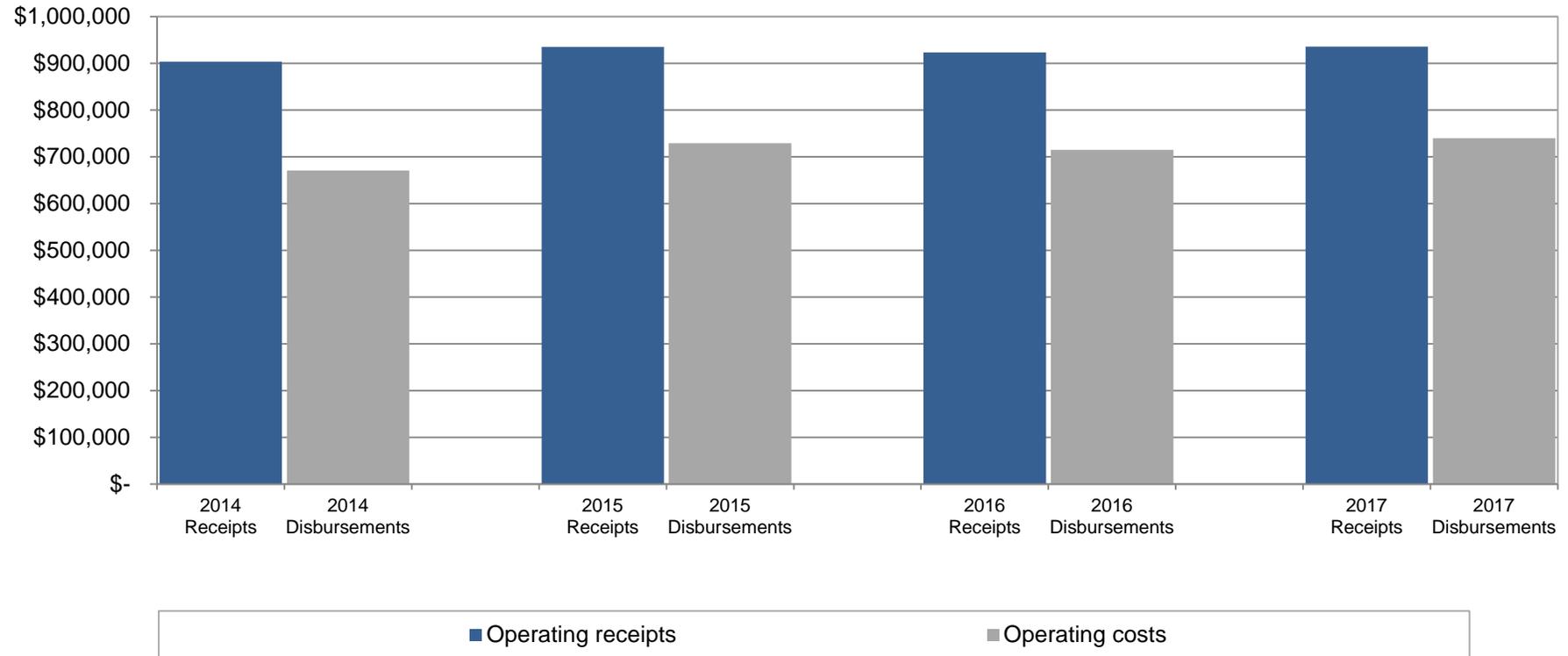
2014	2015	2016	2017
<u>\$ 9,842,764</u>	<u>\$ 8,970,262</u>	<u>\$ 8,087,500</u>	<u>\$ 6,705,000</u>

Wastewater Utility Fund Cash Balances

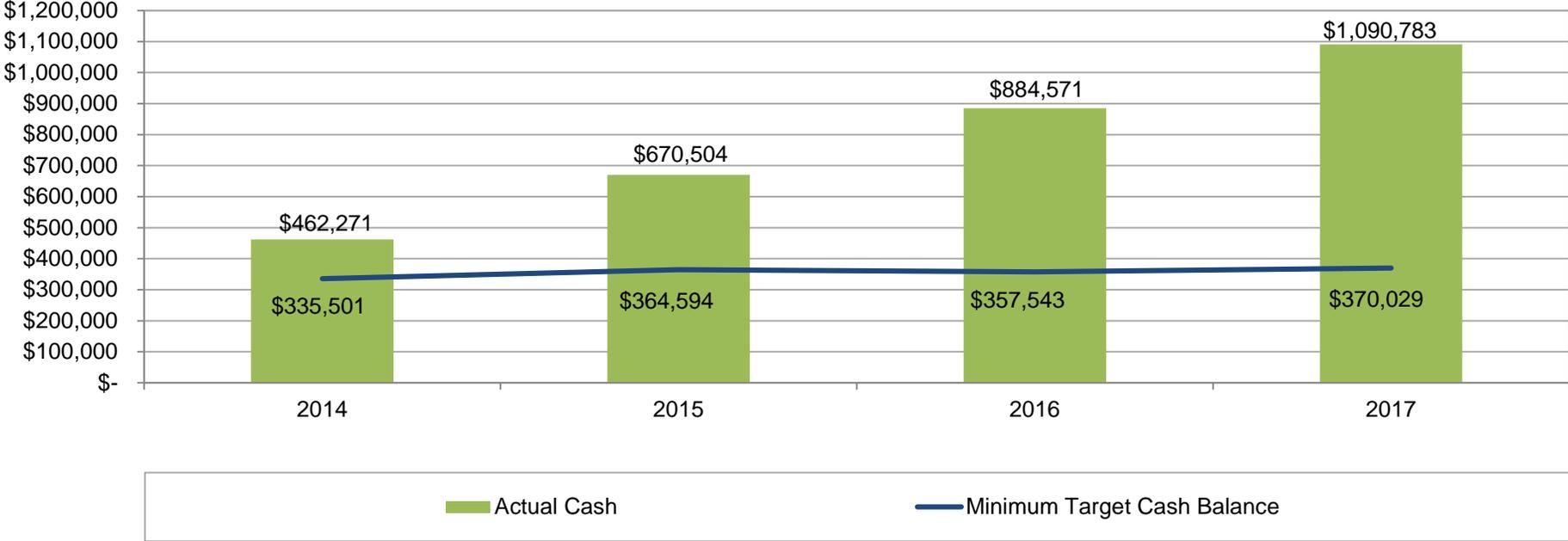


The minimum target cash balance is based on 50 percent of operating costs plus 5/6th next year's debt payments for the Wastewater Utility Fund.

