JOINT WORKSESSION COUNCIL
SSP City Hall
125 3rd Avenue North
Training room
Monday, June 22, 2020
7:00 pm

Please be advised that the regular meeting location is City Hall Training Room located at 125 3rd Ave. N., South St. Paul, but pursuant to Minn. Stat. 13D.021, under the current emergency declaration due to the COVID-19 health pandemic, some or all of the council members may participate in remote locations using WebEx. Please be advised that City Hall is closed to the public, therefore, any member of the public wishing to monitor the meeting may do so electronically by logging in as follows:

**WebEx Meeting**
For the Public
Join by phone: 1-312-535-8110
Access Code: 133 891 9970

AGENDA:


2. Concord Project
   - Streetscape Project
   - Sidewalk Snowplowing

3. Central Square Community Center and Senior Center Operation Discussion

4. Alternative Energy (Solar) Ordinance Discussion

5. Council Comments/Questions
AGENDA ITEM: Presentation of the City Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019 by Jackie Huegel, Principal, MMKR

DESIRED MEETING OUTCOMES:

- Presentation of the CAFR by the audit firm with discussion to follow. Acceptance of the CAFR will be on the Council Agenda for June 29, 2020

OVERVIEW:

At the close of each fiscal year, the City’s chief financial officer must prepare a financial report covering the City’s operations during that fiscal year. The report must use generally accepted accounting principles (GAAP) to present financial statements and disclosures that fully portray the City’s financial position and the results of City operations.

The EDA and HRA are now blended component units of the city and their funds are incorporated into the City’s CAFR. A separate financial report on the low rent housing programs was issued only to satisfy HUD reporting requirements.

In accordance with Minnesota Statutes Section 471.697, staff and Jackie Huegel, CPA, Principal with Malloy, Montague, Karnowski, Radosevich & Co. (MMKR), will present the December 31, 2020 Audited Financial Reports (Comprehensive Annual Financial Report, related Management Report, and Special Purpose Audit Reports) tonight.

A full electronic copy of the audit report can be found on the City of South St. Paul Website – www.southstpaul.org – Departments & Services – Finance – Financial Reports.

SOURCE OF FUNDS:

N/A
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA

Special Purpose Audit Reports on

Single Audit,
Internal Controls, and Compliance
With Laws and Regulations

Year Ended
December 31, 2019
## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule of Expenditures of Federal Awards</td>
<td>1</td>
</tr>
<tr>
<td>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <em>Government Auditing Standards</em></td>
<td>2–3</td>
</tr>
<tr>
<td>Independent Auditor’s Report on Minnesota Legal Compliance</td>
<td>7</td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td>8–12</td>
</tr>
</tbody>
</table>
### CITY OF SOUTH ST. PAUL

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA No.</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Housing and Urban Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct program Public and Indian Housing</td>
<td>14.850</td>
<td>$ 869,775</td>
</tr>
<tr>
<td>Direct program Congregate Housing Services Program</td>
<td>14.170</td>
<td>187,894</td>
</tr>
<tr>
<td>Direct program Public Housing Capital Fund</td>
<td>14.872</td>
<td>188,554</td>
</tr>
<tr>
<td><strong>U.S. Department of Justice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct program Bulletproof Vest Partnership Program</td>
<td>16.607</td>
<td>771</td>
</tr>
<tr>
<td>Passed through the City of Burnsville</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>16.738</td>
<td>15,758</td>
</tr>
<tr>
<td><strong>U.S. Department of Transportation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through the Minnesota Department of Public Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highway Safety Cluster</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and Community Highway Safety</td>
<td>20.600</td>
<td>$ 2,390</td>
</tr>
<tr>
<td>National Priority Safety Programs</td>
<td>20.616</td>
<td>2,274</td>
</tr>
<tr>
<td>Subtotal for Highway Safety Cluster</td>
<td></td>
<td>4,664</td>
</tr>
<tr>
<td>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</td>
<td>20.608</td>
<td>5,746</td>
</tr>
<tr>
<td>Passed through the Minnesota Department of Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport Improvement Program</td>
<td>20.106</td>
<td>89,470</td>
</tr>
<tr>
<td>Highway Planning and Construction</td>
<td>20.205</td>
<td>287,200</td>
</tr>
<tr>
<td><strong>Institute of Museum and Library Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through the Minnesota Department of Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to States</td>
<td>45.310</td>
<td>7,301</td>
</tr>
</tbody>
</table>

Total federal awards                                      $ 1,657,133

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the U.S. Office of Management and Budget’s *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the City’s basic financial statements.

Note 2: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The City did not elect to use the 10 percent de minimis indirect cost rate.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
City of South St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South St. Paul, Minnesota (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 15, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
June 15, 2020
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the City Council and Management
City of South St. Paul, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the City of South St. Paul, Minnesota’s (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of the City’s major federal programs for the year ended December 31, 2019. The City’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT’S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

(continued)
Basis for Qualified Opinion on Public and Indian Housing

As described in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with the Public and Indian Housing requirements for eligibility reported as finding 2019-001 and for special tests and provisions reported as finding 2019-003. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Public and Indian Housing

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on Public and Indian Housing for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding 2019-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 2019-002 and 2019-003 to be significant deficiencies.

(continued)
CITY’S RESPONSES TO FINDINGS

The City’s responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated June 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Minneapolis, Minnesota
June 15, 2020

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
INDEPENDENT AUDITOR’S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of South St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South St. Paul, Minnesota (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 15, 2020.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the Minnesota Legal Compliance Audit Guide for Cities, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, except as described in the Schedule of Findings and Questioned Costs as finding 2019-004. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

CITY’S RESPONSE TO FINDING

The City’s response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The City’s response was not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
June 15, 2020

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
CITY OF SOUTH ST. PAUL

Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor’s report is issued? 
- X Unmodified
- Qualified
- Adverse
- Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? 
- Yes 
- X No

Significant deficiency(ies) identified? 
- Yes 
- X None reported

Noncompliance material to the financial statements noted? 
- Yes 
- X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? 
- X Yes 
- No

Significant deficiency(ies) identified? 
- X Yes 
- None reported

Type of auditor’s report issued on compliance for major programs? 
- Unmodified
- Qualified 
- X Adverse
- Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? 
- X Yes 
- No

Programs tested as major programs:

<table>
<thead>
<tr>
<th>Program or Cluster</th>
<th>CFDA No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Housing and Urban Development Public and Indian Housing</td>
<td>14.850</td>
</tr>
</tbody>
</table>

Threshold for distinguishing type A and B programs: 
$ 750,000

Does the auditee qualify as a low-risk auditee? 
- X Yes 
- No
B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS


2019-001 Internal Control and Compliance With Federal Eligibility Requirements

Criteria – 24 CFR § 960. Management is responsible for establishing and maintaining effective internal control over compliance with requirements applicable to federal programs, including eligibility requirements applicable to the Public and Indian Housing federal program.

Condition – During our audit, we noted that the City of South St. Paul (the City) did not have sufficient controls in place within the Public and Indian Housing federal program to assure compliance with federal eligibility requirements, which resulted in noncompliance. For 10 of 40 tenant files tested, the City did not complete a re-examination for the current year. For 3 of 40 tenant files tested, the City had no HUD Form 50058 to support the rent recalculation completed. For 2 of 40 tenant files tested, information used on the HUD Form 50058 was not supported by documentation leading to incorrect rent calculations. In testing these tenant files, it was also noted that annual re-examinations were not completed timely in the current year.

Questioned Costs – $29,364.

Context – The condition applies to eligibility requirements as noted above.

Cause – This was an oversight by city personnel.

Repeat Finding – This is a current year finding.

Effect – Noncompliance with the eligibility requirements could be viewed as a violation of the award agreement and could result in tenants being charged an incorrect amount of rent.

Recommendation – We recommend that the City review its internal control procedures relating to eligibility requirements for all federal programs. The City should verify compliance with federal eligibility procedures, including a timely and accurate re-examination of tenant files to ensure the correct amount of rent is being charged.

View of Responsible Official and Planned Corrective Actions – The City agrees with the finding. The City has separately issued a Corrective Action Plan related to this finding.
C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) PUBLIC AND INDIAN HOUSING – CFDA NO. 14.850

2019-002 Internal Control Over Compliance With Federal Procurement, Suspension, and Debarment Requirements

Criteria – 2 CFR § 180. Management is responsible for establishing and maintaining effective internal control over compliance with requirements applicable to federal program expenditures, including procurement, suspension, and debarment requirements applicable to the Public and Indian Housing federal program.

Condition – During our audit, we noted that the City did not have sufficient controls in place within the Public and Indian Housing federal program to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

Questioned Costs – None. Our testing did not indicate any instances of noncompliance with these requirements.

Context – The condition applies to procurement, suspension, and debarment requirements as noted above.

Cause – This was an oversight by city personnel.

Repeat Finding – This is a current year and prior year finding.

Effect – Noncompliance with the procurement, suspension, and debarment requirements could result in the City expending federal funds with vendors that are not eligible to be parties to such transactions, which could be viewed as a violation of the award agreement.

Recommendation – We recommend that the City review its internal control procedure relating to procurement, suspension, and debarment for all federal programs. Internal controls over compliance for this area should include verification that any vendor with which the City contracts for goods or services exceeding $25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

View of Responsible Official and Planned Corrective Actions – The City agrees with the finding. The City has separately issued a Corrective Action Plan related to this finding.
C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE AND REPORTABLE INSTANCES OF NONCOMPLIANCE – U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) PUBLIC AND INDIAN HOUSING – CFDA NO. 14.850

2019-003 Internal Control and Compliance With Special Tests and Provisions Requirements

Criteria – 24 CFR § 960. Management is responsible for establishing and maintaining effective internal control over compliance with requirements applicable to federal programs, including special tests and provisions requirements applicable to the Public and Indian Housing federal program.

Condition – During our audit, we noted that the City did not have sufficient controls in place within the Public and Indian Housing federal program to assure compliance with federal special tests and provisions requirements, which resulted in noncompliance. The City did not have proper controls in place regarding the waiting list and no historical records were maintained to verify new tenants were placed into housing based on approved policies.

Questioned Costs – Not applicable.

Context – The condition applies to special tests and provisions requirements as noted above.

Cause – This was an oversight by city personnel.

Repeat Finding – This is a current year finding.

Effect – Noncompliance with the special tests and provisions requirements could be viewed as a violation of the award agreement and result in tenants being placed into housing incorrectly based on their rank on the waiting list.

Recommendation – We recommend that the City review its internal control procedures relating to special tests and provisions requirements for all federal programs. The City should verify compliance with federal special tests and provisions procedures, including maintaining a historical waiting list to ensure tenants are being properly placed into housing.

View of Responsible Official and Planned Corrective Actions – The City agrees with the finding. The City has separately issued a Corrective Action Plan related to this finding.
D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2019-004  WITHHOLDING AFFIDAVIT

Criteria – Minnesota Statutes § 270C.66.

Condition – Before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor or subcontractors, the City must obtain a certificate by the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statutes § 290.92 (either by obtaining a Commissioner of Revenue Form IC134 or a Contractor’s Withholding Affidavit). The City did not obtain the required certificate for one contract completed during 2019.

Questioned Costs – Not applicable.

Context – One of two contracts tested was not in compliance.

Cause – This was an oversight by city personnel.

Repeat Finding – This is a current year finding.

Effect – The City did not obtain the required documentation of either a Commissioner of Revenue Form IC134 or a Contractor’s Withholding Affidavit as required by state statutes prior to making final settlement.

Recommendation – We recommend that the City review its policies and procedures to ensure future compliance with this statute.

View of Responsible Official and Planned Corrective Actions – The City agrees with the finding. The City has separately issued a Corrective Action Plan related to this finding.
Management Report

for

City of South St. Paul, Minnesota

December 31, 2019
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To the City Council and Management
City of South St. Paul, Minnesota

We have prepared this management report in conjunction with our audit of the City of South St. Paul, Minnesota’s (the City) financial statements for the year ended December 31, 2019. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
June 15, 2020
AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the City’s financial statements for the year ended December 31, 2019:

- We have issued an unmodified opinion on the City’s basic financial statements. Our report included a paragraph emphasizing the City’s implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities during the year ended December 31, 2019. Our opinion was not modified with respect to this matter.

- We reported no deficiencies in the City’s internal control over financial reporting that we considered to be material weaknesses.

- The results of our testing disclosed no instances of noncompliance required to be reported under Government Auditing Standards.

- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.

- The results of our testing noted instances of noncompliance with requirements that could have a direct and material effect on each of its major federal programs:

  1. We noted instances of noncompliance with eligibility requirements applicable to the Public and Indian Housing federal program. For certain tenant files tested, the City did not complete a re-examination for the current year, did not obtain HUD Form 50058 to support the rent recalculations, and information used on the HUD Form 50058 was not supported by documentation leading to incorrect rent calculations. In testing tenant files, it was also noted that annual re-examinations were not completed timely in the current year.
2. We noted instances of noncompliance with special tests and provisions requirements applicable to the Public and Indian Housing federal program regarding the waiting list and historical records being maintained.

- The results of our testing noted three matters involving internal controls over compliance and its operation. We considered one of these matters to be a material weakness and two of these matters to be significant deficiencies in our testing of major federal programs:

1. During our audit, we noted the City did not have sufficient controls in place within the Public and Indian Housing federal program to assure that annual re-examinations were completed, that HUD Form 50058 was obtained to support the rent recalculations, and that information used on the HUD Form 50058 was supported by documentation, resulting in a material weakness. In testing tenant files, it was also noted that annual re-examinations were not completed timely in the current year.

2. During our audit, we noted the City did not have sufficient controls in place within the Public and Indian Housing federal program to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds, resulting in a significant deficiency.

3. During our audit, we noted the City did not have sufficient controls in place within the Public and Indian Housing federal program to assure historical waiting list records were maintained and new tenants were placed into housing based on approved policies, resulting in a significant deficiency.

- We reported one finding based on our testing of the City’s compliance with Minnesota laws and regulations:

1. For one contract selected for testing that was completed during the 2019 fiscal year, the statutory requirement to obtain a Form IC 134 or Contractor’s Withholding Affidavit prior to making the final payment to a contractor, was not met.

**OTHER OBSERVATIONS AND RECOMMENDATIONS**

**Impact of Novel Coronavirus (COVID-19)**

Shortly after the end of the 2019 fiscal year, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way governments, businesses, and individuals function. Minnesota cities may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, cash flow issues, increased utility billing and property tax delinquiries, significant increases in the number and frequency of employees working remotely, challenges in processing general and payroll disbursements, disruption of prescribed internal control procedures, delays in internal and external financial reporting, and new compliance requirements attached to potential federal relief subsidies. As your city adapts to the new normal of municipal operations in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of city resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.
Payroll Declaration

Minnesota Statutes require that whenever work for which wages are to be paid, the clerk shall keep a payroll giving the name of each employee and the number of hours or days worked by each. The timekeeper, supervisor, or other officers or employee having knowledge of the facts shall sign a declaration that the facts recited on the payroll are correct to the best of the declarant’s information and belief. During out audit, we noted instances when this declaration was not obtained.

Accounts Payable and Disbursement Process

Management is responsible for establishing and maintaining effective internal controls over the accounts payable and general disbursement process. During the audit, it was noted that the City does have controls properly designed over the disbursement transaction cycle. During out audit, we noted instances where these controls were not followed by employees completing this process. We recommend that the City review general disbursement internal controls and procedures with their employees, reiterate the importance of these controls, and monitor these controls are being properly implemented.

Collateral

Minnesota Statutes require for collateral held that is a general obligation of a state or local government that it must be rated “A” or better by a national bond rating service. This requirement was not met for a portion of the City’s pledged collateral; however, the City’s deposits were still properly collateralized per Minnesota Statutes without this pledged security. We recommend that the City review its pledged collateral to ensure it follows requirements of Minnesota Statutes.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the City’s financial statements for the year ended December 31, 2019, we performed procedures to follow-up on the findings and recommendations that resulted from our prior year audit. We reported the following findings that were corrected by the City in the current year:

- During the prior year audit, we noted the City’s governing body did not annually delegate the authority to make electronic funds transfers to a designated business administrator or chief financial officer or the officer’s designee, as required by Minnesota Statutes. We are pleased to report this is not a finding in the current year.

- During the prior year audit, we noted the City had invested in one mutual fund that is not rated in one of the two highest risk rating categories by at least one nationally recognized rating organization as required by Minnesota Statutes. We are pleased to report this is not a finding in the current year.
SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2019; however, the City implemented the following governmental accounting standards during the fiscal year:

- GASB Statement No. 83, Certain Asset Retirement Obligations, which addressed accounting and financial reporting for certain asset retirement obligations, which are legally enforceable liabilities associated with the retirement of a tangible capital asset.
- GASB Statement No. 84, Fiduciary Activities, which established new criteria for identifying and reporting fiduciary activities.
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, which improved and clarified the information to be disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.
- GASB Statement No. 90, Majority Equity Interest—an amendment of GASB Statements No. 14 and No. 61, which improved the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Other Post-Employment Benefits (OPEB) and Pension Liabilities** – The City has recorded liabilities and activity for pension benefits and OPEB. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.
- **Depreciation** – Management’s estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Land Held for Resale** – These assets are stated at net realizable value based on management’s estimates.
- **Compensated Absences** – Management’s estimates are based on current rates of pay.
- **Self-Insurance** – Management’s estimates of self-insurance reserves are based on the estimated liability for incurred, but not reported claims.
We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

**DISAGREEMENTS WITH MANAGEMENT**

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

**DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated June 15, 2020.

**CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

**MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
OTHER MATTERS

We applied certain limited procedures to the management’s discussion and analysis (MD&A), budgetary comparison schedules for the General Fund and major special revenue funds, and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information accompanying the financial statements and the separately issued Schedule of Expenditures of Federal Awards, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.
GOVERNMENTAL FUNDS OVERVIEW

This section of the report provides you with an overview of the financial trends and activities of the City’s governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City’s financial statements focuses on budgetary compliance and the sufficiency of each governmental fund’s current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2018 fiscal year, local ad valorem property tax levies provided 41.5 percent of the total governmental fund revenues for cities over 2,500 in population, and 36.7 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2019 increased 5.6 percent from the prior year.

The total tax capacity value of property in Minnesota cities increased about 7.1 percent for the 2019 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2019 were based on assessed market values as of January 1, 2018), so the trend of change in these tax capacity values lags somewhat behind the housing market and economy in general.

The City’s estimated market value increased 9.6 percent in 2018 and 6.0 percent in 2019. The following graph shows the City’s changes in estimated market value over the past 10 years:

![Estimated Market Value Graph]
Tax capacity is considered the actual base available for taxation. It is calculated by applying the state’s property classification system to each property’s market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city’s total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of its tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City’s tax capacity increased 9.3 percent for taxes payable in 2018 and increased 6.1 percent for taxes payable in 2019.

The following graph shows the City’s change in tax capacities over the past 10 years:

![Local Net Tax Capacity Graph]

The following table presents the average tax rates applied to city residents for each of the last three levy years:

<table>
<thead>
<tr>
<th>Rates Expressed as a Percentage of Net Tax Capacity</th>
<th>City of South St. Paul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average tax rate</td>
<td>2017</td>
</tr>
<tr>
<td>City</td>
<td>63.9</td>
</tr>
<tr>
<td>County</td>
<td>25.4</td>
</tr>
<tr>
<td>School</td>
<td>35.9</td>
</tr>
<tr>
<td>Special taxing</td>
<td>9.2</td>
</tr>
<tr>
<td>Total</td>
<td>134.4</td>
</tr>
</tbody>
</table>

The total average tax rate decreased from the prior year. The City and special taxing rates were consistent with the prior year and the county and school rates decreased.
GOVERNMENTAL FUNDS REVENUE AND EXPENDITURES

The following table presents the per capita revenue of the City’s governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City’s data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as a city’s stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year due to the effect of inflation and changes in its operation. Also, certain data on these tables may be classified differently than how they appear in the City’s financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

<table>
<thead>
<tr>
<th>Governmental Funds Revenue per Capita</th>
<th>With State-Wide Averages by Population Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
<td><strong>State-Wide</strong></td>
</tr>
<tr>
<td></td>
<td><strong>December 31, 2018</strong></td>
</tr>
<tr>
<td>Population</td>
<td><strong>2,500–10,000</strong></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$495$</td>
</tr>
<tr>
<td>Tax increments</td>
<td>28</td>
</tr>
<tr>
<td>Franchise and other taxes</td>
<td>41</td>
</tr>
<tr>
<td>Special assessments</td>
<td>53</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>38</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>303</td>
</tr>
<tr>
<td>Charges for services</td>
<td>130</td>
</tr>
<tr>
<td>Other</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$1,185$</td>
</tr>
</tbody>
</table>

The City’s governmental fund revenues for 2019 were $29,121,436, an increase of $146,025 (0.5 percent) from the prior year. On a per capita basis, the City received $1,422 in governmental fund revenue for 2019, which is an increase of $15 from the prior year. The majority of this increase was in property taxes. Property tax revenue increased $42 per capita from the prior year, due to the increased tax levy. This increase was partially offset by the decrease in charges for services and intergovernmental revenues. Charges for services decreased $22 per capita, due mainly to a decrease in engineering charges. Intergovernmental revenues decreased $20 per capita, due mainly to a decrease in Municipal State Aid funding received.
The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City’s circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources, such as taxes and intergovernmental revenues.

- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.

- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources, such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City’s expenditures per capita of its governmental funds for the past three years, together with state-wide averages, are presented in the following table:

<table>
<thead>
<tr>
<th>Governmental Funds Expenditures per Capita</th>
<th>State-Wide</th>
<th>City of South St. Paul</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2018</td>
<td>2017</td>
</tr>
<tr>
<td>Year</td>
<td>2,500–10,000</td>
<td>10,000–20,000</td>
</tr>
<tr>
<td>Population</td>
<td>20,407</td>
<td>20,598</td>
</tr>
<tr>
<td>Current</td>
<td>150 $</td>
<td>121 $</td>
</tr>
<tr>
<td>General government</td>
<td>286</td>
<td>272</td>
</tr>
<tr>
<td>Public safety</td>
<td>135</td>
<td>125</td>
</tr>
<tr>
<td>Street maintenance</td>
<td>96</td>
<td>115</td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>75</td>
<td>74</td>
</tr>
<tr>
<td>All other</td>
<td>742</td>
<td>707</td>
</tr>
<tr>
<td>Total current</td>
<td>417</td>
<td>351</td>
</tr>
<tr>
<td>Capital outlay and construction</td>
<td>178</td>
<td>153</td>
</tr>
<tr>
<td>Principal</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>219</td>
<td>192</td>
</tr>
<tr>
<td>Total debt service</td>
<td>$ 1,378</td>
<td>$ 1,250</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,378</td>
<td>1,250</td>
</tr>
</tbody>
</table>

Total expenditures in the City’s governmental funds for 2019 were $31,991,089, an increase of $1,715,039 (5.7 percent) from the prior year. On a per capita basis, the City expended a total of $1,562 in 2019, an increase of $91. Current expenditures decreased $74 per capita, mainly in street maintenance, due to the City portion of a county road street improvement project in the prior year. Capital outlay costs increased $162 per capita with ongoing street improvement projects and the purchase of two new fire trucks. The City’s current operating costs are higher than average, due to above average public safety, street maintenance, parks and recreation, and all other costs.
GOVERNMENTAL FUND BalANCES

The following table summarizes the changes in the fund balances of the City’s governmental funds during the years ended December 31, 2018 and 2019, presented both by fund balance classification and by fund:

<table>
<thead>
<tr>
<th>Fund Balance Change in Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance as of December 31,</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Nonspendable</td>
</tr>
<tr>
<td>Restricted</td>
</tr>
<tr>
<td>Committed</td>
</tr>
<tr>
<td>Assigned</td>
</tr>
<tr>
<td>Unassigned</td>
</tr>
<tr>
<td>Total governmental funds</td>
</tr>
</tbody>
</table>

In total, the fund balances of the City’s governmental funds increased by $1,960,940 during the year ended December 31, 2019. Restricted fund balance increased by $1,184,559, mainly in restricted balances for tax increment financing and debt service in the other governmental funds. Unassigned fund balance increased by $1,573,731, mainly due to the improved fund balance in the General Fund.

Doug Woog Arena Fund – This fund had an increase in fund balance of $199,969. In seven of the last eight years, this fund has had to borrow from other funds to fund cash flow needs. The interfund borrowing totals $1,104,684 at December 31, 2019.

We recommend that the City continue to monitor the financial results in this fund. We also recommend that the City continue to update the long-range financial plan for this fund, including considering plans for financing the payback of the interfund borrowing in this fund.

Airport Fund – This fund had an increase in fund balance of $107,573. In seven of the last eight years, this fund has been able to decrease the amount borrowed from other funds to fund cash flow needs. The interfund borrowing totals $290,842 at December 31, 2019.

We recommend that the City continue to monitor the financial results in this fund. We also recommend that the City continue to update the long-range financial plan for this fund, including the completion of the plan in place for the payback of the interfund borrowing in this fund.
The City’s General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and parks and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. We have also included a line representing annual expenditures to reflect the change in the size of the General Fund operation over the same period.

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance</td>
<td>$10,327,228</td>
<td>$10,670,986</td>
<td>$11,346,811</td>
<td>$12,241,018</td>
<td>$12,986,043</td>
</tr>
<tr>
<td>Cash (Net)</td>
<td>$9,021,325</td>
<td>$9,853,641</td>
<td>$10,433,090</td>
<td>$11,049,659</td>
<td>$12,428,313</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$12,249,211</td>
<td>$13,236,306</td>
<td>$13,989,060</td>
<td>$14,997,459</td>
<td>$15,852,613</td>
</tr>
</tbody>
</table>

The City’s General Fund cash and investments balance (net of borrowing) at December 31, 2019 was $12,428,313, an increase of $1,378,654. Total fund balance at December 31, 2019 was $12,986,043, which is an increase of $745,025 from the prior year.

Having an appropriate fund balance is an important factor in assessing the City’s financial health because a government, like any organization, requires a certain amount of equity to operate. Generally, the amount of equity required typically increases as the size of the operation increases. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and can be a factor in determining the City’s bond rating and resulting interest costs.

The City has an approved fund balance policy that states the General Fund will maintain a minimum unassigned fund balance of 35.0 to 50.0 percent of the subsequent year’s budgeted expenditures. At December 31, 2019, the City’s General Fund unassigned fund balance was 50.3 percent of the subsequent year’s budgeted expenditures.
The following graph reflects the City’s General Fund revenue sources for 2019 compared to budget:

General Fund revenue for 2019 was $16,448,942, which was $452,001 (2.8 percent) more than budget. Other revenues were $256,548 over budget, primarily due to investment income and the change in fair value of investments, which was the result of better than expected market performance. Tax revenue was $245,297 over budget, due to excess tax increment received being higher than anticipated. These variances were offset by charges for services, which was $172,519 under budget, mainly due to engineering project fees being less than anticipated.

The following graph presents the City’s General Fund revenues by source for the last five years:

Total General Fund revenue for 2019 was $777,676 (5.0 percent) higher than last year, mainly in taxes. Tax revenues increased by $712,319, mainly due to the increased tax levy.
The following graph illustrates the components of General Fund spending for 2019 compared to budget:

General Fund Expenditures
Budget and Actual

General Fund expenditures for 2019 were $15,852,613, which was $284,328 (1.8 percent) under budget. Expenditures under budget were spread across various functions, with the largest variance in public safety ($157,980).

The following graph presents the City’s General Fund expenditures by function for the last five years:

Total General Fund expenditures for 2019 were $855,154 (5.7 percent) higher than the previous year, mainly due to the increase in the general government, public works, and public safety functions. General government, public safety, and public works expenditures increased $124,641, $434,106, and $218,863, respectively, mainly in personal service costs.
ENTERPRISE FUNDS OVERVIEW

The City maintains several enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City’s enterprise funds, which includes the Water and Sewer Utility, Storm Water Utility, Street Light Utility, and Low Rent Housing Funds.

ENTERPRISE FUNDS FINANCIAL POSITION

The following table summarizes the changes in the financial position of the City’s enterprise funds during the years ended December 31, 2018 and 2019, presented both by classification and by fund:

<table>
<thead>
<tr>
<th>Enterprise Funds Change in Financial Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position as of December 31.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>Change</td>
</tr>
<tr>
<td>Net position of enterprise funds</td>
</tr>
<tr>
<td>Total by classification</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
</tr>
<tr>
<td>$ 24,427,831</td>
</tr>
<tr>
<td>$ 25,051,384</td>
</tr>
<tr>
<td>$ 623,553</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>5,290,524</td>
</tr>
<tr>
<td>8,451,943</td>
</tr>
<tr>
<td>3,161,419</td>
</tr>
<tr>
<td>Total enterprise funds</td>
</tr>
<tr>
<td>$ 29,718,355</td>
</tr>
<tr>
<td>$ 33,503,327</td>
</tr>
<tr>
<td>$ 3,784,972</td>
</tr>
<tr>
<td>Total by fund</td>
</tr>
<tr>
<td>Water and Sewer Utility</td>
</tr>
<tr>
<td>$ 16,207,534</td>
</tr>
<tr>
<td>$ 19,494,390</td>
</tr>
<tr>
<td>$ 3,286,856</td>
</tr>
<tr>
<td>Storm Water Utility</td>
</tr>
<tr>
<td>7,325,279</td>
</tr>
<tr>
<td>7,653,147</td>
</tr>
<tr>
<td>327,868</td>
</tr>
<tr>
<td>Street Light Utility</td>
</tr>
<tr>
<td>162,768</td>
</tr>
<tr>
<td>250,420</td>
</tr>
<tr>
<td>87,652</td>
</tr>
<tr>
<td>Low Rent Housing</td>
</tr>
<tr>
<td>6,022,774</td>
</tr>
<tr>
<td>6,105,370</td>
</tr>
<tr>
<td>82,596</td>
</tr>
<tr>
<td>Total enterprise funds</td>
</tr>
<tr>
<td>$ 29,718,355</td>
</tr>
<tr>
<td>$ 33,503,327</td>
</tr>
<tr>
<td>$ 3,784,972</td>
</tr>
</tbody>
</table>

In total, the net position of the City’s enterprise funds increased $3,784,972 during the year ended December 31, 2019. The increase was mainly in unrestricted net position in the Water and Sewer Utility Fund, due to transfers from the Capital Programs Fund and Local Improvements Fund.
The following graph presents five years of comparative operating results for the City’s Water and Sewer Utility Fund:

![Graph showing five years of operating results for Water and Sewer Utility Fund]

<table>
<thead>
<tr>
<th>Year</th>
<th>Oper Rev</th>
<th>Oper Exp Before Depr</th>
<th>Oper Inc (Loss)</th>
<th>Inc Before Depr</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$5,065,824</td>
<td>$4,541,985</td>
<td>$169,495</td>
<td>$523,839</td>
</tr>
<tr>
<td>2016</td>
<td>$5,085,443</td>
<td>$4,613,968</td>
<td>$123,517</td>
<td>$471,475</td>
</tr>
<tr>
<td>2017</td>
<td>$5,462,748</td>
<td>$4,764,647</td>
<td>$350,648</td>
<td>$698,101</td>
</tr>
<tr>
<td>2018</td>
<td>$5,639,413</td>
<td>$4,847,928</td>
<td>$434,338</td>
<td>$791,485</td>
</tr>
<tr>
<td>2019</td>
<td>$5,901,062</td>
<td>$4,709,846</td>
<td>$829,809</td>
<td>$1,191,216</td>
</tr>
</tbody>
</table>

The Water and Sewer Utility Fund ended 2019 with a total net position of $19,494,390, an increase of $3,286,856 from the prior year. Of this, $13,828,363 represents the net investment in utility distribution system capital assets, leaving $5,666,027 of unrestricted net position.

Operating revenue in the Water and Sewer Utility Fund was $5,901,062, an increase of $261,649 (4.6 percent) from the prior year, due to the increased rates.

Water and Sewer Utility Fund operating expenses before depreciation for 2019 were $4,709,846, a decrease of $138,082 (2.8 percent) from the previous year. The largest factor contributing to the change was a decrease in contractual service costs, due to a sewer relocation project in the prior year.

During fiscal year 2019, this utility operation received transfers from other funds totaling $2,272,158 for capital projects.
STORM WATER UTILITY FUND

The following graph presents five years of comparative operating results for the City’s Storm Water Utility Fund:

The Storm Water Utility Fund ended 2019 with a total net position of $7,653,147, an increase of $327,868 from the prior year. Of this, $7,419,379 represents the City’s net investment in its storm water collection system capital assets, leaving an unrestricted net position of $233,768.

Operating revenue in the Storm Water Utility Fund was $538,330, an increase of $69,220 (14.8 percent) from the prior year, due to the rate increase. Storm Water Utility Fund operating expenses before depreciation for 2019 were $278,112, a decrease of $386,664 (58.2 percent), mainly in decreased costs in materials and supplies and contractual services, due to a levee repair project in the prior year.
**STREET LIGHT UTILITY FUND**

The following graph presents five years of comparative operating results for the City’s Street Light Utility Fund:

![Graph of Street Light Utility Fund](attachment:graph.png)

The Street Light Utility Fund ended 2019 with a total net position of $250,420, an increase of $87,652 from the prior year. This entire balance represents unrestricted net position.

Street Light Utility Fund operating revenue for fiscal 2019 was $266,185, an increase of $34,145 (14.7 percent) from the prior year, due to the rate increase. Operating expenses for 2019 were $184,712, a decrease of $18,888 (9.3 percent), mainly due to decreased contractual services costs.
LOW RENT HOUSING FUND

The following graph presents five years of comparative operating results for the City’s Low Rent Housing Fund:

The Low Rent Housing Fund ended 2019 with a total net position of $6,105,370, an increase of $82,596 from the prior year. Of this, $3,803,642 represents the investment in low rent housing capital assets, leaving $2,301,728 of unrestricted net position.

Operating revenue in the Low Rent Housing Fund was $2,271,390, a slight increase of $5,500 (0.2 percent) from the prior year.

Low Rent Housing Fund operating expenses before depreciation for 2019 were $1,969,994, an increase of $306,121 (18.4 percent) from the previous year, mainly in increased contractual service costs, due to outsourcing management of the operations.
GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what the City owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, the Statement of Net Position divides the net position into three components:

- **Net Investment in Capital Assets** – The portion of net position reflecting equity in capital assets (i.e., capital assets minus related debt).

- **Restricted Net Position** – The portion of net position equal to resources whose use is legally restricted minus any noncapital-related liabilities payable from those same resources.

- **Unrestricted Net Position** – The residual balance of net position after the elimination of net investment in capital assets and restricted net position.

The following table presents the components of the City’s net position as of December 31, 2018 and 2019, for governmental activities and business-type activities.

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>Net position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$52,841,757</td>
<td>$55,251,058</td>
<td>$2,409,301</td>
</tr>
<tr>
<td>Restricted</td>
<td>10,669,064</td>
<td>12,010,154</td>
<td>1,341,090</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,002,493</td>
<td>606,645</td>
<td>(3,395,848)</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>67,513,314</td>
<td>67,867,857</td>
<td>354,543</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>24,427,831</td>
<td>25,051,384</td>
<td>623,553</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,795,461</td>
<td>7,973,508</td>
<td>3,178,047</td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>29,223,292</td>
<td>33,024,892</td>
<td>3,801,600</td>
</tr>
<tr>
<td>Total net position</td>
<td>$96,736,606</td>
<td>$100,892,749</td>
<td>$4,156,143</td>
</tr>
</tbody>
</table>

Net position for governmental activities increased by $354,543 in 2019, as presented above. The net investment in capital assets increased $2,409,301 this year, mainly due to the significant amount of construction activity in the current year. The remaining change in this category of net position typically depends on the relationship of the rate at which the City is adding capital assets, the rate capital assets are being depreciated, and how the City finances the purchase and construction of capital assets. The restricted portion of net position increased $1,341,090, mainly due to the increase in restricted balances for tax increment financing and debt service. The decrease in unrestricted net position is due to the continued investment in infrastructure using unrestricted resources of the City.