Garbage Fund Cash Flows

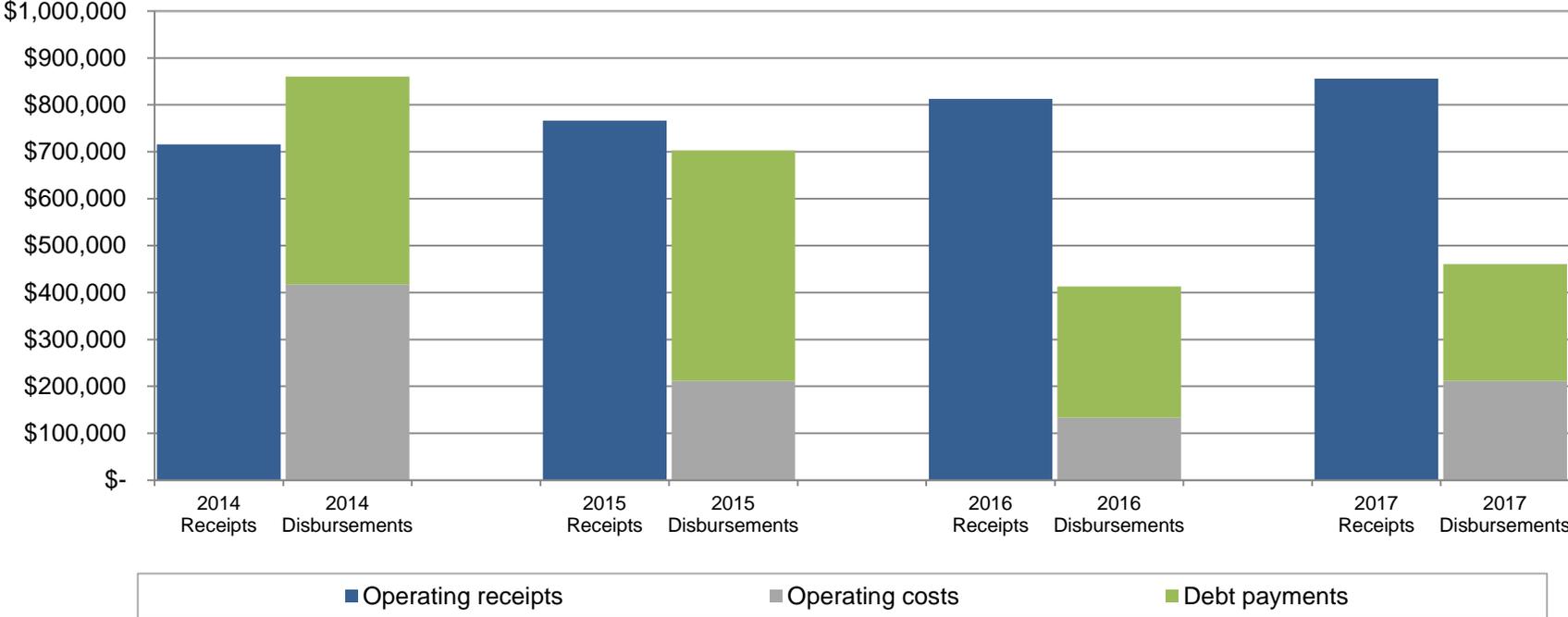


Garbage Fund Cash Balances



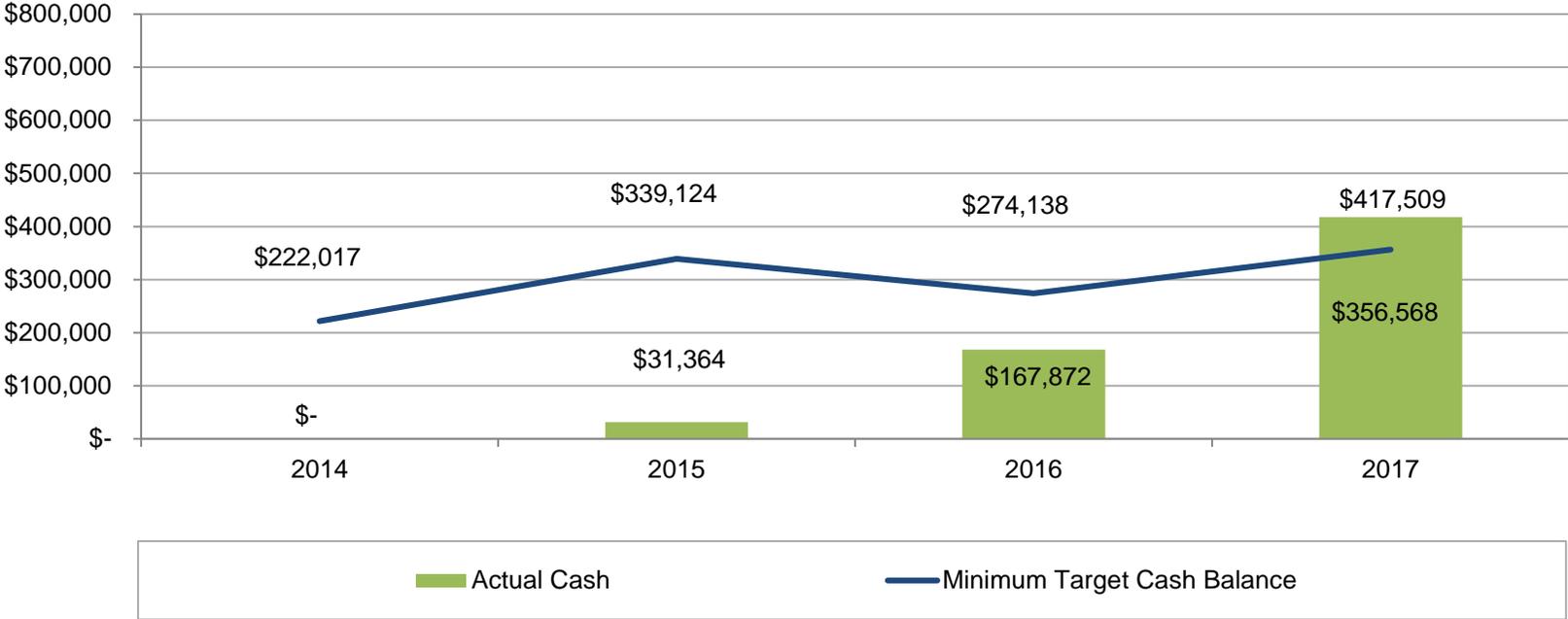
The minimum target cash balance is based on 50 percent of operating costs.