The change in net position for business-type activities is consistent with our earlier discussion for the utility operations, which are presented under the same, full accrual, basis of accounting.
STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City’s yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2018 and 2019:

<table>
<thead>
<tr>
<th>Net Revenue (Expense)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (expense) revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$(1,234,924)</td>
<td>$(1,323,649)</td>
</tr>
<tr>
<td>Public safety</td>
<td>$(7,254,162)</td>
<td>$(8,031,647)</td>
</tr>
<tr>
<td>Public works</td>
<td>$(4,178,161)</td>
<td>$(2,658,884)</td>
</tr>
<tr>
<td>Community development</td>
<td>144,084</td>
<td>163,534</td>
</tr>
<tr>
<td>Parks, arena, and library</td>
<td>$(1,962,392)</td>
<td>$(1,949,807)</td>
</tr>
<tr>
<td>Economic development</td>
<td>$(2,373,293)</td>
<td>$(1,565,504)</td>
</tr>
<tr>
<td>Transportation</td>
<td>(414,083)</td>
<td>(282,325)</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>(673,568)</td>
<td>(808,727)</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer utility</td>
<td>2,262,273</td>
<td>1,050,194</td>
</tr>
<tr>
<td>Storm sewer utility</td>
<td>(403,011)</td>
<td>125,850</td>
</tr>
<tr>
<td>Street light utility</td>
<td>28,440</td>
<td>81,473</td>
</tr>
<tr>
<td>Low rent housing</td>
<td>207,071</td>
<td>60,963</td>
</tr>
<tr>
<td>Total net (expense) revenue</td>
<td>$(15,851,726)</td>
<td>$(15,465,597)</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General property taxes</td>
<td>12,537,845</td>
<td>13,308,981</td>
</tr>
<tr>
<td>Tax increments</td>
<td>1,704,835</td>
<td>1,846,876</td>
</tr>
<tr>
<td>Franchise tax</td>
<td>1,231,567</td>
<td>1,202,803</td>
</tr>
<tr>
<td>Unrestricted grants and contributions</td>
<td>2,523,081</td>
<td>2,530,003</td>
</tr>
<tr>
<td>Investment income</td>
<td>76,052</td>
<td>724,620</td>
</tr>
<tr>
<td>Gain on sale of capital assets</td>
<td>–</td>
<td>8,457</td>
</tr>
<tr>
<td>Total general revenues</td>
<td>18,073,380</td>
<td>19,621,740</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$2,221,654</td>
<td>$4,156,143</td>
</tr>
</tbody>
</table>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City’s governmental and business-type operations are financed. The table clearly illustrates the dependence of the City’s governmental operations on general revenues, such as property taxes and unrestricted grants. It also shows if the City’s business-type activities are generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.
LEGISLATIVE UPDATES

The 2019 legislative session began with a projected state general fund surplus of $1.052 billion. The legislative agenda was primarily focused on setting an operating budget for the state’s fiscal 2020-2021 biennium. At the end of the regular session, only a higher education budget bill had been completed. However, after a special session, the Legislature was able to address the 11 remaining budget bills, as well as pass an omnibus tax bill and small pension bill. The following is a brief summary of specific legislative changes from the 2019 session or previous legislative sessions potentially impacting Minnesota cities.

**Local Government Aid (LGA)** – An additional $26 million was added to the appropriation for the city LGA formula beginning in fiscal 2020, bringing the total state-wide appropriation to $560.4 million. An additional $4 million was added to the appropriation beginning in fiscal 2021. The LGA distribution formula for 2020 was altered to provide that a city’s 2020 LGA may not be less than its 2019 aid, and the cap on maximum aid losses in any year thereafter was modified.

**Bonding Bill** – The 2019 bonding bill provided financing for approximately $102 million of projects and funding authorized by the 2018 omnibus bonding bill, which had been legally challenged due to their reliance on the use of the Environment and Natural Resources Trust Fund to generate appropriation bonds. The 2019 Legislature changed the funding source for these projects to general obligation bonds, clearing the way for the projects to go forward. Included in this was $59 million earmarked for city water and wastewater projects through the state Public Facilities Authority.

**Local Option Sales Tax Process** – Effective May 1, 2019, the process for cities to enact a local option sales tax have been modified, requiring special legislation prior to a local referendum vote. Cities must now adopt a resolution specifying the proposed sales tax rate and time frame for the sales tax. The resolution must also include a detailed description of the project or projects (up to five) to be funded by the sales tax, the amount to be raised for each project, and documentation of the regional significance of each project. The resolution must be submitted to the House and Senate tax committee chairs by January 31st to be considered for special legislation by the State Legislature. If special legislation is approved, voter approval must be obtained by referendum at a general election within two years of legislative approval.

**Wage Theft** – The Legislature enacted a number of changes in employment law aimed at reducing wage theft by employers. The changes require employers to provide written notice to new employees of specific wage information including rate of pay, allowances, paid leave, deductions, days in a pay period, and the employer’s legal name, address, and phone number. Employers must also provide an earnings statement that includes similar information. The changes also create new requirements for employer recordkeeping for hours worked each day and each workweek, and imposes penalties for failure to do so and for refusal to make the records available for inspection by the Department of Labor.

**Written Estimates of Consulting Fees** – Effective August 1, 2019, upon request by applicants for a permit, license, or other approval relating to real estate development or construction, cities are required to provide a written, nonbinding estimate of consulting fees to be charged to the applicant based on information available at that time. The related application will not be considered complete until the city has provided the estimate, received the required application fees, and received the applicant’s signed acceptance of the fee estimate along with a signed statement that the applicant has not relied on the fee estimate in its decision to proceed with the application.

**Contract Retainage** – Effective for contracts entered into August 1, 2019 or later, contract retainage must be released no later than 60 days after the related construction project reaches substantial completion as defined by statute. After substantial completion, cities can still withhold amounts equal to, 1) 250 percent of the cost to correct or complete work known at the time of substantial completion, and 2) the greater of $500 or 1 percent of the value of the contract pending the completion of “final paperwork,” including documents required to fulfill contractual obligations such as operating manuals, payroll documents for projects subject to prevailing wage requirements, and contractor payroll tax withholding affidavits. Any resulting reduction in retainage must be passed from the contractor to all subcontractors at the same rate.
Driver and Vehicle Registration System (VTRS) – The Legislature selected VTRS, a third party vendor system, to replace the failed Minnesota Licensing and Registration System (MNLARS). Fees from driver’s licenses, license plates, and filing fees were increased and a technology surcharge imposed on vehicle registration renewals to pay for the implementation of VTRS, the decommissioning of MNLARS, and to temporarily increase the capacity of Driver and Vehicle Services to meet public service needs. Included in this is $13 million appropriated in 2019 for reimbursement grants to deputy registrars for costs related to MNLARS. The grants, which would be determined by formula, would require the deputy registrar accepting the grant to release the state from any further liability or claims related to MNLARS.

Vaping Ordinance Authority – Effective July 1, 2019, cities are allowed to enact and enforce ordinances with more stringent measures than the Minnesota Clean Indoor Air Act to protect individuals from involuntary exposure to aerosol or vapor from electronic delivery devices.

Water Connection Fees – Effective January 1, 2020, the annual water connection fees cities are required to collect on behalf of the Minnesota Department of Health for water testing and support has been increased from $6.36 to $9.72.

Military Exception to Open Meeting Law – Effective August 1, 2019, members of a public body that are in the military will be allowed to participate in public meetings via interactive television when they are at a required drill, deployed, or on active duty. The member may participate under this exception up to three times a year.

Pension Plan Changes – The 2019 pension bill included several changes to the various pension plans throughout the state:

- Changes to plans administered by the Public Employees Retirement Association (PERA) included:
  - The rights of PERA General Employees Retirement Fund (GERF) plan and Public Employees Police and Fire Fund (PEPFF) plan members to purchase service credit for periods of military leave were expanded. This gives plan members the right to purchase up to five years of service credit for military service leave that is not federally protected because the service occurred prior to public employment or the member did not meet the payment deadlines applicable to federally protected leave service credit purchases.
  - The Phased Retirement Option (PRO) program, which gives cities an opportunity to retain potentially retiring employees that are GERF plan members aged 62 or over, was altered and made permanent. Under a PRO arrangement, an employee would begin collecting a retirement annuity, but could continue working for their current employer for up to five years if they agree to a work schedule that represents a reduction of at least 25 percent each pay period from their current schedule, up to a maximum of 1,044 hours per year. Employees would not be allowed to contribute to a pension benefit plan or accrue additional service time while working under a PRO.
  - A process was established for municipalities and joint powers entities to terminate participation in the PERA Statewide Volunteer Firefighter (SVF) plan if, 1) the entity has either eliminated its fire department or ceased using the services of all departing firefighters and any other noncareer or volunteer firefighters, and 2) the entity’s account has assets sufficient to cover all liabilities including the fully vested liabilities for all departing firefighters and administrative expenses.
• Changes impacting volunteer firefighter relief associations (VRFAs) included:
  
  o Effective January 1, 2020, vesting schedules for defined contribution plans cannot require that a member have more than 20 years of active service to become 100 percent vested in the member's account, or provide for a larger vesting percentage with respect to the completed years of service than as provided in the statutory schedule.

  o Effective January 1, 2020, the permitted graded vesting schedule for defined benefit pension plans is reduced from 20 years to 10 years for full vesting. Also, plans cannot require that a member have more than 20 years of active service to become 100 percent vested in the member’s accrued service pension, or provide for a larger vesting percentage with respect to the completed years of service than as provided in the statutory schedule.

  o Effective January 1, 2020, supplemental benefits are allowed to be paid to designated beneficiaries or estates when plan members have no surviving spouse or children.
ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 outbreak, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB STATEMENT NO. 87, LEASES

A lease is a contract that transfers control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019 and are now effective for fiscal years beginning after June 15, 2021.

GASB STATEMENT NO. 91, CONDUIT DEBT OBLIGATIONS

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.
A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third party obligors in the course of their activities.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020 and are now effective after December 15, 2021. Earlier application is encouraged.
A. FINANCIAL STATEMENT FINDINGS

None.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-001 Internal Control and Compliance With Federal Eligibility Requirements

Summary of Finding

Per testing, the City of South St. Paul (the City) did not complete a re-examination of rent calculations for 10 of 40 tenant files tested. For 3 of 40 tenant files tested, the City had no HUD Form 50058 to support the rent recalculation completed. For 2 of 40 tenant files tested, information used on the HUD Form 50058 was not supported by documentation leading to incorrect rent calculations. When testing tenant files, it was also noted that annual re-examinations were not completed timely in the current year.

Corrective Action Plan

Actions Planned – The City has implemented new processes and procedures in 2020 and has addressed this internal control and compliance finding to comply with the Uniform Guidance in the future.

Official Responsible – The City’s Director of Economic and Community Development.

Planned Completion Date – December 31, 2020.

Disagreement With or Explanation of Finding – The City agrees with this finding.

Plan to Monitor – The City’s Finance Director will ensure internal controls and procedures continue to be in place for future federal grant compliance.
B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2019-002 Internal Control Over Compliance With Federal Procurement, Suspension, and Debarment Requirements

Summary of Finding

Per testing, the City did not verify that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

Corrective Action Plan

Actions Planned – The City has implemented new processes and procedures in 2020 and has addressed this internal control finding to comply with the Uniform Guidance in the future.

Official Responsible – The City’s Director of Economic and Community Development.

Planned Completion Date – December 31, 2020.

Disagreement With or Explanation of Finding – The City agrees with this finding.

Plan to Monitor – The City’s Finance Director will ensure internal controls and procedures continue to be in place for future federal grant compliance.

2019-003 Internal Control and Compliance With Special Tests and Provisions Requirements

Summary of Finding

Per testing, the City did not maintain historical waiting list records to verify new tenants were placed into housing based on approved policies.

Corrective Action Plan

Actions Planned – The City has implemented new processes and procedures in 2020 and has addressed this internal control and compliance finding to comply with the Uniform Guidance in the future.

Official Responsible – The City’s Director of Economic and Community Development.

Planned Completion Date – December 31, 2020.

Disagreement With or Explanation of Finding – The City agrees with this finding.

Plan to Monitor – The City’s Finance Director will ensure internal controls and procedures continue to be in place for future federal grant compliance.
C. MINNESOTA LEGAL COMPLIANCE FINDINGS

2019-004 Withholding Affidavit

Summary of Finding

Minnesota Statutes require the filing of Form IC134 or a Contractor’s Withholding Affidavit Confirmation prior to making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractors. For one project selected for testing, the City did not obtain a Form IC134 before making final payment to the contractor.

Corrective Action Plan

Actions Planned – The City will review policies and procedures to ensure compliance with this statute in the future.

Official Responsible – The City’s Finance Director.

Planned Completion Date – December 31, 2020.

Disagreement With or Explanation of Finding – The City agrees with this finding.

Plan to Monitor – The City’s Finance Director will ensure policies and procedures are updated and in place to ensure compliance with state statutes in the future.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-001 Internal Control Over Compliance With Federal Procurement, Suspension, and Debarment Requirements

A current finding is listed in the report of the City as item 2019-002.
AGENDA ITEM: Concord Street Project

- Streetscape
- Sidewalk Snowplowing

DESIRED MEETING OUTCOMES:

Information only: for input and discussion

OVERVIEW:

- Streetscape

Kimley-Horn presented a general approach to the Concord Street streetscaping which outlined a high, medium and low hierarchy (attached). As staff and Kimley Horn work towards finalizing plans for Concord Street, decisions are needed on streetscaping items such as concrete finishes, general layout and street lighting (Streetscape Master Plan is attached). The current layout includes boulevard trees and streetlights along the entire roadway. Streetlight spacing will be generally as exists today (approximately 120’-130’ spacing staggered on either side of the road). More intense streetscape features such as bollards, benches, and pedestrian lighting are proposed between Grand Avenue and Hardman Avenue. Kimley Horn has provided some suggestions for the hardscape on the attached sheet which provides a comparison to the Southview Boulevard streetscape along with general styles for streetlight alternatives. A detailed cost estimate for streetscape and streetlighting for Concord Street, Concord Exchange, and Hardman Avenue is attached. Please note that only Items A, B, C, D, E, K and L are included in the Concord Street project.

Tom Harrington from Kimley Horn will be making a presentation and will be available to answer questions.

- Sidewalk Snowplowing

During the easement acquisition process, we have been receiving inquiries from both residential and commercial property owners regarding sidewalk snow removal due to both snow storage and access issues. Given these questions, staff is proposing to accomplish snow removal with existing equipment during the 2021/22 season and evaluate the process and potential future needs accordingly. Given past discussions on this topic, we are seeking concurrent of the City Council.

SOURCE OF FUNDS:

Concord Street streetscape costs are estimated at $1,240,000. Funding sources are to be determined.
CONCORD STREET AREA STREETSCAPE
CORRIDOR HIERARCHY APPROACH

CONCORD STREET (TH 156) IMPROVEMENTS
C.P. 2016-11, S.P. 168-010-004, S.P. 1912-59

12/10/2019

LEGEND

- High
- Medium
- Low

Primary Intersection
Secondary Intersection

Marie Ave from 3rd Ave - 12th Ave: Future improvements similar to Southview Blvd, not included in current study by Kimley-Horn
**Theme: Modern Industrial Blended With Southview Blvd**

The images below illustrate existing Southview Blvd streetscape elements, and potential streetscape elements that blend the existing with a modern industrial theme.

<table>
<thead>
<tr>
<th>Streetscape Element Description</th>
<th>Existing Southview &amp; Concord</th>
<th>Potential Streetscape Element Example</th>
</tr>
</thead>
</table>

**Street Lighting**
- Pedestrian street lights have minimal ornamentation and be dark (graphite or black) in color
- All roadway lights to be the modern shoebox type fixture, light gray or stainless in color

**Street Furniture**
- Furniture not incorporated with the planter seats at the intersections should be primarily metal
- All furniture has ornamentation, simple, and a functional aesthetic

**Walls (Retaining, Planter, and Screening)**
- C.I.P. retaining walls to match an existing wall aesthetic
- Walls should provide some texture to prevent graffiti tagging
- A single color (versus a multi-color) paint system can be used to tie the Southview Blvd inspired texture to the modern industrial theme
- Concrete planters at intersections should have a clean, minimally ornamental finish
Theme: Modern Industrial Blended With Southview Blvd
The images below illustrate existing Southview Blvd streetscape elements, and potential streetscape elements that blend the existing with a modern industrial theme.

<table>
<thead>
<tr>
<th>Streetscape Element Description</th>
<th>Existing Southview &amp; Concord</th>
<th>Potential Streetscape Element Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Special Boulevard and Median Pavements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Standard gray, integrally colored dark gray, and integrally colored gray-tan concrete are potential colors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Standard gray to indicate ‘pedestrian safe’ zones. A different finish or jointing can indicate special areas (Ex. Grand and Hardman intersection corners)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Integrally colored and heavily textured/stamped concrete indicate zones where pedestrians either should not go (medians) or need to be aware of their proximity to the adjacent street (maintenance edge)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fences and Railings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Fences and railings color should minimize their visual impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Minimal ornamentation and simple design provides function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Black vinyl clad chain link is found along Southview Blvd and also ties to a Modern Industrial theme</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Landscape</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The landscape palette should reflect the context of each street’s location and select species responsive to the spacing of trees (15’, 40’, and 50’ O.C.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Concord Street boulevards should incorporate trees with broad canopies to bring as much green to the corridor as possible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Median trees to be smaller and/or narrow in form</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Concord Street Area Streetscape Lighting Alternatives

June 15, 2020
Design Style B: *Squared Lantern*

Concord Street Area Streetscape Lighting Alternatives

June 15, 2020
Design Style C: *Rounded Lantern*

Concord Street Area Streetscape Lighting Alternatives

June 15, 2020
## Concord Street Area Concept Streetscape - Estimate of Construction Costs

**South St. Paul**

**June 3, 2020**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item</th>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Unit</th>
<th>Total</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Segment 1 - Concord Street (5,280 LF)</td>
<td>Boulevard Overstory Trees, 2.5” cal. B &amp; B</td>
<td>182</td>
<td>$600.00</td>
<td>EA</td>
<td>$109,200</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Bench and concrete pad</td>
<td>7</td>
<td>$2,500.00</td>
<td>EA</td>
<td>$17,500</td>
<td></td>
</tr>
<tr>
<td>B. Segment 2A - Concord Street (1,330 LF)</td>
<td>Boulevard Overstory Trees, 2.5” cal. B &amp; B</td>
<td>59</td>
<td>$600.00</td>
<td>EA</td>
<td>$35,400</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Bench and concrete pad</td>
<td>2</td>
<td>$2,500.00</td>
<td>EA</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>C. Segment 2B - Concord Street (1,750 LF)</td>
<td>Boulevard maint. edge; 4’ wide; integr. colored &amp; textured</td>
<td>10,227</td>
<td>$6.00</td>
<td>SF</td>
<td>$61,362</td>
<td>Includes only the cost of integral color and special texture</td>
</tr>
<tr>
<td></td>
<td>Median maint. edge and separators; 4’ wide; integr. colored &amp; textured</td>
<td>9,122</td>
<td>$6.00</td>
<td>SF</td>
<td>$54,732</td>
<td>Includes only the cost of integral color and special texture</td>
</tr>
<tr>
<td></td>
<td>Median infill special pavement; integr. colored &amp; textured</td>
<td>602</td>
<td>$8.00</td>
<td>SF</td>
<td>$4,816</td>
<td>Includes only the cost of integral color and special texture</td>
</tr>
<tr>
<td></td>
<td>Median planting area soil - Total of all planting areas</td>
<td>195</td>
<td>$50.00</td>
<td>CY</td>
<td>$9,750</td>
<td>Select topsoil borrow at 18” depth</td>
</tr>
<tr>
<td></td>
<td>Median planting area mulch - Total of all planting areas</td>
<td>1</td>
<td>$500.00</td>
<td>LS</td>
<td>$500</td>
<td>Type 6 shredded hardwood; 4” depth</td>
</tr>
<tr>
<td></td>
<td>Planting Area A - Daylilies; No. 1 Cont.</td>
<td>490</td>
<td>$20.00</td>
<td>EA</td>
<td>$9,800</td>
<td>12” alternate centers</td>
</tr>
<tr>
<td></td>
<td>Planting Area B - Karl Forester Grass; No. 3 Cont.</td>
<td>320</td>
<td>$75.00</td>
<td>EA</td>
<td>$24,000</td>
<td>18” alternate centers</td>
</tr>
<tr>
<td></td>
<td>Planting Area C - Low Juniper; No. 3 Cont.</td>
<td>146</td>
<td>$150.00</td>
<td>EA</td>
<td>$21,900</td>
<td>36” alternate centers</td>
</tr>
<tr>
<td></td>
<td>Planting Area D - Gro-Low Sumac; No. 2 Cont.</td>
<td>683</td>
<td>$50.00</td>
<td>EA</td>
<td>$34,150</td>
<td>18” alternate centers</td>
</tr>
<tr>
<td></td>
<td>Boulevard Overstory Trees, 2.5” cal. B &amp; B</td>
<td>34</td>
<td>$600.00</td>
<td>EA</td>
<td>$20,400</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Boulevard Upright/Ornamental Trees, 1.5” cal. B &amp; B</td>
<td>43</td>
<td>$550.00</td>
<td>EA</td>
<td>$23,650</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Median Overstory Trees, 2.5” cal. B &amp; B</td>
<td>6</td>
<td>$550.00</td>
<td>EA</td>
<td>$3,300</td>
<td>Topsoil and mulch per planting beds</td>
</tr>
<tr>
<td></td>
<td>Median Upright/Ornamental Trees, 1.5” cal. B &amp; B</td>
<td>10</td>
<td>$500.00</td>
<td>EA</td>
<td>$5,000</td>
<td>Topsoil and mulch per planting beds</td>
</tr>
<tr>
<td></td>
<td>Bench and concrete pad</td>
<td>2</td>
<td>$2,500.00</td>
<td>EA</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>D. Segment 3 - Concord Street (5,195 LF)</td>
<td>Boulevard Trees, 2.5” cal. B &amp; B</td>
<td>20</td>
<td>$600.00</td>
<td>EA</td>
<td>$12,000</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Median Trees, 1.5” cal. B &amp; B</td>
<td>0</td>
<td>$550.00</td>
<td>EA</td>
<td>$0</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Boulevard maint. edge; 3’ wide; integrally colored and textured</td>
<td>31,170</td>
<td>$6.00</td>
<td>SF</td>
<td>$187,020</td>
<td>Includes only the cost of integral color and special texture</td>
</tr>
<tr>
<td></td>
<td>Bench and concrete pad</td>
<td>4</td>
<td>$2,500.00</td>
<td>EA</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>E. Segment 4 - Concord Street (4,105 LF)</td>
<td>Boulevard Trees, 2.5” cal. B &amp; B</td>
<td>129</td>
<td>$600.00</td>
<td>EA</td>
<td>$77,400</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td></td>
<td>Bench and concrete pad</td>
<td>3</td>
<td>$2,500.00</td>
<td>EA</td>
<td>$7,500</td>
<td></td>
</tr>
</tbody>
</table>

**Limits:**

- **Segment 1A:** Concord Street (5,280 LF)
  - Limits: 494 (beginning of project) to Veteran’s Memorial Dr
  - Total Cost: $126,700
- **Segment 1B:** Concord Street (1,330 LF)
  - Limits: Veteran’s Memorial Dr - Grand Ave & Hardman Ave - Wentworth Ave
  - Total Cost: $40,400
- **Segment 2A:** Concord Street (1,750 LF)
  - Limits: I-494 (beginning of project) to Veteran’s Memorial Dr
  - Total Cost: $278,360
- **Segment 3:** Concord Street (5,195 LF)
  - Limits: Grand Ave to Hardman Ave
  - Total Cost: $209,020
- **Segment 4:** Concord Street (4,105 LF)
  - Limits: Hardman Ave to Minikahda Mini Storage
  - Total Cost: $84,900
### F. Segments 5 & 6 - Grand Avenue (2,350 LF)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Median infill special pavement; integ. colored &amp; textured</td>
<td>9,230</td>
<td>SF</td>
<td>73,840</td>
<td>Includes only the cost of integral color and special texture, assumes only length west of Concord St.</td>
</tr>
<tr>
<td>2</td>
<td>Boulevard topsoil</td>
<td>375</td>
<td>CY</td>
<td>15,000</td>
<td>Topsoil borrow at 6&quot; depth</td>
</tr>
<tr>
<td>3</td>
<td>Boulevard sod</td>
<td>2,265</td>
<td>SY</td>
<td>18,120</td>
<td>Lawn type sod</td>
</tr>
<tr>
<td>4</td>
<td>Boulevard OverstoryTrees, 2.5&quot; cal. B &amp; B</td>
<td>125</td>
<td>EA</td>
<td>75,000</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td>5</td>
<td>Pedestrian/Streetlight; 18' height ornamental</td>
<td>62</td>
<td>EA</td>
<td>620,000</td>
<td>Includes concrete base, wires, conduit</td>
</tr>
<tr>
<td>6</td>
<td>Lighting controls</td>
<td>1</td>
<td>LS</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Concrete Walk, 4&quot;</td>
<td>23,500</td>
<td>SF</td>
<td>141,000</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Bituminous Cycle Track, 3&quot;</td>
<td>23,500</td>
<td>SF</td>
<td>82,250</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Bench and concrete pad</td>
<td>10</td>
<td>EA</td>
<td>25,000</td>
<td></td>
</tr>
</tbody>
</table>

**Total Cost** $1,060,210

Street reconstruction to this new section not estimated - new streetscape elements only

### G. Segment 7 - Hardman Avenue (1,940 LF)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boulevard topsoil</td>
<td>410</td>
<td>CY</td>
<td>16,400</td>
<td>Topsoil borrow at 6&quot; depth</td>
</tr>
<tr>
<td>2</td>
<td>Boulevard sod</td>
<td>2,500</td>
<td>SY</td>
<td>20,000</td>
<td>Lawn type sod</td>
</tr>
<tr>
<td>3</td>
<td>Boulevard OverstoryTrees, 2.5&quot; cal. B &amp; B</td>
<td>90</td>
<td>EA</td>
<td>54,000</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td>4</td>
<td>Streetlight; 30' height</td>
<td>13</td>
<td>EA</td>
<td>91,000</td>
<td>Includes concrete base, wires, conduit</td>
</tr>
<tr>
<td>5</td>
<td>Lighting controls</td>
<td>1</td>
<td>LS</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Concrete Walk, 4&quot;</td>
<td>9,700</td>
<td>SF</td>
<td>58,200</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Bench and concrete pad</td>
<td>1</td>
<td>EA</td>
<td>2,500</td>
<td></td>
</tr>
</tbody>
</table>

**Total Cost** $252,100

Street reconstruction to this new section not estimated - new streetscape elements only

### H. Segment 8 - Concord Exchange (2,070 LF)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boulevard topsoil</td>
<td>600</td>
<td>CY</td>
<td>24,000</td>
<td>Topsoil borrow at 6&quot; depth</td>
</tr>
<tr>
<td>2</td>
<td>Boulevard sod</td>
<td>3,575</td>
<td>SY</td>
<td>28,600</td>
<td>Lawn type sod</td>
</tr>
<tr>
<td>3</td>
<td>Boulevard OverstoryTrees, 2.5&quot; cal. B &amp; B</td>
<td>54</td>
<td>EA</td>
<td>32,400</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td>4</td>
<td>Streetlight; 30' height</td>
<td>17</td>
<td>EA</td>
<td>119,000</td>
<td>Includes concrete base, wires, conduit</td>
</tr>
<tr>
<td>5</td>
<td>Lighting controls</td>
<td>1</td>
<td>LS</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Concrete Walk, 4&quot;</td>
<td>10,350</td>
<td>SF</td>
<td>62,100</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Bench and concrete pad</td>
<td>2</td>
<td>EA</td>
<td>5,000</td>
<td></td>
</tr>
</tbody>
</table>

**Total Cost** $281,100

Street reconstruction to this new section not estimated - new streetscape elements only

### I. Segment 9 - Concord Exchange (1,470 LF)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boulevard topsoil</td>
<td>300</td>
<td>CY</td>
<td>12,000</td>
<td>Topsoil borrow at 6&quot; depth</td>
</tr>
<tr>
<td>2</td>
<td>Boulevard sod</td>
<td>1,745</td>
<td>SY</td>
<td>13,960</td>
<td>Lawn type sod</td>
</tr>
<tr>
<td>3</td>
<td>Boulevard OverstoryTrees, 2.5&quot; cal. B &amp; B</td>
<td>70</td>
<td>EA</td>
<td>42,000</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td>4</td>
<td>Pedestrian/Streetlight; 18' height ornamental</td>
<td>13</td>
<td>EA</td>
<td>130,000</td>
<td>Includes concrete base, wires, conduit</td>
</tr>
<tr>
<td>5</td>
<td>Lighting controls</td>
<td>1</td>
<td>LS</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Concrete Walk, 4&quot;</td>
<td>17,640</td>
<td>SF</td>
<td>105,840</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Bench and concrete pad</td>
<td>2</td>
<td>EA</td>
<td>5,000</td>
<td></td>
</tr>
</tbody>
</table>

**Total Cost** $318,800

Street reconstruction to this new section not estimated - new streetscape elements only

### J. Segment 10 - Concord Exchange (2,130 LF)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boulevard maint. edge; 6' wide; integ. colored &amp; textured</td>
<td>16,120</td>
<td>SF</td>
<td>241,800</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Concrete Walk; 4&quot; with special jointing and finish</td>
<td>8,800</td>
<td>SF</td>
<td>66,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Concrete Walk; 4&quot;</td>
<td>25,280</td>
<td>SF</td>
<td>151,680</td>
<td></td>
</tr>
</tbody>
</table>

**Total Cost** $381,480

Street reconstruction to this new section not estimated - new streetscape elements only
<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Total Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulevard planting area soil - Total of all planting areas</td>
<td>367</td>
<td>$50.00</td>
<td>$18,350</td>
<td>Select topsoil borrow at 18” depth</td>
</tr>
<tr>
<td>Boulevard planting area mulch - Total of all planting areas</td>
<td>1</td>
<td>$500.00</td>
<td>$500</td>
<td>Type 6 shredded hardwood; 4” depth</td>
</tr>
<tr>
<td>Boulevard Overstory Trees, 2.5” cal. B &amp; B</td>
<td>110</td>
<td>$400.00</td>
<td>$44,000</td>
<td>20 plants per planting area (cost is EA for approx. 6’ x 10’ area)</td>
</tr>
<tr>
<td>Pedestrian/Streetlight; 18’ height ornamental</td>
<td>43</td>
<td>$10,000.00</td>
<td>$430,000</td>
<td>Cost of topsoil and mulch rings are incidental</td>
</tr>
<tr>
<td>Lighting controls</td>
<td>1</td>
<td>$10,000.00</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Bicycle Racks</td>
<td>16</td>
<td>$500.00</td>
<td>$8,000</td>
<td></td>
</tr>
<tr>
<td>Trash and Recycling Container; Set of 2</td>
<td>10</td>
<td>$2,400.00</td>
<td>$24,000</td>
<td></td>
</tr>
<tr>
<td>Bench and concrete pad</td>
<td>10</td>
<td>$2,500.00</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td></td>
<td>$1,090,830</td>
<td>Street reconstruction to this new section not estimated - new streetscape elements only</td>
</tr>
</tbody>
</table>

**K. Grand Avenue Intersection**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Total Cost</th>
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<td>Corner concrete planter tree; 1.5” cal. B &amp; B</td>
<td>8</td>
<td>$750.00</td>
<td>$6,000</td>
<td>Includes cost of topsoil fill, mulch and tree</td>
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<tr>
<td>Pedestrian/Streetlight; 18’ height ornamental</td>
<td>4</td>
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<td>$40,000</td>
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</tr>
<tr>
<td>Banner Pole w/Banners; 18’ height ornamental; Set of 3</td>
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<tr>
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<td>$2,400</td>
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<td><strong>Total Cost</strong></td>
<td></td>
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<td>$169,340</td>
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**L. Hardman Avenue Intersection**

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<td>Includes cost of concrete, formwork, waterproofing, finish, and wooden bench</td>
</tr>
<tr>
<td>Corner concrete planter tree; 1.5” cal. B &amp; B</td>
<td>8</td>
<td>$750.00</td>
<td>$6,000</td>
<td>Includes cost of topsoil fill, mulch and tree</td>
</tr>
<tr>
<td>Pedestrian/Streetlight; 18’ height ornamental</td>
<td>4</td>
<td>$10,000.00</td>
<td>$40,000</td>
<td></td>
</tr>
<tr>
<td>Banner Pole w/Banners; 18’ height ornamental; Set of 3</td>
<td>4</td>
<td>$14,000.00</td>
<td>$56,000</td>
<td></td>
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<tr>
<td>Trash and Recycling Container; pair</td>
<td>1</td>
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<td><strong>Total Cost</strong></td>
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**Subtotal** $4,078,636

15% Contingency $611,795

**TOTAL** $4,690,431

Notes:
A Schedule items in black are measured quantities as included in master streetscape plan rendering
B Schedule items in red are approximate quantities calculated from the 150’ segment typicals created as a part of the Concord Area Streetscape Corridor Study
C Concord Exchange includes street extension connecting Concord Exchange to Concord St at Hardman Ave
AGENDA ITEM:  Central Square Community Center Management Agreement Discussion

DESIRED MEETING OUTCOMES:

Discuss the current Central Square Community Center Management Agreement and the future of operation.

OVERVIEW:

Central Square History:
In March of 2000, the citizens of South St. Paul passed a bond referendum in support of South St. Paul Public Schools. A portion of this bond was earmarked to renovate Central Square Community Center (CSCC). During the year and a half process, over $1.7 million referendum-approved dollars were spent to renovate over 7,000 square feet of space and construct an additional 3,000 square feet of new space at Central Square. Operation began in February 2002. The Parks & Recreation Department relocated to CSCC from Wakota Arena to manage the operation of the new community center under a joint Management Agreement between Special School District 6 and the City of South St. Paul.

Current Operation:

Memberships:
The core operation of CSCC is dependent upon membership and program revenue. Memberships hit a peak in 2013 at 1,002 and have steadily declined since. 2019 concluded with 692 memberships, a 31% decrease in membership from the all-time high.

Classes and Programs:
Instructor-led Fitness Classes and youth programs, primarily swimming and gymnastics lessons, comprise the majority of program revenue. The revenue and participation numbers have remained steady over time. Gymnastics lessons remains our most popular offering, achieving maximum attendance with wait lists for most class levels and sessions.

The Senior Center:
In 2005, the Parks & Recreation Department began to contractually operate the Senior Center at Central Square on behalf of the school district. Under the Agreement, the school district’s community education budget pays approximately 33% ($2,407 per month) of one Recreation Supervisor’s salary. Revenues and expenditures are processed through the school district’s community education budget. While the individual Senior Center programs run budget neutral (revenue covers expenditures), there is not enough participation and surplus to support a staff member or the current contribution to the Recreation Supervisor’s salary. All five staff members officed at CSCC support the Senior Center operations in some capacity.
Capital Projects Fund:
CSCC supports building capital projects that the school district does not have the funding to improve. Since the creation of the project fund in 2009, where any annual profit from the operation of CSCC is annual reserved for Capital Projects, Central Square’s operation to date has contributed $338,866 to building, grounds, and facility equipment capital costs. The current capital fund balance is $69,434, which cannot be used on operational expenses, only capital improvements, per the Management Agreement.

School District Activities:
Special School District 6 utilizes CSCC for the practices and competitions of three sports: girls swim team (fall season) boys swim team (winter season), and gymnastics (winter season). Members are not allowed to use the areas in CSCC these sports occupy when they are in session for practices, camps, and competitions. Community Education utilizes the facility’s meeting and activity rooms for classes, primarily on weekends. School district activities receive priority as the landlord, thus can supersede any other scheduled activity whether CSCC-sponsored or outside group.