Storm Water Fund Cash Flows



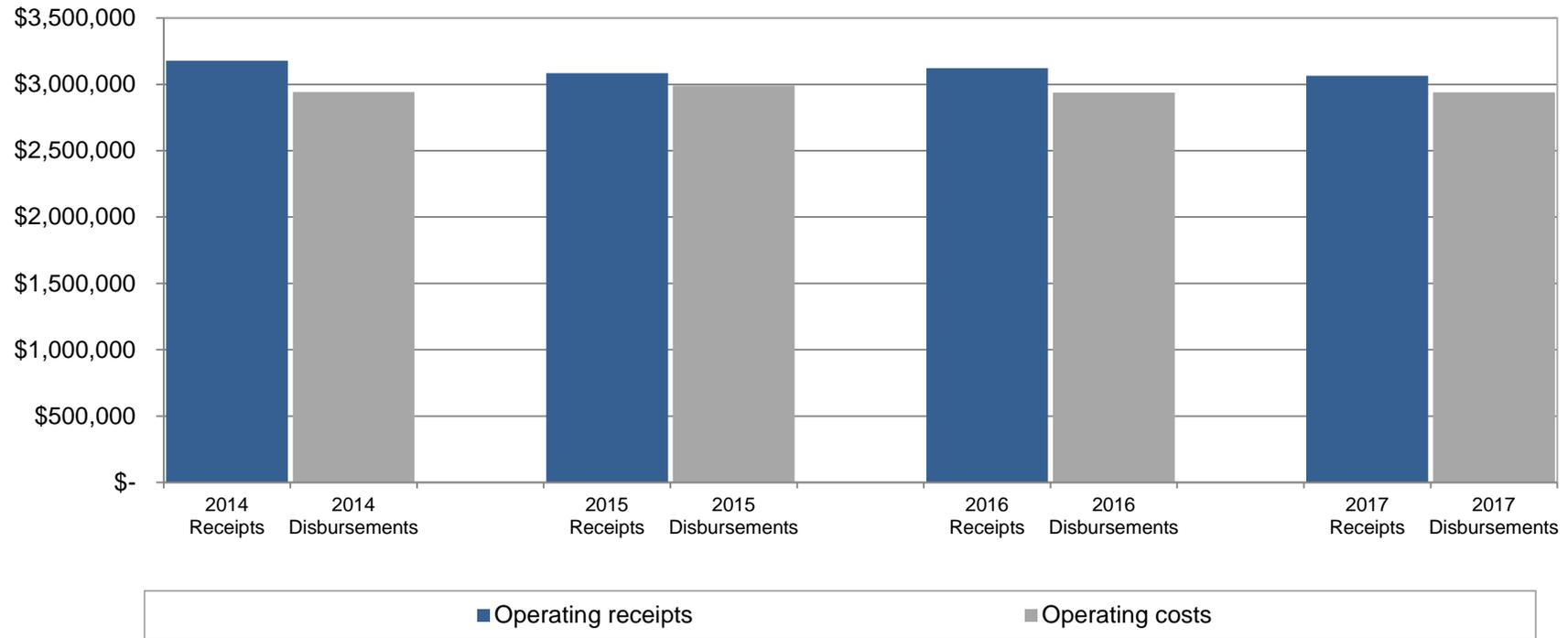
	2014	2015	2016	2017
Bonds Payable	<u>\$ 1,282,869</u>	<u>\$ 990,414</u>	<u>\$ 848,346</u>	<u>\$ 614,889</u>

Storm Water Cash Balances

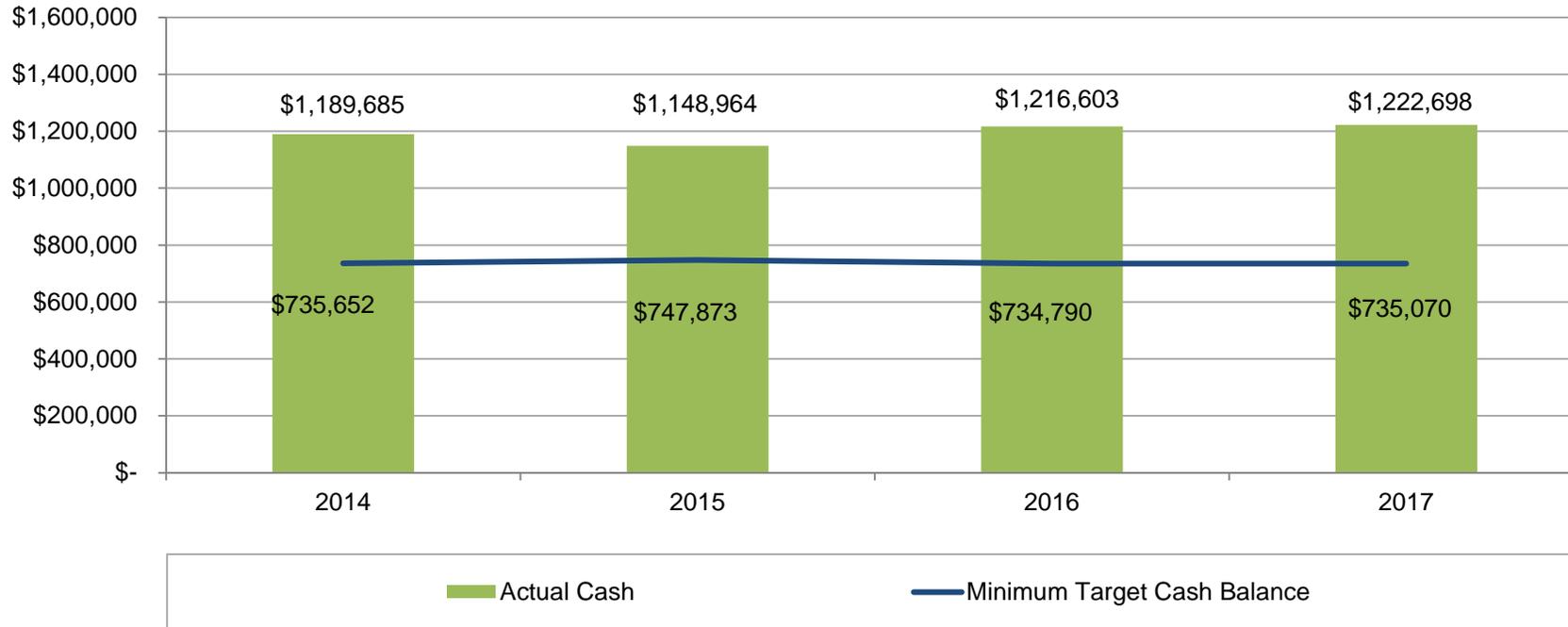


The minimum target cash balance is based on 50 percent of operating costs.

Municipal Liquor Store Fund Cash Flows

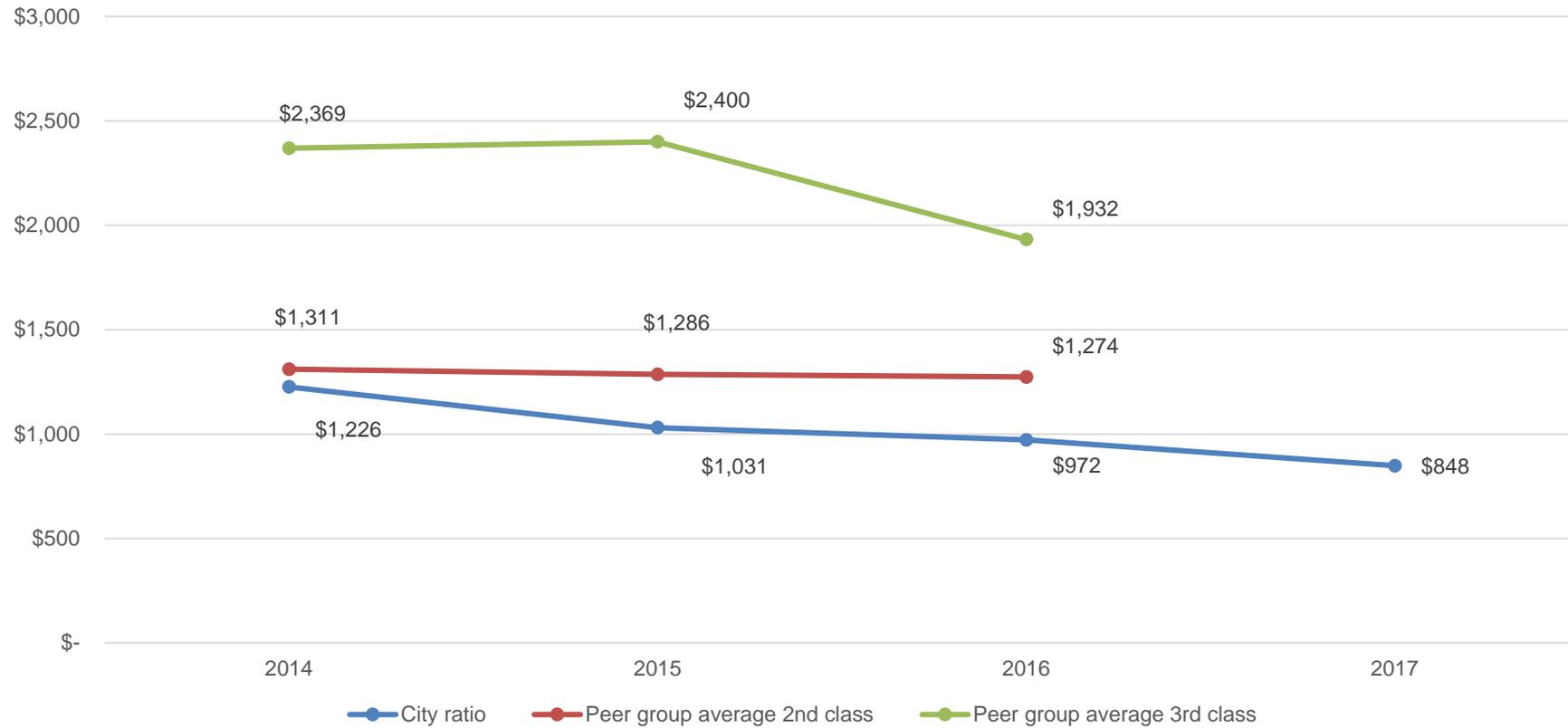


Municipal Liquor Store Fund Cash Balances

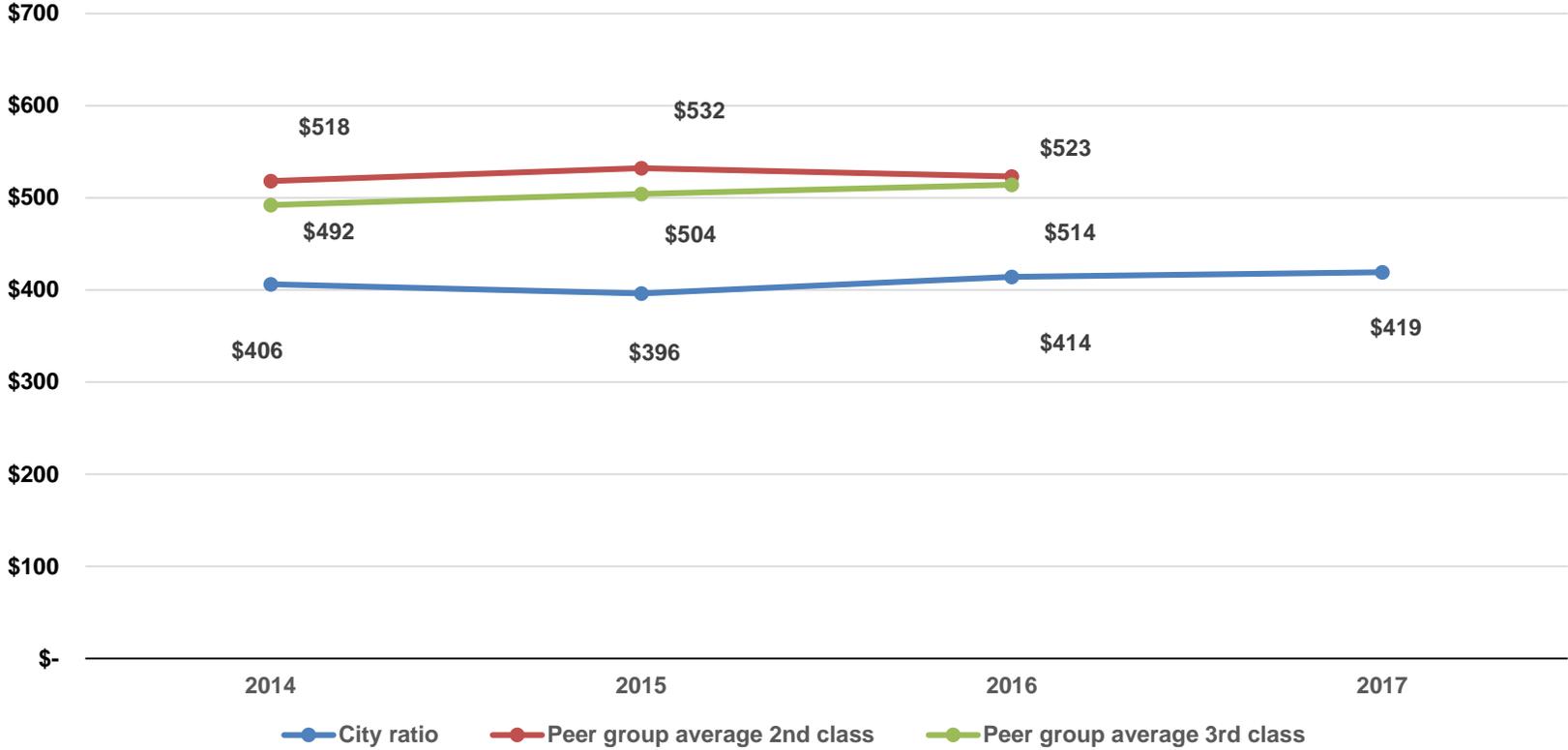


The minimum target cash balance is based on 25 percent of operating costs. There have been transfers out of \$136,607 in 2014 and a transfer out of \$125,000 for 2015 through 2017.