Building and Custodial Support:
Special School District 6 provides evening custodial services, operates and maintains the indoor pool, and maintains the physical building. CSCC’s operating budget does not directly pay for these services, building rent or utilities. The CSCC operational budget does pay for summer pool operation, billed at $14,000 annually, which began being charged by the school district to CSCC in 2010.

Considerations:
Membership is in decline, market pressure has increased:
When the CSCC opened in 2002, anecdotally there were few fitness opportunities in the community: Curves, which serves a female only clientele, the West St. Paul YMCA, and the Veterans Memorial Community Center (aka The Grove) in Inver Grove Heights. Over time, a substantial number pocket and major corporate fitness facilities have moved into the area including Anytime Fitness, Snap Fitness, 24-hour Fitness, Orange Theory, LA Fitness, and Planet Fitness. While many of these facilities are not the comparable offering and scope of CSCC, the market pressure has forced the CSCC Board to put a hold on membership pricing for the past five years. Even with holding the line on membership pricing along with adopting virtually every fitness reimbursement and senior fitness program incentive, memberships continue to decline citing there are less expensive options at other, newer, and many times larger facilities. While CSCC revenue continues to decline, operating costs incrementally increase due to inflation and regular hard costs. To sustain the future of CSCC, increased taxpayer subsidy will likely be needed to operate.

Budget savings for both parent organizations in a time of economic uncertainty:
Due to 2020 economic impacts, caused in large part to the pandemic, both parent organizations are undoubtedly facing budget challenges. If the current operation of CSCC is to change, both parents would realize a cost savings in a time of need. While the exact changes are not defined, less services provided by CSCC would reduce operation costs and regular building maintenance needs for both parents. In addition, a budgetary cushion currently exists through the capital project fund balance of $69,434. If the capital fund was repurposed by the parents to support on-going operation expenses and anticipated shortfalls, the fund is not sustainable and may not be able to provide operation change support in the future.
Service to the community, especially the Senior Center:
If CSCC operations were altered, the existing membership would be impacted unless Special School District 6 continues to operate the building as a community center or a public building with limited access, such as community meeting reservations. If the fitness components ceased operation, current members have a variety of choices and inexpensive options provided locally by the public and private sectors.

Parks & Recreation Transition Opportunity:
The Parks & Recreation Department at this point in time has a unique opportunity to physically relocate office location while still offering community activities and classes.

Doug Woog Arena:
Due to the recent vacancy created by the relocation of the Community Learning Center (CLC) by Special School District 6, there is a location for the Parks & Recreation Department to move to. Supervision of the arena was transitioned back to the Parks & Recreation department in 2011 and since then management of the arena and personnel structure has changed which requires more support and oversight due to the improving success of arena operation and ice sales. The Parks & Recreation Department personnel can provide onsite assistance with arena operations and programming along with expanded opportunities utilizing season dryland space and the former CLC space which could include programs, events, classes, Senior Center operation, and community meeting space.

Budget savings and benefits:
The Parks & Recreation Department relocation will lessen the burden of taxpayers of both city and school, which is the same taxpayer. Ceasing operation of CSCC will save city computer hardware and software costs, reduce the need for administrative and finance department resources, and reduce staffing needs. In turn, Special School District 6 will benefit from an improved building with vacant interior space, more parking for the Secondary Building, and reduced utility and building costs when not operating as a community center, seven days a week.

The Parks & Recreation Department is proud of the 18-year history of operating Central Square Community Center and the relationship with Special School District 6. The factors currently in place for any transition to occur at this time point to many positives that are time sensitive, which is why this discussion is appropriate. Staff seeks direction regarding the continuation of this discussion both internally and externally.

**SOURCE OF FUNDS:**

N/A
## Revenues

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## Expenditures

**Current**

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<td>Materials and supplies</td>
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<td>Services and other charges</td>
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## Net change in fund balance

$\text{Net change in fund balance} = \text{Actual} - \text{Actual}$

$\text{Net change in fund balance} = (16,221) - (18,976)$

$10,486$ $\text{Fund balance - January 1} = 58,948$

$\text{Fund balance - December 31} = 69,434$
CENTRAL SQUARE MANAGEMENT AGREEMENT

THIS CENTRAL SQUARE MANAGEMENT AGREEMENT is made and entered into as of the 1st day of July, 2004, (the “Effective Date” and amended the 7th day of March, 2005, 1st day of June, 2009, and 2nd day of September 2014) by and between the City of South St. Paul (the “City”), a Minnesota municipal corporation, and Special School District No. 6 (the “District”), a Minnesota public corporation (individually “Party” and collectively “Parties”). For valuable consideration, the Parties agree as follows:

ARTICLE ONE
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined in this Agreement, the capitalized terms used herein shall have the meanings set forth in this Article One. Unless otherwise provided in this Agreement: (a) reference to any Party will include such Party’s successors or permitted assigns; (b) reference to any law, ordinance or document will mean that law, ordinance or document as amended or supplemented from time to time; (c) when the context so requires, the singular includes the plural; and (d) references to any Section or Article will mean such Section or Article as it appears in this Agreement.

1.1.1 Agreement means this Agreement, including all exhibits incorporated herein, as it may be amended or restated from time to time.

1.1.2 Board means the Board of Education of Special School District No. 6, its governing body.

1.1.3 Bond Issue means the $17,590,000 District bond issue approved by the voters in the year 2000, from the proceeds of which $1,730,000 was used for capital improvements to Central Square.

1.1.4 Central Square Board means the board established pursuant to Article 4.

1.1.5 City means the City of South St. Paul, a Minnesota municipal corporation.

1.1.6 Central Square means the buildings, equipment, as defined in Addendum 1 and interior and exterior facilities used as a community center or in conjunction therewith, for student and citizen education and recreation at 100 -7th Avenue North in the City. Central Square is legally described on Exhibit A. (Please see exhibit A at the end of the document.)

1.1.7 City Council means the governing body of the City.

1.1.8 District means Special School District No. 6, a Minnesota public corporation.
1.1.9 **Uncontrollable Circumstances** means circumstances over which the Party required to make performance does not have control and which cannot or could not have been avoided by the exercise of reasonable care, including, but not limited to, acts of God, accidents, war, civil unrest, embargoes, strikes, litigation, blizzards, ice storms (but not including reasonably anticipated weather conditions for the geographic area), and delays by the other Party in the performance of its obligations.

**ARTICLE TWO**

**RECITALS**

**Section 2.1 Central Square.** The Central Square physical building is owned, operated, maintained and managed by the District. The District is responsible for the maintenance items listed in Addendum 2. It is used by the District and the City for the educational and recreational activities of the Parties’ constituencies.

**Section 2.2 Joint Management.** The Parties desire to undertake the joint management and operation of educational and recreational activities at Central Square in accordance with the terms and conditions of this Agreement.

**Section 2.3 Joint Powers.** The Parties are governmental units responsible for the education and recreation of their respective constituents, and enter into this Agreement pursuant to the authority conferred upon them by Minnesota Statutes Section 471.59 (1998).

**ARTICLE THREE**

**THE AGREEMENT**

**Section 3.1 Purpose.** The purpose of this Agreement is to establish a joint administrative board to operate, manage and maintain (as defined by Addendum 2) Central Square as a Community Center which provides educational and recreational activities and to define the rights and obligations of the administrative board and the Parties.

**Section 3.2 Cooperation.** The Parties shall reasonably cooperate with each other in the implementation and performance of this Agreement. The duty to cooperate shall not require a Party to act in a manner inconsistent with its rights under this Agreement.

**Section 3.3 Term.** The initial term of this Agreement shall be two (2) years from the Effective Date. The term of this Agreement shall be renewable for successive one (1) year terms ("Extended Terms"), on the same terms and conditions provided that each Party notifies the other Party of its intention to renew this Agreement not less than ninety (90) calendar days prior to the beginning of the next Extended Term. This Agreement should be reviewed annually at a meeting between the City and the District.
ARTICLE FOUR
CENTRAL SQUARE BOARD

Section 4.1 Establishment. An administrative board designated the Central Square Board is hereby established with membership, obligations and authority as specified in this Agreement.

Section 4.2 Membership. The Central Square Board shall be composed of six members; three appointed by the City Council and three appointed by the School District Board. The Central Square Board Members initially appointed by each Party shall be appointed for terms of one (1) year; two (2) years, and three (3) years respectively. Thereafter, all Central Square Board members shall be appointed for three (3) year terms, and until a successor has been appointed and qualifies. A vacancy in the office of Central Square Board shall be filled for the unexpired term in like manner as provided for the selection of the member who vacated the office. The School District Board and the City Council will each appoint one of their members to serve as an ex-officio liaison to the Central Square Board.

Section 4.3 Meetings. The Central Square Board shall hold a regular meeting a minimum of five times a year on the dates and at the times and places provided in the bylaws or in a resolution adopted by the Central Square Board and filed in the office of the City Clerk and the office of the Secretary of the Board. Special meetings of the Central Square Board may be called by the Chair, or at the Chair’s refusal by any four members, by written demand filed with the Secretary. Notice of a special meeting shall be given to each Central Square Board member by not less than three (3) days written notice stating the purpose(s), date, time, and place of the meeting, and by posted notice as required by law. The notice shall be mailed or otherwise delivered to each member of the Central Square Board.

4.3.1 Open Meetings. Meetings of the Central Square Board shall be open to the public and shall be subject to the provisions of Minnesota Statutes, Section 471.705 (1998).

Section 4.4 Bylaws. The Central Square Board shall adopt bylaws, not inconsistent with the provisions of this Agreement, governing its meetings and affairs. Adopted bylaws are listed in Addendum 3.

Section 4.5 Termination for Absence. The membership of a member of the Central Square Board who is absent from three consecutive regular or special meetings of the Central Square Board, without the approval of the Chair, shall terminate ten (10) days after the last meeting not attended. The Secretary of the Central Square Board shall promptly notify the member of the membership termination, the Central Square Board and the Party that appointed the terminated member.
Section 4.6 Officers. The officers of the Central Square Board shall be a Chair, Vice Chair, and Secretary who must be members of the Central Square Board. The term of office of the officers shall be for one year and until their successors are elected and qualify, except for termination under Section 4.3. The initial Chair shall be elected from the members appointed by the City Council and the Vice Chair from the members appointed by the Board. Thereafter, the election of the Chair and the Vice Chair shall alternate between the members appointed by the City Council and the members appointed by the Board.

4.6.1 Chair. The Chair shall preside at all meetings of the Central Square Board and shall exercise general supervision and direction over the more significant matters of policy affecting the operation, maintenance, and management of Central Square.

4.6.2 Vice Chair. In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform the duties of the Chair; and, when so acting, shall have all the powers and be subject to all the limitations upon the Chair. The Vice Chair shall also perform such other duties as from time to time may be assigned to him or her by the Central Square Board.

4.6.3 Secretary. The Secretary shall, unless otherwise determined by the Central Square Board, be the Secretary of the Central Square Board and record the proceedings of the meetings of the Central Square Board and prepare and retain minutes of the meetings in appropriate form. The Secretary shall give proper notice of all meetings, and shall perform such other duties as may be assigned to the office by the Central Square Board.

ARTICLE FIVE
CENTRAL SQUARE BOARD AUTHORITY

Section 5.1 General. The Central Square Board shall have the authority and obligation to manage and operate Central Square educational and recreational activities on behalf of the Parties in accordance with the terms and conditions of this Agreement. Addendum 4 lists in-kind services that the City provides and pays for and the list of services and expenses paid for by the District.

Section 5.2 Authority. The authority and obligations of the Central Square Board shall include, but not be limited to, the following:

5.2.1 Establish, implement, and enforce policies regarding the use of Central Square, including space, equipment, and facilities by the constituencies of the District and the City. See Addendum 5 for Room Rental Policy, Addendum 6 for Membership Agreement and Liability Waiver, Addendum 7 for Purchasing Policy, Addendum 8 for Parking Policy, Addendum 9 for Capital Improvement Policy, Addendum 10 for Fees and Charges.
5.2.2 Make contracts, incur expenses, and make expenditures necessary and incident to its powers set forth in subsection 5.2.1 and provided they are included in and are consistent with the Central Square Budget (as defined in Section 6.1). All contracts shall be made in accordance with the Uniform Municipal Contracting Law (Minnesota Statutes, Section 471.345 (1998)).

5.2.3 Recommend an annual operating budget (including detailed revenue and expenditures) for the purposes of this Agreement to the District and the City no later than August 1 of each year for the succeeding calendar year. This budget will be formally approved by the District and City no later than September 1 of each year.

5.2.4 Establish personnel position descriptions necessary to accomplish the purposes of this Agreement, and to supervise or provide for the general supervision of personnel while engaged in services pursuant to this Agreement in accordance with the adopted budget. Addendum II contains a list of Central Square employees that are funded by the operating budget with their accompanying position descriptions.

5.2.5 If available and upon request, the District or the City, as the case may be, shall provide and assign their respective employees within the personnel position descriptions to the Central Square Budget on a full time or part time basis as required. The charges to be billed to the Central Square Budget for the personnel shall consist of actual costs for labor, including fringe benefits and costs directly related to such labor such as workers comp insurance. Each Party will provide engineering, accounting, legal, financial and other similar services to the Central Square Community Center on an as needed basis.

5.2.6 Liability Insurance. The District and the City shall name CSCC as an additional insured on their liability policies and furnish evidence that such insurance is in force. Addendum 6 contains the current Certificate of Liability Insurance.

5.2.7 Property Insurance. The District shall remain responsible for building related costs including fire and extended coverage insurance on Central Square unless said costs are specifically included in the approved CSCC Budget. Addendum 6 contains the current Certificate of Property Insurance.

5.2.8 Recommend a capital improvement list to the Board and Council each year for their consideration. This capital improvement list will serve as a vision for the on-going development of this facility. A current list is included in Addendum 9.

ARTICLE SIX
FINANCIAL
Section 6.1 Central Square Budget. Not later than September 1 of each year, the Parties shall approve a budget for the succeeding calendar year for the activities relating to Central Square in the budget year ("Central Square Budget").

Section 6.2 Funds Depository. The City shall act as the fiscal agent and depository for Central Square. Disbursement of the funds will be in accordance with the approved budget. The City and District may agree to amend the Budget at any time. The City shall provide an annual financial report and timely monthly budget reports to the Board and the District of all revenue and expenditures. All financial records will be available to the School and City upon request. The City will also serve as the hiring agent for the operation of CSCC.

Section 6.3 Mediation. In the event the Parties are unable to agree upon a Central Square Budget by October 1 in any year, the controversy shall be referred to mediation before a neutral party selected by the Parties. The mediation shall be attended by officials of each Party having authority to settle the dispute.

Section 6.4 Cash Flows, Financing and Deficits. Debts to outsiders and between the City and District will be paid promptly. Projected and actual cash flow needs will be shared equally between the City and the School District and covered by timely cash deposits. Deficits if any will be determined at calendar year-end and will be shared equally between the City and the School District via appropriate payment.

Section 6.5 Operational Contribution. The adopted yearly CSCC Budget will serve as a guideline as to future operational contributions by the School District and the City.

Section 6.6 Budget Surplus. At the end of the City’s fiscal year, any budget surplus shall be deposited into a separate capital fund account to be used for capital outlay projects and costs that have been identified in a Capital Improvement Program (CIP). The fund shall not be used for on-going operational expenses. The CIP shall be recommended by the Board and approved by the School District and the City as part of the budget process no later than September 1 of the proceeding year. Upon annual budget approval by the School and City, the Board has the authority to approve project expenditures within that approved budget year as listed in the adopted CIP. Capital items to be included in the CIP are $3,000 and above. Items less than $3,000 are considered operational expenses and are budget and expended from the CSCC annual operational budget. The Board has the authority to approve special, unanticipated expenditures provided they meet the CSCC purchasing policy and funds are available through the budget surplus capital fund. Addendum 9 contains the current CIP project list.

ARTICLE SEVEN
DEFAULT; TERMINATION

Section 7.1 Event of Default. The persistent or repeated failure or refusal by a Party to substantially fulfill any of its material obligations under this Agreement shall constitute an Event of Default on the part of the Defaulting Party.
Section 7.2 **Opportunity to Cure.** No event set forth in Section 7.1 shall constitute an Event of Default giving rise to the right to terminate this Agreement unless and until (a) written notice is given to the Defaulting Party specifying that particular Event(s) of Default exists which will, unless corrected within not more than ten (10) days, constitute a material breach of this Agreement on the part of the Defaulting Party, and (b) the Defaulting Party has not corrected such default within such period of time.

Section 7.3 **Performance Excused.** In the event of an Unavoidable Circumstance, the inability or delay in the performance of any of the terms and provisions of this Agreement shall be excused and shall not constitute an Event of Default.

**ARTICLE EIGHT**

**GENERAL PROVISIONS**

Section 8.1 **Notices.** Unless otherwise specifically provided, all notices, request, or other communications required or permitted to be given or made under this Agreement shall be in writing and may be delivered personally, or may be sent by cable, telex, facsimile, or certified mail (returned receipt requested) addressed:

**If to the City:**
City of South St. Paul  
125 Third Avenue North  
South St. Paul, MN 55075  
Attn: City Administrator

**If to the School District**
Special School District No. 6  
District Administrative Center  
104 Fifth Avenue South  
South St. Paul, MN 55075  
Attn: District Superintendent

Any notice, request, or other communication shall be deemed to have been received as follows: (a) personal delivery, upon receipt, (b) telex, cable, or facsimile, 24 hours after transmission or dispatch, (c) certified mail, 3 business days after delivery to the United States postal authorities by the sender. If notice is sent by telex, facsimile, or cable, a confirming copy shall be sent by mail to the same address. A Party may change its above address by notice to the other Party given in accordance with this Section 8.1.

Section 8.2 **Authorization and Validity.** Each Party represents and warrants to the other Party as follows:

8.2.1. The execution, delivery, performance and observance by each Party of its obligations under this Agreement is within its powers, has been duly authorized by all necessary governing body action and do not and will not:
(a) contravene, conflict, or violate any provisions of law presently in effect having applicability to it;

(b) require the consent or approval of any governmental, regulatory or administrative agency or body; and

(c) result in breach of or constitute a default under any material contractual obligation.

Section 8.3 **Indemnity.** Each Party shall indemnify, defend and hold harmless the other Party and their respective agents, elected officials, officers and employees from and against any loss, cost, liability, claim, damage, expense (including reasonable attorneys’ fees, consultant’s fees, disbursements, penalty, or fine) incurred in connection with any claim or cause of action arising from or in connection with this Agreement to the extent caused by the negligent act or omission of the indemnifying Party, or by its misrepresentation, fraud, or misconduct.

Section 8.4 **Assignment.** Neither Party may assign this Agreement or any part thereof without the prior written consent of the other Party.

Section 8.5 **Headings and Exhibits.** The subject headings of the Articles and Sections of this Agreement are inserted for the purpose of convenient reference and are not intended to be part of this Agreement nor to be considered in any interpretation of the same. The exhibits referenced in this Agreement are incorporated herein for all purposes.

Section 8.6 **Entire Agreement.** This Agreement and the exhibits referenced in this Agreement contain the entire understanding and agreement between the Parties with respect to its subject matter and supersede all previous communications, negotiations, and agreements between the Parties whether written or oral with respect to this subject matter.

Section 8.7 **Waiver.** No waiver by any Party, either express or implied, of any one or more defaults by the other Party in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

Section 8.8 **Preparation.** The Parties and their legal counsel have cooperated in the drafting of this Agreement, and it is therefore to be deemed their joint work product and not to be construed against any Party by reason of its preparation.

Section 8.9 **No Third Party Beneficiaries.** Neither this Agreement nor any provision hereof nor any exhibit incorporated herein nor document executed by the Parties after the effective date hereof with respect to the subject matter hereof shall create any right in favor of or impose any obligation upon any person or entity other than the Parties, except as otherwise provided in the case of the Central Square Board.
Section 8.10 Counterparts. This Agreement may be executed in any number of counterparts, any one of which shall be deemed to be an original, but such counterparts when taken together shall constitute one and the same instrument.

Section 8.11 Severability. If any provision(s) hereof shall be held invalid or unenforceable by a court of competent jurisdiction or as a result of future legislative action, such holding or action shall be strictly construed and shall not affect the validity or affect any other provision(s) hereof; provided, however, that the Parties shall use reasonable efforts, including, but not limited to, the amendment of this Agreement, to ensure that this Agreement shall reflect as closely as practicable the intent of the Parties.

Section 8.12 Applicable Law. This Agreement and the rights and duties of the Parties will be governed, interpreted, performed, and enforced in accordance with the laws of the State of Minnesota.

Section 8.13 Amendment. This Agreement may be amended, supplemented, or otherwise modified only by a written instrument signed by the Parties.

Section 8.14 Prior Contracts Termination. This agreement between the parties replaces all related prior contracts and understandings as of the effective date of this agreement.

City of South St. Paul
By: __________________________
Name: _________________________
Title: Mayor

By: __________________________
Name: _________________________
Title: City Clerk

Special School District No. 6
By: __________________________
Name: _________________________
Title: President, Board of Education

By: __________________________
Name: _________________________
Title: Secretary-Clerk, Board of Education
Central Square Community Center Management Agreement
Addendum 1 – CSCC List of Equipment and Capital Contributions

The operation of Central Square as a community center requires the purchase of equipment. CSCC designated equipment is the property of Central Square purchased through the annual operating budget. This equipment is considered mobile and separate from the physical building and fixtures. This equipment includes:

**Central Square Community Center Equipment:**

- 1 StarTrac brand Pro recumbent bike (CSCC assumed ownership at the conclusion of the 2006-2008 lease).
- 1 Nustep brand TRS 4000 recumbent trainer (CSCC assumed ownership at the conclusion of the 2006-2008 lease).
- Leased Cardio Equipment (current 36-month lease concludes December 2014)
- Fitness Class Accessories: Fit balls, Bosus, TRX systems, hand weights, kettle bells, mats, steppers, portable stereos, pre-recorded music.
- Cardio Theate: system and accessories (Fitness Room).
- 8 Televisions (4 Fitness Room, 1 Activity Room, 1 Lobby, 2 carted mobile).
- 2 DVD/VCR Combo Players
- Nintendo Wii Game Console, associated games & controllers (Owned by Senior Center)
- 1 LCD Projector
- Lobby furniture (tables and chairs)
- Tumble Track (50% ownership shared with Special School District 6)
- Gymnastics Mats
- Centennial Room conference tables and chairs
- 2 Portable white boards
- Pool Office furnishings
- 2 Portable Tot Docks
- Water Exercise equipment: weights, floats
- Water Exercise equipment storage cart
- Misc. Pool Equipment: Kickboards, Floaties, Lifeguards
- Lifeguard Rescue Tubes
- Portable Lifeguard Chair
- Refrigerator (Kitchen area)
- Stove (Kitchen area)
- Microwave
- Popcorn Machine/Cart (Owned by Mayor’s Youth Task Force)
- Kitchen utensils
- Table cart
- Floor display case (donated by SSP Lions Club, 2007)
- Camera Surveillance System
- Wi-Fi Routers/Broadcasters (4 total)
Capital Improvement Contributions:
At the end of the City’s fiscal year, any CSCC operating budget surplus is deposited into a separate capital fund account to be used for capital outlay projects and costs that have been identified in a Capital Improvement Program (CIP) annually approved by both parent organizations. Central Square has funded building and grounds improvements through the capital fund account for the betterment of the community center appearance, functions, safety, and in support of requests made by Special School District 6.

<table>
<thead>
<tr>
<th>Equipment/Project</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tumble Trak (Gymnastics Apparatus)</td>
<td>2006</td>
<td>$2,000 (50% of total price)</td>
</tr>
<tr>
<td>Men’s Locker Room – Locker Replacement</td>
<td>2007</td>
<td>$7,700 (50% of total price)</td>
</tr>
<tr>
<td>Diving Board and Stand</td>
<td>2008</td>
<td>$7,215 (50% of total price)</td>
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<tr>
<td>Building Paging System</td>
<td>2008</td>
<td>$8,825 (50% of total price)</td>
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<tr>
<td>Shower Privacy Partitions – Both Locker Rooms</td>
<td>2009</td>
<td>$6,543</td>
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<tr>
<td>Exterior Signs (2 signs)</td>
<td>2010</td>
<td>$6,120</td>
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<tr>
<td>Exterior Play Structure Replacement</td>
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<td>$39,142</td>
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<td>Strength Equipment Replacement</td>
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<td>Women’s Locker Room Renovation</td>
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<td>Solarium Window Replacement</td>
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<td>Gymnastics Mats</td>
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<tr>
<td>Centennial Room Furniture Replacement</td>
<td>2013</td>
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</table>

**TOTAL:** $225,023
Central Square Community Center Management Agreement
Addendum 2 – CSCC Maintenance

The operation of Central Square as a community center requires the maintenance of the physical building. The building is the property of Special School District 6 thus school district staff is responsible for regular maintenance, custodial service, repairs and preventative maintenance of the building, parking lot, and grounds. Regular maintenance of the building has not been expended from the annual CSCC operation budget with the exception of summer pool operation. These specific maintenance services include:

Central Square Community Center Maintenance provided by District:

➢ Daytime custodial and maintenance support shared with the Secondary Building/High School.
➢ Evening dedicated custodial service.
➢ Indoor pool maintenance, supplies and service provided by a Certified Pool Operator: August - March.
➢ Rubbish disposal.
➢ Annual cleaning services similar to other school-owned buildings.
➢ Audio/Visual/Phone support shared with the Secondary Building/High School.
➢ General repairs.
➢ Non-contracted capital improvements and projects.
➢ Parking lot maintenance.
➢ Grounds maintenance.

Central Square Community Center Maintenance provided by City:

➢ Information Technology support for computers, servers, printers/copier/fax, internet, and software.

Central Square Community Center Maintenance provided by Central Square:

➢ Summer indoor pool maintenance, supplies, and service: April – July.
  Fee is charged by District, paid by Central Square averaging $14,000/year.
➢ Daily custodial service to administrative office areas and Fitness Room.

January, 2014
Central Square Community Center Management Agreement
Addendum 3 – Central Square Community Center Board By-Laws

ARTICLE I: NAME

The name of this Committee shall be known as the Central Square Community Center Board, hereinafter referred to as the “Board.”

For the purposes of these by-laws:

The City of South St. Paul will be referred to as the “city.”

Special School District 6 will be known as the “school.”

Central Square Community Center will be known as “CSCC.”

ARTICLE II: PURPOSE

A joint administrative board has been established by the city and the school to operate and manage Central Square as a Community Center which provides fitness opportunities, educational and recreational activities, and community gathering space.

ARTICLE III: OPERATION OF BOARD

Section 1: Membership

A. The Board shall be composed of six members; three appointed by the City of South St. Paul City Council and three appointed by the Special School District 6 Board of Education. See Appendix A for Special School District 6 Central Square Board Vacancy Policy.

B. The Board Members initially appointed by each Party shall be appointed for terms of three (3) years respectively and until a successor has been appointed and qualifies. Terms will be staggered to ensure that one school representative and one city representative will be eligible for appointment annually.

C. A vacancy on the Board shall be filled for the unexpired term in a like manner as provided for the selection of the member who vacated the position. The city and school have incorporated Board member selection criteria and process in the CSCC Management Agreement.

D. The City of South St. Paul City Council and Special School District 6 Board of Education will each appoint one of their members to serve as an ex-officio liaison to the Board.
E. Staff liaisons will include the school’s Director of Community Education and the city’s Director of Parks and Recreation. Staff liaisons are responsible for the creation and distribution of the meeting agenda, distribution of the meeting minutes when completed by the Board’s Secretary, and distribution of any supporting documentation.

Section 2: Meetings

A. The Board shall meet the third Thursday of designated meeting months from January through November. The Board will meet a minimum of five times a year.

B. Special meetings of the Board may be called by the Chair, or, at the Chair’s refusal, by any four members by written demand filed with the Secretary. Notice of a special meeting shall be given to each Board member by not less than three (3) days written notice stating the purpose(s), date, time and place of meeting, and by posted notice required by law. The notice shall be mailed or otherwise delivered to each member of the Board.

C. Meetings may be cancelled by the Chair, acting Chair or staff liaisons due to scheduling conflicts, lack of agenda items, or other legitimacies.

D. A quorum is represented by four or more voting members. Each member of the board including the officers is represented by one vote for business items. Staff liaisons and ex-officio members are not allowed to vote.

E. All meetings are open to the public and shall be subject to the provisions of Minnesota Statutes.

Section 3: Notification

Notice of all Board meetings, agendas and minutes will be mailed, one week prior to the meeting.

Section 4: Board Officers

A. The officers of the Board shall be a Chair, Vice Chair and Secretary who must be members of the Board. The Chair and Vice Chair must be representative of both the school and the city and alternate representation every term.

B. The term of the officers shall be one (1) year and until their successors are elected and qualify, except for termination.

C. The election of the Chair and the Vice Chair shall alternate between the members appointed by the city and the members appointed by the school.
Example: Term 1: Chair = school representative, Vice Chair = city representative, Term 2: Chair = city representative, Vice Chair = school representative.

D. Chair: The Chair shall preside at all meetings of the Board and shall exercise general supervision and direction over more significant matters of policy affecting the operation, maintenance and management of CSCC.

E. Vice Chair: In the absence of the Chair, or in the event of his/her inability or refusal to act, the Vice Chair shall perform the duties of the Chair; and when so acting, shall have all the powers and be subject to all the limitations upon the Chair. The Vice Chair shall also perform such duties as from time to time may be assigned to him/her by the Board.

F. Secretary: The Secretary shall, unless otherwise determined by the Board, be the Secretary of the Board and record the proceedings of the minutes of the meetings in appropriate form. The Secretary or their designee shall give proper notice of all meetings, and shall perform such other duties as may be assigned to the office by the Board.

Section 5: Termination

A. The membership of a member of the Board who is absent from three consecutive regular or special meetings of the Board, without the approval of the Chair, shall terminate ten (10) days after the third meeting not attended.

B. The Secretary of the Board shall promptly notify the member of the membership termination, the Board, and the party that appointed the terminated member.

Section 6: Resignation

Any member who wishes to resign from the Board shall give written notice of intent to the Chair who shall present the resignation at the next board meeting.

Section 7: Committees

Board shall establish committees according to need. Each Committee shall elect their own Chairperson.

Section 8: Parliamentary Authority

Roberts Rules of Order-Revised shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with the By-Laws of the Board.
Section 9: Fiscal Year

The fiscal year of the Board shall be the annual operating budget cycle of the city which has been designated as the fiscal agent for the CSCC operation budget. The fiscal year is January 1 – December 31.

Section 10: Amendments and Revision

A. These by-laws may be amended at any meeting of the Board by two-thirds (2/3) vote, provided a quorum is present.

B. After approval, all amendments or revisions shall be effective immediately.

Adopted by CSCC Board: November, 2008
Revised: May, 2014
Adopted: July 30, 2007

Revised: 9/6/07, 5/12/08; 2/9/09; 5/11/09; 6/23/14

214.1 CENTRAL SQUARE BOARD VACANCIES

I. PURPOSE

The purpose of this policy is to provide governing rules for the filling of vacancies on the Central Square Board.

II. GENERAL STATEMENT OF POLICY

A vacancy on the Central Square Board (CSB), Special School District No. 6, shall be posted and filled subject and pursuant to South St. Paul School Board Policy and City of South St. Paul Ordinance.

III. GENERAL PROVISIONS

A vacancy on the Central Square Board shall occur at the expiration of a 3-year term or when a member resigns. Any vacancy shall be filled by the Board of Education at any regular or special meeting following the completion of the procedures for filling of vacancies in section IV. of this policy.

If a member appointed by the Board of Education is unable to serve on the CSB and attend its meetings for ninety (90) days or more because of illness or prolonged absence, the Board of Education may, at any regular or special meeting thereof, declare a vacancy to exist. After the Board of Education has, declared such vacancy to exist, the vacancy shall be filled by the Board of Education at a regular or special meeting thereof until the end of that current term or until such ill absent member is again able to resume his/her duties as a member of such CSB whichever date is earliest. When such ill or absent member is again able to resume his/her duties as a member of the CSB, the Board shall, so deem and declare such person to again be a member of the CSB, and the member appointed by the Board of Education in his/her place would no longer be a member thereof.

The qualifications required of applicants for appointment to fill a vacancy are then same as for election to that position. If at least one qualified person applies by the end of the open period for applicants, the requirements of this section shall be deemed to be satisfied.
IV. PROCEDURES FOR FILLING OF VACANCIES

A. Declare or announce a vacancy at a Central Square Board meeting.

B. Publicize vacancy in the newspaper of the city or district by advertisement and official notice, and by other formal and informal methods as it shall deem advisable.

C. Receive applications from interested citizens. Applications must be accepted for a period of at least two weeks from the date of first publication.

D. If no qualifying applications are received, the Board will reopen the application process and publicize the vacancy again. This process will continue until at least one application from an eligible candidate is received.

E. Interviews with applicants shall take place with an interview committee comprised of the Director of Community Education and a member of the Board of Education. Interview questions will be developed by the Interview committee prior to the interviews. Each candidate will be asked the same set of questions. The questions will not be shared with the candidates before the interviews.

F. Appointment or replacement of Board members shall be made, using the following voting procedure:

1. If there is only one qualified applicant, that applicant will automatically be approved and recorded as a unanimous vote of the members voting favoring selection.

2. If there are two or more applicants, the Director of Community Education and member of the Board of Education shall make a recommendation, based on qualifications and the interview, to the full Board of Education at their next regular business meeting.

3. The Board of Education will appoint a candidate to the CSB for a three year term.

Legal References: Minn. Stat. § 123.33
Cross References:

214.1-2

Developing Lifelong Learners  Education for a Changing World
www.sspps.org
Central Square Community Center Management Agreement
Addendum 4 – In-Kind Services and Supplies

The operation of Central Square as a community center requires the in-kind services of both the City of South St. Paul and Special School District 6 that are not typically charged to the operating budget. In addition to services, the City of South St. Paul Parks and Recreation Department and Special School District 6 Community Education’s Senior Center share supplies with Central Square Community Center due to their respective operations and occupancy in the building. These services and supplies include:

<table>
<thead>
<tr>
<th>City of South St. Paul</th>
<th>Annual Cost</th>
<th>One-time Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Services:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director of Parks and Recreation</td>
<td>$31,754</td>
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<tr>
<td>Recreation Supervisor 1</td>
<td>$28,638</td>
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</tr>
<tr>
<td>Recreation Supervisor 2</td>
<td>$7,159</td>
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<tr>
<td>Secretary</td>
<td>$24,621</td>
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<tr>
<td>Finance Department Support (budget, payroll, accounts payable/receivable, leases)</td>
<td>$13,008</td>
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</tbody>
</table>

| **Office Equipment:** | | |
| Computers & Monitors (7 stations) | $10,500 | |
| Printer/Photocopier/Facsimile Machine (1) - 50% lease shared with CSCC | $1,320 | |
| Office Furniture | $13,000 | |

| **Office Supplies:** | | |
| Misc. paper, pens, paper clips, tape, etc. | $1,000 | |
| Computer software incl. annual maintenance fees (RecTrac and WebTrac) | $3,750 | $30,845 |
| Computer servers | $9,000 | |

| **Security:** | | |
| Surveillance equipment and monitoring.* | $3,000 | |

| **Indoor Pool:** | | |
| Water service for indoor pool (184,300 gallons)* | $1,150 | |

| **Misc. Facility Supplies:** | | |
| Portable banquet tables (12) | $5,520 | |
| Portable sound system | $1,300 | |
| Popcorn maker/cart | $250 | |

**TOTAL:** $111,250 $74,565

*Denotes essential building function for school district use & activities if Central Square was not a community center. The annual cost of these functions may or may not decrease if they were needed for school district use only.
**Special School District 6**

**Custodial Services:**
- Daytime custodial & maintenance provided by High School* $16,464
- Evening dedicated custodial service (2 staff) $29,173
- Annual intensive summer cleaning (2 days) $1,796
- Finance Department Support (accounts payable/receivable, insurance, leases) $1,904

**Building Utilities & Telephones:**
- Natural Gas* $16,064
- Electricity* $28,137
- Trash Removal* $1,950
- Water/Sewer* $2,452
- Repair Supplies* $13,489
- Telephones & Service* [ ]

**Indoor Pool: August - April**
- Certified Pool Operator (custodial staff)* $688

**Parking Lot and Grounds Maintenance*** $6,740

**Gymnastics Apparatus:**
- Uneven bars (2)* $6,000
- Beams (3)* $9,000
- Vault* $5,000
- Spring Floor* $9,000
- Misc. Mats (cost share with CSCC)* $6,000
- Tumble Trak (50% owned by CSCC) $2,000

**Senior Center Equipment:**
- Card tables $400
- Folding chairs $400
- Coffee Maker $100
- Little Gift Shop Furnishings $500

**Misc. Facility Supplies:**
- Annual Capital Expenses (average)* $24,250
- Portable bleachers* [ ]

**TOTAL:** $143,107 $38,400

*Denotes essential building functions for school district use & activities if Central Square was not a community center. The annual cost of these functions may or may not decrease if they were needed for school district use only.