Bonded Debt Per Capita



Taxes Per Capita



Capital Asset Ratios

Ratio	Calculation	Source	Year			
			2014	2015	2016	2017
Capital assets % left to depreciate - Governmental	Net capital assets/ gross capital assets	Government-wide	60%	60%	65%	64%
			60%	61%	60%	N/A
			58%	58%	59%	N/A
Capital assets % left to depreciate - Business-type	Net capital assets/ gross capital assets	Government-wide	64%	61%	60%	58%
			61%	61%	58%	N/A
			60%	60%	60%	N/A

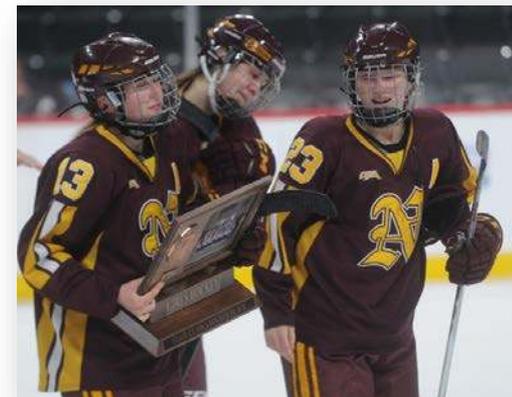
Represents City of Northfield

Represents Peer Group Ratio - 2nd class

Represents Peer Group Ratio - 3rd class

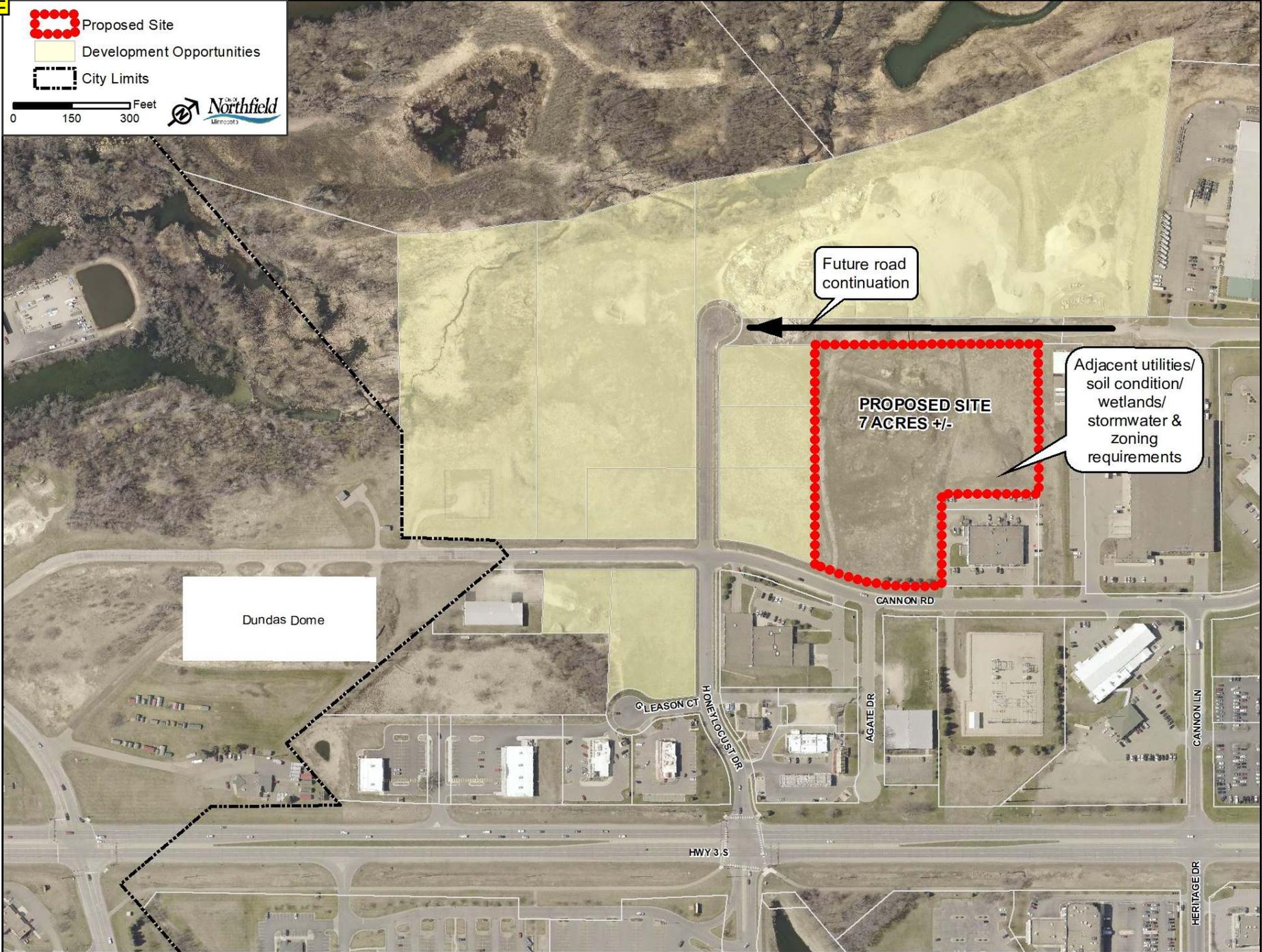


Cannon River Civic Center Ballot Question City Council Presentation June 19, 2018