**Leased Space**
If Central Square Community Center was leased as a private/exclusive space, the value would be:
16,000 sq. feet @ $8.53/ft. = $136,480 (May, 2014 value)
Central Square Community Center Management Agreement  
Addendum 5 – CSCC Room Rental Policy

Central Square Community Center  
Room Rental Policy

To reserve a meeting or activity room at Central Square Community Center you may inquire in person at the front desk or call (651) 306-3690 Monday through Friday from 8 a.m. to 4:30 p.m. Rooms can only be rented when the building is open and when rooms are available, up to three months in advance. The hours of the facility are as follows:

From September to May:  
Monday-Friday 5:30 a.m. - 9:30 p.m.  
Saturday 7 a.m. - 7 p.m.  
Sunday 11 a.m. - 7 p.m.

From June to August:  
Monday-Friday 5:30 a.m. - 8:30 p.m.  
Saturday 7 a.m. - 5 p.m.  
Sunday 11 a.m. - 5 p.m.

Charges  
There is no charge for South St. Paul non-profit groups: school functions, city uses, fraternal organizations, civic groups, youth organizations, and churches. Groups that are classified under the aforementioned non-profit group list are allowed a maximum of two free rental periods per month, Monday – Thursday. If more than two rentals per month are requested or for Friday, Saturday, or Sunday rentals South St. Paul business and resident rates will apply for non-profit groups (see below).

The rate* for South St. Paul businesses and residents for all other uses is:
- $18 an hour for Centennial Room North or South ($36/hour for the entire room)
- $15 an hour for Activity Room A, B, or C ($45/hour for the entire room)

The rate* for Non-Resident businesses and patrons is:
- $30 an hour for Centennial Room North or South ($60/hour for the entire room)
- $20 an hour for Activity Room A, B, or C ($60/hour for the entire room)

Rentals may be subject to approval by the Central Square Community Center Board.  
*Extra fees may apply for cleaning or damages.

Payment  
Permit application and payment must be received 72 hours before the date of the rental. Checks can be made out to the South St. Paul Parks and Recreation Department and mailed to:
Central Square Community Center  
Attn: Room Rental  
100 7th Ave. North:  
South St. Paul, MN 55075  

(continued)
**General Rules**
Groups using the community rooms are responsible for maintaining order and are liable for any damage to Central Square Community Center property.
- Smoking and the consumption of alcoholic beverages are not permitted.
- If using the kitchen it must be cleaned thoroughly after use including counters, utensils, and sinks.
- If beverages are served, no red liquids are allowed.
- Juvenile groups must be supervised by a responsible adult, parent or guardian. A 10:1 ratio of youth to adults is recommended.
- Requests for the use of the community rooms shall be processed on a first come first served basis, although Special School District #6 and the City of South St. Paul have priority over outside groups. A group may be required to reschedule a meeting if it is in the center’s best interest. Central Square Community Center will do its utmost not to interfere with scheduled meetings. If changes occur, adequate advance notice shall be given.
- Furniture and/or equipment must not be removed from the community rooms.
- Users are responsible for cleaning up after their activity and restoring furniture and equipment back to its original condition and configuration.
- User agreements are non-transferable. The contact person listed on the permit application is responsible to enforce rules during the rental period.
- Any violation of these policies may result in denial of the applicant’s future use of the room.

*At their discretion, CSCC employees may order the removal of patrons and/or revoke the permit immediately.*

**Availability**
Reservations can be made no more than three months in advance. Monday through Thursday from 3-9:30 p.m. is considered peak time. Non-profit groups are only allowed to reserve a peak time space twice a month free of charge (see “Charges” section). There are other places available to the public in the community for non-profit groups to meet such as school buildings. Contact the Special School District 6 District Office at (651) 457-9465 or the Central Square front desk for more information.

**Cancellation**
Rental fees are eligible for refund if the cancellation is made 72 hours or more prior to the date of rental less a $5 cancellation fee. No refunds or credits will be given for reservations cancelled less than 72 hours in advance.

**Room Descriptions**
**CENTENNIAL ROOM**
The Centennial Room consists of one large 1,500 sq./ft. room that can be used as one room or broke down into two separate equal size rooms, the North and South. The
Centennial Room is the community showcase for the Bremmer Hall of Excellence which recognizes prominent community members.

**CENTENNIAL ROOM NORTH**
Set up in a classroom style setting, Centennial North contains six 4 foot tables, 20 chairs, counter space and a whiteboard. The room fits 20-30 people comfortably.

**CENTENNIAL ROOM SOUTH**
Set up in a conference setting, Centennial South contains a large table that holds 16-20 people with a portable whiteboard, counter space, and a sink.

**ACTIVITY ROOMS**
The activity room is a 1,600 sq./ft. room that can be divided into three separate equal size rooms. The primary uses of the room are for our fitness classes, Senior Center groups, and our Child Watch program. There are hard wood floors and counters in every room when divided. Each room has tables and chairs available.

**ACTIVITY ROOM A**
Room A has counter space and can fit 20-30 people comfortably.

**ACTIVITY ROOM B**
Room B has counter space and can fit 20-30 people comfortably.

**ACTIVITY ROOM C**
Room C has one mirrored wall, counter space and can fit 20-30 people comfortably.

**Extra Amenities**
Based on availability rental groups may reserve:
- Portable P.A. system $7
- Overhead Projector $6
- TV/VCR/DVD $5
- Kitchen $.10 per hour with $15 cleaning deposit (refundable)
- Wireless Internet Access $5

*Fees listed are a flat fee for the entire rental period and do not include tax.*

Approved by CSCC Board: September, 2006
Central Square Community Center Management Agreement
Addendum 6:

1. Membership Agreement
2. Membership Terms and Conditions
3. Waiver of Liability, Assumption of Risk and Indemnification
4. Certificate of Property Insurance
5. Certificate of Liability Insurance
MEMBERSHIP AGREEMENT

Last Name   First   MI   Date of Birth   Gender

Address (City, State, Zip)

Home Phone   Cell Phone   Email Address (optional)

<table>
<thead>
<tr>
<th>Membership Term (Circle)</th>
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<th>Year / 6 Month</th>
<th>Non-Resident:</th>
<th>Year / 6 Month</th>
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<tbody>
<tr>
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</tbody>
</table>

Prices effective 2/1/2013

Family Membership Household – Must reside at same address: Note: There is a $5.00 card replacement fee.

Name (First, Last if different)   Date of Birth   Gender

By signing this Membership Agreement and Letter of Liability the signer has reviewed and concurs that all information in this agreement is correct to the best of his/her knowledge. The signee agrees to the attachments and all the terms and conditions listed on these forms. Patron acknowledges that they have read, and received a complete copy of this Agreement. Failure by patron to use facilities is not considered a surrender of the Agreement and does not relieve patron of payment of the pass fee after 14 days per the cancellation policy on attached sheet.

Actual Start Date: / /   Signature: _______________________ Date: / / /

DRAFT AUTHORIZATION I (we) authorize the City of South St. Paul to initiate entries to debit my (our) account below for the payment of a Membership to Central Square Community Center. Requests received by the 30th of the month will have monthly payments deducted on the 15th of each month in the amount of $_________ from the desired checking or savings account. I (we) have attached a voided check or savings deposit slip.

This authorization will remain in effect until cancelled by me in writing. If cancellation occurs before the 12 month agreement is fulfilled, I understand that I will be assessed one additional ACH monthly fee (at current membership category price) before cancellation is processed. After the initial 12-month period is fulfilled, ACH cancellations are still required in writing however, you will not be assessed a fee. Written cancellation must be received by the first day of the month to avoid being charged for that month’s membership fee.

I understand that the ACH payment information is private and will only be used by the City for payment of Membership fees. INITIALS________

BANK INFORMATION: (Name & Address)   [ ] Checking   [ ] Savings

Account #: _______________________ Signature: _______________________ Date: __________

How did you hear about Central Square?   [ ] City Brochure   [ ] Print Ad (Newspaper/Flyer)
   [ ] Friend   [ ] City Web Site   [ ] Internet Search   [ ] Other________
SOUTH ST. PAUL CENTRAL SQUARE COMMUNITY CENTER
MEMBERSHIP AGREEMENT TERMS AND CONDITIONS

MEMBERSHIP HOLDER INFORMATION: Questions regarding the agreement at South St. Paul Central Square Community Center should be directed to the front desk (651-306-3690).

FACILITIES: The South St. Paul Central Square Community Center membership entitles you to the use of the pool during lap swim, recreation swim and family swim times, complimentary child watch (during scheduled times), and unlimited use of the Fitness Center featuring the latest in strength and cardio exercise equipment.

Individuals must be 16 years of age or older to use Fitness Center equipment. Children ages 14 and 15 who are part of a Family Membership may use the equipment when accompanied and supervised by a parent.

Persons under 18 years of age are not permitted to use the swimming pool unless there is a lifeguard present or use is in conjunction with a separately approved school activity.

MEMBERSHIP CATEGORY/RESIDENCY DEFINITIONS: Senior – Age 55 and over (must show proof of age); Youth – Ages 16-18 (must show current student ID); Adult/Single – Ages 18-54; Family – Two adults living in same household and up to four dependents under the age of 26 living at same address. Resident rates apply to those who provide a valid proof of residency at the time of the purchase. Non-residents employed full-time in the City of South St. Paul are eligible for resident rates after providing a current pay stub with the employer’s rightful address.

MEMBERSHIP HOLDER’S RIGHT TO CANCEL: YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHIN 14 DAYS OF SIGNING THE AGREEMENT BY DELIVERING OR MAILING A WRITTEN NOTICE TO THE FACILITY. THE NOTICE MUST STATE THAT YOU DO NOT WISH TO BE BOUND BY THIS AGREEMENT AND MUST BE DELIVERED OR MAILED WITHIN 14 DAYS AFTER YOU SIGN THIS AGREEMENT. THE NOTICE MUST BE DELIVERED OR MAILED TO SOUTH ST. PAUL CENTRAL SQUARE COMMUNITY CENTER, 100 7th Avenue North, South St. Paul, Minnesota, 55075. TO EXPEDITE YOUR CANCELLATION, PLEASE INCLUDE YOUR MEMBERSHIP CARD WITH THE CANCELLATION NOTICE.

CANCELLATION OF MEMBERSHIP: The South St. Paul Central Square Community Center reserves the right to cancel the membership of any individual who violates the terms and conditions of the Membership Agreement or violates any rules or regulations of the South St. Paul Central Square Community Center.

EARLY TERMINATION: If cancellation occurs before the 12 month agreement is fulfilled, member shall be assessed one additional ACH monthly fee (at current membership category price) or a $25 fee for those members who paid in full at time of membership purchase. Fee will be waived for military deployment only. Memberships will not be suspended for sudden illness or medical reasons. PLEASE NOTE: ACH (automatic payment deduction) memberships do not expire. ACH members must cancel their
SOUTH ST. PAUL CENTRAL SQUARE COMMUNITY CENTER
WAIVER OF LIABILITY, ASSUMPTION OF RISK AND INDEMNIFICATION

1. To the best of my knowledge, I and all family members (if Family Membership) are in good physical condition and able to use the South St. Paul Central Square Community Center’s facilities. I understand and acknowledge that it is the South St. Paul Central Square Community Center’s policy that all individuals participating in a fitness program should consult a physician before purchasing a membership and to abide by any limitations set by the physician.

2. I fully understand and agree that in participating in one or more of the facilities programs or services offered by South St. Paul Central Square Community Center, there is the possibility of accidental or other physical injury.

3. I understand and expressly agree that all use of the South St. Paul Central Square Community Center facilities are and shall be undertaken at my and my minor children’s sole risk (if Family Membership).

4. I understand that the South St. Paul Central Square Community Center makes no implied or express representations or warranties as to the condition of the facilities. I further understand and agree that by using the South St. Paul Central Square Community Center’s facilities, I expressly assume and accept any and all risk of any injuries or death that I or my minor children may suffer while using the facilities.

5. I expressly agree to waive, release and hereby discharge the South St. Paul Central Square Community Center, the City of South St. Paul and Special School District No. 6, South St. Paul, and their officers, officials, agents and employees from any claims, demands, injuries, damages, actions or causes of action, whatsoever to myself, my minor children (if Family Membership) or my property arising out of or connected with the use of any of the services, equipment and/or facilities of South St. Paul Central Square Community Center or of the property or premises where same are located.

6. I further agree on behalf of myself and my minor children (if Family Membership) to waive and release the South St. Paul Central Square Community Center, the City of South St. Paul and Special School District No. 6, South St. Paul, and their officers, officials, agents and employees from any and all liability for any economic or non-economic loss, damage, expense or injury, including death, that I or my minor children may suffer resulting from or arising out of any activity within South St. Paul Central Square Community Center which may or may not be the result of negligence, active or passive. This waiver does not include any injuries that I obtained as the result of willful, wanton, or intentional misconduct.

7. I will accept liability for injuries to or damages to the property of others arising out of or connected with the use of any of the services, equipment and/or facilities of South St. Paul Central Square Community Center or of the property or premises where same are located that has been caused by my negligence or willful, wanton, or intentional misconduct or by the negligence or willful, wanton, or intentional misconduct of my minor children (if Family Membership).

8. I further agree to defend, indemnify, and hold harmless the South St. Paul Central Square Community Center, the City of South St. Paul and Special School District No. 6, South St. Paul from any and all claims for injury or property damage resulting from my actions or the actions of my minor children (if Family Membership) arising out of or connected with the use of any of the services, equipment and/or facilities of South St. Paul Central Square Community Center or of the property or premises where same are located.

I have read this Waiver of Liability, Assumption of Risk and Indemnification fully and understand its terms. I understand and agree that I have given up rights by signing it and that I sign it freely and voluntarily without inducement.

_________________________  ______________________  ________________
Signature                                      Date                                      Printed Name

If youth membership:

I agree to the conditions set forth in the Waiver of Liability, Assumption of Risk and Indemnification above on behalf of myself and my minor children.

_________________________  ______________________  ________________
Signature of Parent/Guardian                 Date                                      Printed Name

RRM: 198042
**Membership In Writing** (download form @southstpaul.org/parks and recreation or inquire at CSCC Reception Desk). After the initial 12 month membership period is fulfilled, ACH cancellations are still required in writing, but do not incur a cancellation fee.

ACH Payment Plan (automatic payment deduction) recipients are subject to scheduled membership rate increases. Central Square Community Center will endeavor to provide sufficient written notice.

**Non-Sufficient Checks: NSF** (returned checks) are subject to $35 fee including any direct pay plans. If direct payment is not kept current, Agreement will be cancelled.

**COMPLETE AGREEMENT AND APPLICABLE LAW:** The terms on the reverse side and on this side constitute the full agreement between you and us, and no oral promises whatsoever will be recognized or be binding upon the South St. Paul Central Square Community Center. This Membership Agreement is governed by Minnesota law.

**Parks and Recreation Department Programs:** Annual memberships do not apply to or will receive a credit when registering for special events or recreational programs sponsored by South St. Paul Parks and Recreation. Any reductions of annual membership holders will be listed on the advertisement.

By signing this Membership Agreement the signer has reviewed and concurs that all information in this Agreement is correct to the best of his/her knowledge. The signer agrees to the Membership Agreement and all the terms and conditions listed on the front and reverse of this form and the Waiver of Liability, Assumption of Risk and Indemnification form, as incorporated herein. The signer acknowledges that they have read and received a complete copy of this Agreement and the Waiver of Liability, Assumption of Risk and Indemnification form. This Agreement cannot be cancelled by the signer after 14 days of commencement without paying the $25 cancellation fee. Failure by the signer to use facilities is not considered a surrender of the Agreement and does not relieve patron of payment of the Membership fee after 14 days per the cancellation policy.

_________________________    
Signature

_________________________    
Date

_________________________    
Printed Name

2/14
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Kraus-Anderson Insurance
420 Gateway Boulevard
Burnsville MN 55337-2790

INSURED
Special School District #6
104 5th Ave. South
South St. Paul MN 55075

CERTIFICATE NUMBER:14-15 Certificate
COVERAGE

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

RISK LITR TYPE OF INSURANCE MANDATORY EXCESS HRED POLICY NUMBER POLICY EFF (MM/DD/YYYY) POLICY EXP (MM/DD/YYYY) LIMITS

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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 104, Additional Remarks Schedule, if more space is required)
RE: 100 7th Avenue South St. Paul, MN.
The Certificate Holder is an Additional Insured under the Commercial General Liability when required by written contract.