Proposed Site
Development Opportunities
City Limits

0 150 300 Feet



 Proposed Site
 Development Opportunities
 City Limits

0 150 300 Feet




Dundas Dome



HWY 3 S

CANNON RD

AGATE DR

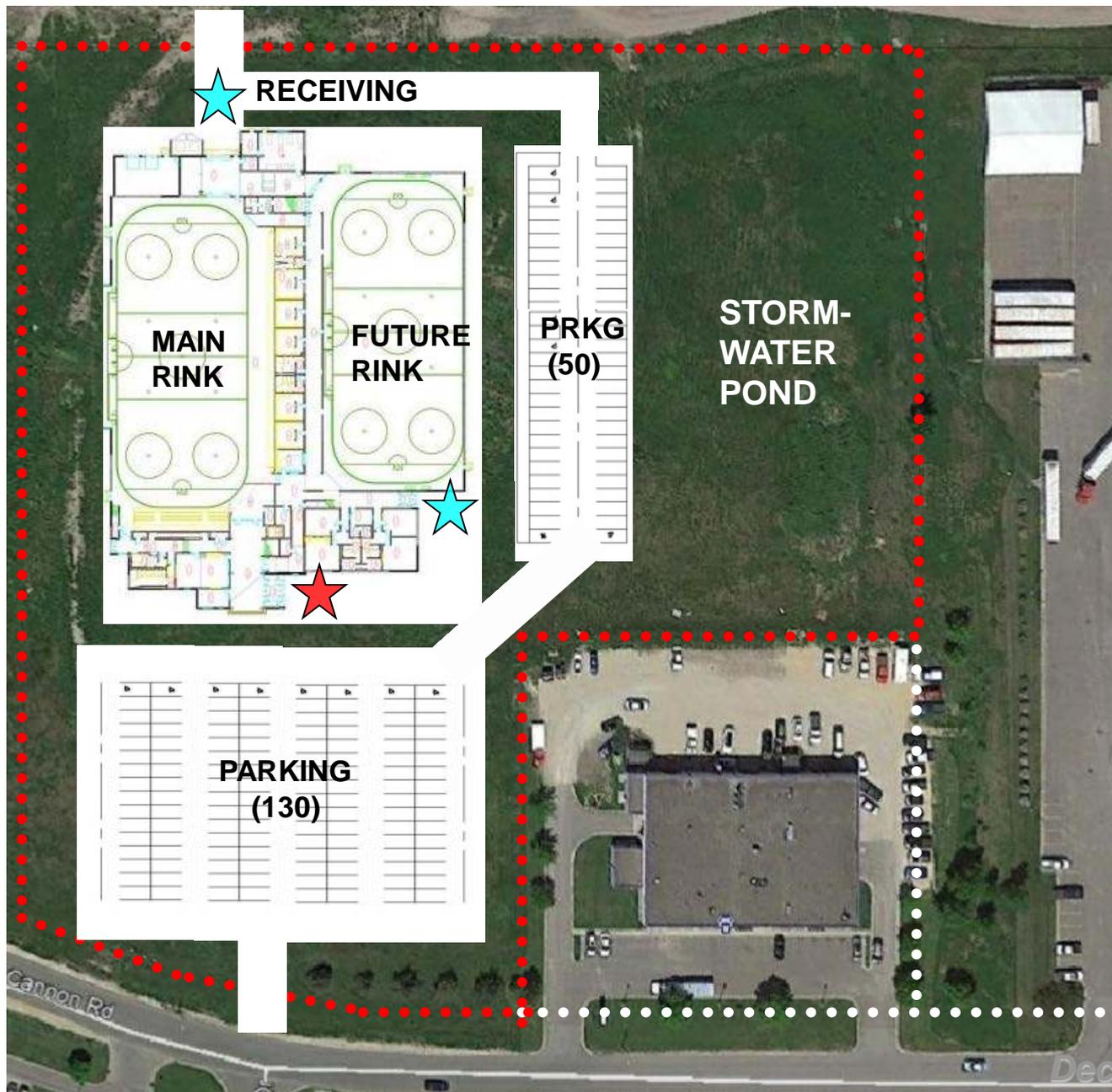
HERITAGE DR

CANNON LN

HOME LOCUST DR

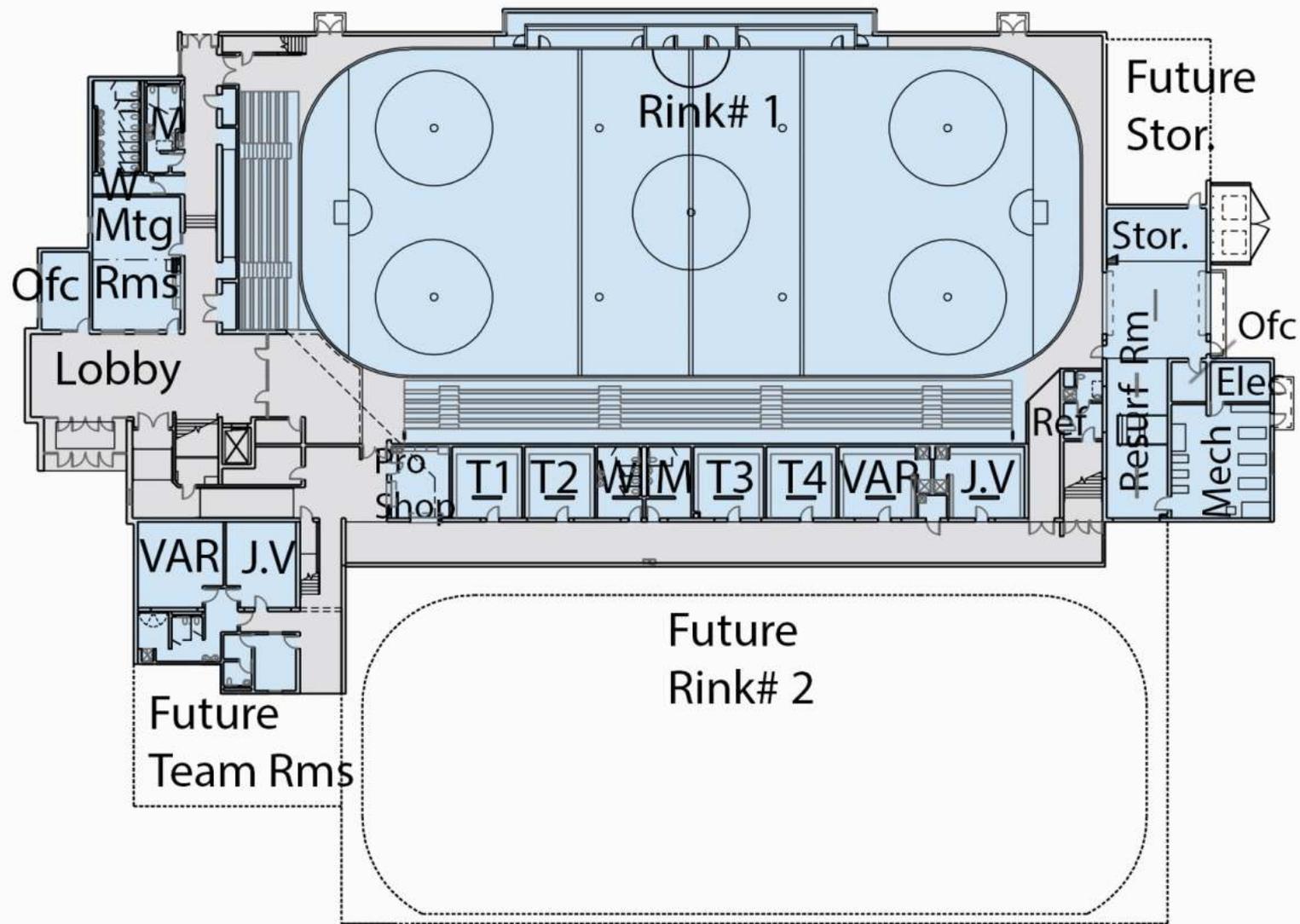
GLEASON CT

Cannon River Civic Center



**Concept
Site Plan**

Cannon River Civic Center



Concept – Main Level Floor Plan



Collaboration and Financing

Cannon River Civic Center

Two Sheet \$21,151,000 plus donated land

1/2 Cent Local Option Sales Tax Northfield & Dundas – Voter Approval

\$7M

32%

City Property Tax Referendum – Voter Approval

\$8.8M

42%

Or 10.8M

51%

*Mighty Ducks Grant
Arena Naming / Rink 1 Naming / Rink 2 Naming
Advertising / Sale of Existing Arena
EDA*

\$2M

10%

\$3.4M

16%

Private Fundraising

\$15.8 M
Community
Arena
Single
Sheet

\$5.4 M
Difference
Community
Arena
Two
Sheet





Ballot Question

CITY BALLOT QUESTION 1 IMPOSITION OF SALES AND USE TAX AND ISSUANCE OF BONDS

Shall the City of Northfield be authorized to (a) impose a sales and use tax of one-half of one percent (0.50%) and a motor vehicle excise tax of up to \$20 per motor vehicle for approximately 20 years or until approximately \$17,800,000 plus an amount equal to interest and the costs of the issuance of any bonds is raised, and (b) issue its general obligation bonds in an aggregate principal amount not to exceed \$17,800,000, plus the cost of issuing the bonds, to finance any or all of the following: the acquisition, construction and betterment of parks, trails and recreational facilities and the acquisition, construction and betterment of a new civic center?

YES

NO

BY VOTING “YES” ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.



Dundas Sales Tax Commitment

WHEREAS, the City anticipates that the City of Dundas, Minnesota (“Dundas”) will similarly consider, and submit to the qualified electors of Dundas, proposed taxes under the Local Tax Act, approximately 70% of the net proceeds of which would be shared with the City, pursuant to a joint powers revenue sharing agreement to be considered by the City and Dundas at a later date, for the purpose of the civic center project described herein;

- Dundas question is being prepared by bond counsel. Their question will be specific to contribution commitment to Northfield.
 - If approved by Northfield and Dundas voters, a shared use agreement would be prepared between the two in preparation of financing of the bonds through Northfield.
 - Intention is that both the Dundas and Northfield questions would have to pass to move forward with the project. Additional explicit language has been added to the resolution. **An Alternative resolution has been provided should Council desire not to have explicit language tied to Dundas Sales Tax.**
- 

Private Fundraising - Financing

- Question does not include financing option for \$3.4M private fundraising necessary for 2nd arena space.
 - Would need “cash in hand” from donations by August of 2019 to design and build 2nd arena.
 - Alternative Options To Finance Pledges:
 - A. Add \$3.4M into the bond question (21.2M vs. 17.8); or
 - B. In future, could issue a tax abatement bond
 - Private financing is not legal option
- 

City of Northfield, Minnesota

\$18,040,000 General Obligation Referendum Bonds, Series 2020

Assumes Current Market Tax-Exempt Non-BQ AA Rates plus 100bps

\$21.2MM Funding for New Civic Center

Sources & Uses

Dated 02/01/2020 | Delivered 02/01/2020

Sources Of Funds	Series 2020A	Series 2020B	Totals
Par Amount of Bonds	\$16,000,000.00	\$2,040,000.00	\$18,040,000.00
Private Contributions	-	\$3,400,000.00	\$3,400,000.00
Total Sources	\$16,000,000.00	\$5,440,000.00	\$21,440,000.00
Uses Of Funds			
Financing Costs	198,000.00	39,240.00	237,240.00
Deposit to Project Construction Fund	15,800,000.00	5,400,000.00	21,200,000.00
Rounding Amount	2,000.00	760.00	2,760.00
Total Uses	\$16,000,000.00	\$5,440,000.00	\$21,440,000.00

City of Northfield, Minnesota

\$18,040,000 General Obligation Referendum Bonds, Series 2020

Assumes Current Market Tax-Exempt Non-BQ AA Rates plus 100bps

\$21.2MM Funding for New Civic Center

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Other Local Funding	Northfield Sales Tax	Dundas Sales Tax	Northfield Property Tax
02/01/2020	-	-	-	-	-	-	-	-	-
02/01/2021	565,000.00	2.75%	695,137.50	1,260,137.50	1,323,144.38	63,189.00	452,029.02	72,435.40	735,490.95
02/01/2022	585,000.00	2.80%	679,600.00	1,264,600.00	1,327,830.00	63,189.00	456,549.31	73,159.76	734,931.93
02/01/2023	2,640,000.00	2.95%	663,220.00	3,303,220.00	3,468,381.00	2,205,189.00	461,114.80	73,891.36	728,185.84
02/01/2024	615,000.00	3.05%	585,340.00	1,200,340.00	1,260,357.00		465,725.95	74,630.27	720,000.78
02/01/2025	635,000.00	3.20%	566,582.50	1,201,582.50	1,261,661.63		470,383.21	75,376.57	715,901.85
02/01/2026	655,000.00	3.35%	546,262.50	1,201,262.50	1,261,325.63		475,087.04	76,130.34	710,108.25
02/01/2027	675,000.00	3.45%	524,320.00	1,199,320.00	1,259,286.00		479,837.91	76,891.64	702,556.45
02/01/2028	700,000.00	3.55%	501,032.50	1,201,032.50	1,261,084.13		484,636.29	77,660.56	698,787.28
02/01/2029	725,000.00	3.65%	476,182.50	1,201,182.50	1,261,241.63		489,482.65	78,437.16	693,321.81
02/01/2030	750,000.00	3.90%	449,720.00	1,199,720.00	1,259,706.00		494,377.48	79,221.54	686,106.99
02/01/2031	780,000.00	4.00%	420,470.00	1,200,470.00	1,260,493.50		499,321.25	80,013.75	681,158.50
02/01/2032	815,000.00	4.15%	389,270.00	1,204,270.00	1,264,483.50		504,314.47	80,813.89	679,355.15
02/01/2033	845,000.00	4.20%	355,447.50	1,200,447.50	1,260,469.88		509,357.61	81,622.03	669,490.24
02/01/2034	880,000.00	4.30%	319,957.50	1,199,957.50	1,259,955.38		514,451.19	82,438.25	663,065.94
02/01/2035	920,000.00	4.35%	282,117.50	1,202,117.50	1,262,223.38		519,595.70	83,262.63	659,365.05
02/01/2036	960,000.00	4.45%	242,097.50	1,202,097.50	1,262,202.38		524,791.66	84,095.26	653,315.46
02/01/2037	1,005,000.00	4.50%	199,377.50	1,204,377.50	1,264,596.38		530,039.57	84,936.21	649,620.59
02/01/2038	1,050,000.00	4.60%	154,152.50	1,204,152.50	1,264,360.13		535,339.97	85,785.57	643,234.59
02/01/2039	1,095,000.00	4.70%	105,852.50	1,200,852.50	1,260,895.13		540,693.37	86,643.43	633,558.33
02/01/2040	1,145,000.00	4.75%	54,387.50	1,199,387.50	1,259,356.88		546,100.30	87,509.86	625,746.71
Total	\$18,040,000.00	-	\$8,210,527.50	\$26,250,527.50	\$27,563,053.88	\$2,331,567.00	\$9,953,228.72	\$1,594,955.46	\$13,683,302.69

Significant Dates

Dated	2/01/2020
First Coupon Date	8/01/2020



City of Northfield, Minnesota

Estimated Tax Impact - City Tax Levy net of Sales Tax Estimates

June 18, 2018

Civic Center - 20 yr Permanent Financing

General Obligation "AA" Non-BQ Interest Rates plus 100

bps

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$18,040,000
Number of Years	20
Estimated Interest Cost	3.85%
Estimated Bond Rating	S&P AA
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2018	14,760,814
Net Debt Service @ 105% - No inflation	735,491
Sample Tax Rate Increase	4.983%

CITY PROPERTY TAX IMPACT ANALYSIS							
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current 2017 City Tax	Project Tax Impact*	Total City Tax
Residential Homestead	\$ 75,000	\$ 30,000	\$ 45,000	\$ 450	\$ 257.24	\$ 22.42	\$ 279.66
	100,000	28,240	71,760	718	410.21	35.76	445.96
	125,000	25,990	99,010	990	565.98	49.33	615.31
	150,000	23,740	126,260	1,263	721.75	62.91	784.66
	175,000	21,490	153,510	1,535	877.52	76.49	954.01
	200,000	19,240	180,760	1,808	1,033.30	90.07	1,123.36
	225,000	16,990	208,010	2,080	1,189.07	103.65	1,292.71
	250,000	14,740	235,260	2,353	1,344.84	117.22	1,462.06
	300,000	10,240	289,760	2,898	1,656.38	144.38	1,800.76
400,000	1,240	398,760	3,988	2,279.47	198.69	2,478.16	
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 1,500	\$ 857.46	\$ 74.74	\$ 932.20
	250,000	-	250,000	4,250	2,429.47	211.77	2,641.24
	400,000	-	400,000	7,250	4,144.39	361.25	4,505.64
	750,000	-	750,000	14,250	8,145.87	710.04	8,855.91
	1,500,000	-	1,500,000	29,250	16,720.47	1,457.45	18,177.92
	3,000,000	-	3,000,000	59,250	33,869.67	2,952.27	36,821.94
Apartments (4 or more units)	\$ 300,000	\$ -	\$ 300,000	\$ 3,750	\$ 2,143.65	\$ 186.85	\$ 2,330.50
	750,000	-	750,000	9,375	5,359.13	467.13	5,826.26
	1,500,000	-	1,500,000	18,750	10,718.25	934.26	11,652.51

* The figures in the table are based on proposed taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of any abatement or refunds.



RESOLUTION NO. 2018-066
RESOLUTION OF APPROVAL FOR AGREEMENTS RELATED TO THE
BENEDICTINE LIVING COMMUNITY OF NORTHFIELD LLC PROJECT

WHEREAS: Chester J. Yanik & Associates, Inc., DBA Yanik Companies (Developer) has proposed a 97-unit senior housing project consisting of senior living, assisted living, and memory care senior housing units and associated improvements including road/driveway improvements, sanitary sewer, water, stormsewer, stormwater management facilities, sidewalk and trails, grading and erosion control facilities, and other private improvements; and

WHEREAS: Benedictine Living Community of Northfield LLC has proposed to finance the acquisition, construction and equipping of the 97-unit independent living, assisted living and memory care facility to be located adjacent to and immediately to the west of Northfield Hospital and Clinics located at 2000 North Avenue, Northfield, Minnesota (the "Project"); and

WHEREAS: the Developer and the City entered into a Development Agreement of applicable City requirements approved on February 13, 2018 to set out the undertakings and obligations of each party with respect to the Project and City approval process, as required by the City's Code of Ordinances and applicable law; and

WHEREAS: the Developer may not grade or otherwise disturb the earth, remove trees, construct sewer lines, water lines, stormsewer, roads/driveway, utilities, public or private improvements, or any buildings within the Development Property related to the Project and Improvements until all of the attached documents, Appendices A through G, have been executed.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: The City Council hereby approves the attached documents, Appendices A through G, in the order listed herein below and substantially as to form, and authorizes and directs the Mayor and City Clerk to: (a) execute the documents substantially in the form hereby approved and allowing any necessary minor or technical changes to the documents or applicable exhibits; (b) execute such other documentation as necessary to accomplish the proposed development project; and (c) require the Developer, Benedictine Living Community of Northfield, LLC, to record the documents as applicable following full execution thereof in the Dakota County Recorder's Office and pay such related fees:

1. Appendix A - SECOND AMENDMENT TO GROUND LEASE by and between St. Olaf College and the City of Northfield;
2. Appendix B - CONSENT AND RELEASE OF CITY OF NORTHFIELD to Assignment and Assumption of Development Agreement to Assignment by and between Chester J. Yanik & Associates, Inc. (“Assignor”) and Benedictine Living Community of Northfield, LLC, (“Assignee”);
3. Appendix C - GROUND LEASE HOLDER CONSENT TO AGREEMENT TO USE SEWER AND STORMSEWER LINES by and between the Northfield Hospital & Clinics (“Licensor”) and Benedictine Living Community of Northfield LLC (“Licensee”);
4. Appendix D - GROUND LEASE HOLDER CONSENT TO AGREEMENT TO USE AND MAINTAIN HOSPITAL DRIVE by and between the Northfield Hospital & Clinics (“Licensor”) and Benedictine Living Community of Northfield LLC (“Licensee”);
5. Appendix E - DECLARATION OF COVENANTS AND AGREEMENT FOR MAINTENANCE OF STORMWATER FACILITIES by and between Benedictine Living Community of Northfield LLC (“Responsible Party”) and the City of Northfield (“City”); and
6. Appendix F - THIRD AMENDMENT TO GROUND LEASE by and between St. Olaf College and the City of Northfield releasing Parcels 1 and 2.
7. Appendix G - GROUND LEASE by and between ST. OLAF COLLEGE (“Lessor”) and BENEICTINE LIVING COMMUNITY OF NORTHFIELD LLC (“Lessee”);

PASSED by the City Council of the City of Northfield, Minnesota, this 19th day of June, 2018.

ATTEST:

City Clerk

Mayor

VOTE: ___ POWNELL ___ DELONG ___ COLBY ___ NAKASIAN
 ___ PETERSON WHITE ___ NESS ___ ZWEIFEL