CERTIFICATE HOLDER
Central Square Community Center
Attn: Chris Esser - Director of Parks & Recs
100 7th Avenue North
South St. Paul, MN 55075

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Jean Sundlof/ASHLEY

ACORD 25 (2010/05)
INS025 (201009.01)
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CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY) 6/18/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER
Kraus-Anderson Insurance
420 Gateway Boulevard
Burnsville MN 55337-2790

CONTACT Certificates Department
NAME:
PHONE: (952) 707-8261 FAX (952) 694-0535
AG. No. Ext.: E-MAIL: Certificates@kainsurance.com
ADDRESS: PRODUCER ID:

INSURED
Special School District #6
104 5th Ave. South
South St. Paul MN 55075

INSURER(S) AFFORDING COVERAGE NAIC #
INSURER A: Catlin Insurance Company Inc.
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES
CERTIFICATE NUMBER: 14-15 Property REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

COVERAGE LIMITS

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Central Square located at 100 7th Avenue South St. Paul, MN.

Building Limit - $9,365,000

CERTIFICATE HOLDER

Central Square Community Center
Attn: Chris Ezer-Director of Parks & Rec
100 7th Avenue North
South St. Paul, MN 55075

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jean Sundlof/ASHLEY

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Central Square Community Center Management Agreement
Addendum 7 – CSCC Purchasing Policies and Procedures

Statement of Policy
Honesty and prudence (making the best decision) are the guiding principles of procurement of goods and services with public monies. Because of the relatively small size of the Central Square Community Center (CSCC) and the wide ranging expertise required to deal with the broad variety of goods and services used by the CSCC, a centralized purchasing system is most efficient. A centralized system places great responsibility on a small number of people and it is important that clear purchasing policies and practices are followed. Smart purchasing and impeccable honesty need to be supported by sufficient documentation. Written purchasing documents properly filed and maintained serve both as an in-house information resource and provide the best evidence if the system is audited or individual purchasing decisions are questioned by outside parties. To insure that this statement of policy is implemented and to provide on-going evidence of compliance to outside parties, the following procedures have been established.

Fiscal Agent
The CSCC is a joint operation between the City of South St. Paul (City) and Special School District 6 (School District) and governed by an operational Management Agreement. The City became the fiscal agent of the operation funding for CSCC in July, 2004. The annual budget for CSCC runs on a January – December fiscal year and is approved by both the Special School District 6 School Board and City of South St. Paul City Council. Once approved, the CSCC operating budget is regularly reviewed by the CSCC Board compromised of three City and three School District appointed representatives.

Purchasing Procedures
Items approved through the annual budget process authorize approved staff to make purchases. Items not budgeted but are considered emergency or an unforeseen replacement critical to operation may be purchased if $3,000 or less without CSCC Board approval. Items not budgeted that are not deemed: critical replacement, not considered emergency, or over $3,000 cannot be purchased without approval by the CSCC Board.

Although not required, obtaining competing quotations for all large purchases is encouraged. However, at least two quotes must be secured and documented for all purchases of goods and services over $5,000. If extenuating circumstances make obtaining quotes impossible or impractical, such reason will be noted on the Fiscal Agent’s claim form. Examples of such circumstances include emergencies, one of a kind products, availability from only a single source, speed of delivery, and others. The CSCC
Board will be authorized to waive this procedure when deemed appropriate. State statutes and regulations related to obtaining multiple quotations and conducting formal sealed bid purchasing procedures are hereby incorporated in this policy.

Going hand in hand with purchasing is receiving and disbursement. To create a clear record of the transaction, all invoices must be submitted with a completed verified claim form signed by an authorized employee to the Fiscal Agent before they are paid.

Consideration of local businesses
Purchasing considerations include price, quality, availability, and a variety of special concerns depending on the particular commodity or service. Because of the convenience factor and the general economic benefit to the School District and City, South St. Paul businesses will be seriously considered and selected for CSCC's purchases when it is prudent to do so.

Disbursement Procedures
The final step in purchasing procedure is receiving and disbursement. To create a clear record of the transaction, all original invoices must be submitted with a completed verified claim form signed by an authorized employee before they are paid by the Fiscal Agent. The signer is verifying, with his or her signature, the following facts:

1) The merchandise or service has been received in a timely manner and is acceptable;
2) The terms of the invoice are correct including price, discounts, and quantities;
3) Proper purchasing procedures have been followed;
4) Sales tax has been properly handled (as part of the invoice itself or a copy sent to Fiscal Agent for separate payment of the sales tax);
5) The expense coding properly reflects what the item is and the CSCC received the goods/services; and
6) Payment of the invoice will not create a budget concern outside of this policy.

Any questions on these policies and procedures should be directed to the attention of the Fiscal Agent and CSCC Board which are responsible for system oversight.

Approved by CSCC Board: March, 2008
Central Square Community Center Management Agreement
Addendum 8 – CSCC Parking Policy

CSCC Parking Policy
The physical building and surrounding areas of Central Square Community Center (CSCC) are property of Special School District 6. CSCC exists as a member-supported facility thus adequate parking should be available in the name of customer service and compliance with city code. South St. Paul High School/Secondary Building, when in session and during special events, creates added pressure to all parking lots and on-street areas adjacent to CSCC. A cooperative parking agreement between city and school district representatives was established in 2005 and amended in 2012 after the demolition a church building created more parking spaces for use by the secondary building. The following parking areas have been designated and signed for the patrons of CSCC:

- All of the north parking lot - 44 spaces total.
- 14 angled parking spaces on the east side of the 100 block of 7th Avenue North. The remaining angled parking spaces are available for school use and the general public.

There are additional on-street parking areas available on 6th Avenue North and other adjacent streets with posted restrictions not associated with CSCC.

Temporary Parking during Secondary Building Construction
Special School District 6 will temporarily be utilizing the 21 parking spaces on the north side of the north parking lot during construction commencing in 2014. “CSCC Parking Only” signs will be temporarily removed. Upon completion of construction, the signs will be re-installed and the 44 total spaces in the north parking lot will resume designation for CSCC patrons only.

Enforcement
Enforcement of the CSCC designated parking spaces in the north parking lot and 7th Avenue during school hours and events is handled through the school resource officer if the offender is believed to be associated with the school. All other enforcement is the responsibility of the South St. Paul Police Department.

Central Square Community Center Management Agreement
Addendum 9 – List of Approved
Capital Improvement Program Projects

Central Square Community Center
Capital Improvement Program*

* Special School District 6 approves an annual CIP budget as part of their Buildings & Grounds budget.
The projects listed are intended to supplement the Buildings & Grounds CIP as approved and funded by the CSCC Capital Reserve Fund.

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<th>Year</th>
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<tbody>
<tr>
<td>2015</td>
<td>1. Bottle filler drinking fountains</td>
<td>$3,500</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>$3,500</strong></td>
</tr>
<tr>
<td>2016</td>
<td>1. Entry Signage</td>
<td>$4,000</td>
</tr>
<tr>
<td></td>
<td>2. Family Locker Room Shower</td>
<td>$15,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>$19,000</strong></td>
</tr>
<tr>
<td>2017</td>
<td>Project:</td>
<td>Cost:</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>
**Central Square Community Center Management Agreement**  
**Addendum 10 – CSCC List of Current Fees and Charges**

### Central Square Indoor Pool (sales tax is included)

<table>
<thead>
<tr>
<th>Daily Admission (includes tax)</th>
<th>Youth/Sr.</th>
<th>Adult</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSGCC Members</strong></td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td><strong>Resident</strong></td>
<td>$4.00</td>
<td>$4.00</td>
</tr>
<tr>
<td><strong>Non Resident</strong></td>
<td>$4.00</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

**After Hour Rental Reservation**

| 1 hour rental: 0-30 guests | $63.20 |
| 1 hour rental: 31-60 guests| $116.77|
| 1 hour rental: 61-90 guests| $170.33|
| 1 hour rental: 91-120 guests| $223.89|

**Pool Rental Reservation Non Profit Groups (swim teams, schools)**

| 1 hour rental: 0-30 guests | $26.18 |

### Central Square Memberships (sales tax is included)

<table>
<thead>
<tr>
<th>Resident/Employee Membership</th>
<th>Youth/Sr.</th>
<th>Adult</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Time Visit</td>
<td>$5.00</td>
<td>$6.00</td>
<td>$17.00</td>
</tr>
<tr>
<td>10 Visit Card</td>
<td>$37.49</td>
<td>$53.56</td>
<td>$143.55</td>
</tr>
<tr>
<td>6 Month</td>
<td>$111.41</td>
<td>$142.48</td>
<td>$258.17</td>
</tr>
<tr>
<td>Annual</td>
<td>$196.04</td>
<td>$258.17</td>
<td>$460.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Resident Membership</th>
<th>Youth/Sr.</th>
<th>Adult</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Time Visit</td>
<td>$8.00</td>
<td>$9.00</td>
<td>$26.00</td>
</tr>
<tr>
<td>10 Visit Card</td>
<td>$59.99</td>
<td>$83.56</td>
<td>$231.39</td>
</tr>
<tr>
<td>6 Month</td>
<td>$148.90</td>
<td>$199.25</td>
<td>$355.66</td>
</tr>
<tr>
<td>Annual</td>
<td>$237.17</td>
<td>$357.80</td>
<td>$644.69</td>
</tr>
</tbody>
</table>

### Central Square Meeting Rooms (sales tax is included)

<table>
<thead>
<tr>
<th>Centennial Room</th>
<th>North</th>
<th>South</th>
<th>(rates are per hour)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident (business and individuals)</td>
<td>$19.28</td>
<td>$19.28</td>
<td></td>
</tr>
<tr>
<td>Non-Resident (business and patrons)</td>
<td>$32.14</td>
<td>$32.14</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident (business and individuals)</td>
<td>$16.07</td>
<td>$16.07</td>
<td>$16.07</td>
<td></td>
</tr>
<tr>
<td>Non-Resident (business and patrons)</td>
<td>$21.43</td>
<td>$21.43</td>
<td>$21.43</td>
<td></td>
</tr>
</tbody>
</table>

*(No charge for SSF non-profit, school functions, city uses, fraternal organizations, civic groups, youth organizations and churches).*

### Additional Charges

| Portable PA   | $7.00 |
| Overhead      | $6.00 |
| TV/DVD        | $5.00 |
| Wireless      | $5.00 |

*Kitchen $10.00/hr*
Central Square Community Center Management Agreement
Addendum 11 – CSCC Employee List and Job Descriptions

The operation of Central Square as a community center requires the hiring, supervision, and evaluation of employees that are regular, part-time. These positions are funded by the CSCC operating budget. These positions include:

Secretary (.5 FTE)
Fitness Coordinator (.5 FTE)
Building Attendants
Child Watch Attendant
Lifeguards
WSI Swim Instructors
Fitness Instructors
Personal Trainers
Gymnastics Instructors
Karate Instructor

Central Square Community Center follows the hiring practices and procedures of the City of South St. Paul. The position descriptions for CSCC part-time and temporary employees are included in this Addendum.

May, 2014
POSITION RESPONSIBILITY WRITE-UP

POSITION TITLE: SECRETARY
DEPARTMENT: PARKS AND RECREATION
ACCOUNTABLE TO: DIRECTOR OF PARKS AND RECREATION

Primary Objective of Position

To provide secretarial and clerical services along with supportive office management services to the Director of Park and Recreation. Aids the public in registering and provides them with appropriate information or referral.

Duties and Responsibilities

Provides secretarial service and assists the Parks and Recreation Director and Program Director in carrying out the responsibilities of the department.

To provide secretarial/receptionist/clerical services to the office of Parks and Recreation.

Responsible for typing/filing correspondence and other forms of communication for the Director of Parks and Recreation and Program Director.

Assists the public in registering for various programs, reserving facilities and utilizing other available services of the Parks and Recreation Department. Counsels with individuals to help make the best use of the facilities and programs available.

Maintains office records, completes payroll, balances deposits and performs necessary bookkeeping on a timely basis.

Produces and duplicates graphic layouts for program "flyers", informational packets and brochures.

Prepares "flyers", newsletters and brochures for appropriate distribution to seniors, adults and youth.

Inventories, secures quotations and orders paper, duplicating products and general office supplies as needed.

Records and maintains up to date records of facility usage, mailing lists, program schedules, equipment issued, and other record maintenance as assigned.

Performs secretarial/clerical/printing services to youth and adult athletic organizations within the community.
Knowledge and Skills Required

Ability to type all reports, records and correspondence in relation to the efficient operation of the Parks and Recreation Department.

Ability to effectively compose attractive layouts for department flyers and brochures.

Considerable knowledge of business, English and correspondence.

Thorough knowledge of office practices and procedures.

Quality organizational skills, with ability to prioritize work under authority of the Director.

Ability to give counsel and assistance to citizens wishing to utilize the services of the Parks and Recreation Department.

Ability to operate all office machines and computers including a Desk Top Publisher and printer.

Ability to manage office and work with independence.

Knowledge of City's organization, operations, charter, code and geography.

A high school graduate with a minimum of four years of experience in typing, computers and bookkeeping in an office environment.

Extent of Supervision of Guidance Provided

Under the direct supervision of the Director of Parks and Recreation.

Responsibility for Public Contact

Continuous and daily, in-person and on phone requiring a high degree of tact, courtesy, and good judgement.

Supervision of Others

None required.
**POSITION DESCRIPTION**
**CITY OF SOUTH ST. PAUL**

**POSITION TITLE:** Fitness Coordinator (Part-time)

**DEPARTMENT:** Central Square Community Center

**ACCOUNTABLE TO:** Recreation Supervisor

**REVISED:** August 2009

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**SUMMARY/DUTIES OF POSITION:**

The primary objective of the position is to provide instruction, coordination and evaluation of exercise and/or fitness classes, personal training, and the Central Square Community Center fitness room. The position responsibilities include, but are not limited to, planning, organizing and implementing components of exercise instruction; scheduling and coordination of fitness staff including fitness class instructors and personal trainers; care and use of all equipment and facility with emphasis on fitness and activity rooms and; provide excellent customer service to participants and members by assisting at the front desk and throughout the facility.

This is a part-time, 25-hour per week or less position restricted to a limited number of working hours. The work schedule will vary based on the needs of Central Square Community Center and scheduled events. The work schedule will involve a combination of administrative and fitness instruction/personal training duties. Fitness instruction/personal training is considered special assignment duties and are restricted to a maximum of fifteen (15) hours per week. Evening and weekend hours are to be expected.

**KNOWLEDGE, SKILLS AND ABILITIES:**

- Possess knowledge and ability to express directions, demonstrate skills and provide patrons with assistance in use of equipment and facilities.
- Ability to promote a positive atmosphere.
- Ability to promote, organize and direct exercise/fitness classes.
- Ability to schedule, organize and coordinate exercise/fitness instructors and personal trainers.
- Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answer to inquiries.
- Ability to work independently, meet deadlines, complete tasks and routines as assigned.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
- Ability to work with employees and others in a courteous, tactful and professional manner.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
- Possess visual acuity correctable to read common documents and perform common office tasks.
- Possess knowledge of contemporary office practices, including familiarity and operational abilities as to common office equipment, filing systems, basic accounting principals and proper telephone etiquette.
- Ability to operate a personal computer, including proficient mastery of the Microsoft Operating Systems, Microsoft Office Suite programs and other common office programs.
- Ability to prepare and input activity registrations into computer/books with accuracy.
- Ability to make accurate arithmetic calculations.

**OTHER DUTIES AND RESPONSIBILITIES:**

- Responsible for verifying class participation for monthly pass or drop in fee through sign-in sheets.
- Complete and submit class evaluations, as required.
• Responsible for facilitating the instruction of scheduled classes and personal trainings by assisting in the hiring and orienting of instructors and trainers and ensuring instructor coverage for all classes and personal trainings.
• Consult with Recreation Supervisor on needs for specific age groups and abilities relating to exercise class offerings, fees, and advertising.
• Responsible for the care, cleaning and maintenance of fitness room and fitness class equipment and accessories as directed by the Recreation Supervisor.
• Recommend purchases for new or replacement exercise equipment and accessories.

MINIMUM REQUIREMENTS:
• High School Diploma or equivalent with additional education or work experience in recreation or related field.
• Prior exercise/fitness instructor experience.
• First Aid and CPR certification desired.
• Certification through NDEITA desired.
• Proficiency with the Microsoft Operating Systems, Microsoft Office Suite programs and other common office programs.

WORK ENVIRONMENT
The work environment characteristics described here are intended only as illustrations of the various types of work that may be performed. Reasonable accommodations may be made to enable individuals with disabilities to perform essential functions of the job.

Work will be generally performed in an indoor, temperature controlled environment and may require prolonged periods of sitting, composing written materials and communicating in person, telephones or through e-mail. This position also requires the ability and endurance to demonstrate and teach fitness classes and personal training. Attendance of various daytime, evening and other off-hour meetings may be required.

PHYSICAL DEMANDS
Sight  (frequent) reading reports, journals, agendas, correspondence
Speech  (frequent) communicating with Staff, Mayor/Council, Board and Commission members and members of the general public
Hearing  (frequent) answering inquiries from Staff, Mayor/Council, Board and Commission members and members of the general public
Sitting  (frequent) at a workstation, meetings
Walking  (frequent) inside office and on-site Park and Recreation facilities, both indoors and outdoors
Grappling  (frequent) operating writing instruments and computer mouse/keyboard
Standing  (frequent) instruction of fitness classes/personal training
Lifting  (frequent) files/office materials, exercise equipment, lift and/or move up to 50 pounds
Twisting  (frequent) instruction of fitness classes/personal training
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE:  CSCC Building Attendant (Temporary, Seasonal or 14 hours per week less)
DEPARTMENT:  Parks and Recreation
ACCOUNTABLE TO:  Recreation Supervisor
CREATED:  May 2009

SUMMARY/DUTIES OF POSITION:
The Central Square Community Center Building Attendant position will be responsible for the supervision, control and safe operation of the Community Center for the guests and general public. Responsibilities include enforcing rules and policies pertaining to the facility, open and close of facilities per schedule, balancing of cash register and credit card machine, securing money bag and appropriate forms each evening; input activity registrations into computer/book; complete and submit all required reports to the Parks and Recreation Department; assist guests with basic needs; and provide direction in the event of an emergency. Other duties include general maintenance, such as; emptying trash, vacuuming, and cleaning.

This is a temporary, seasonal, or 14-hour per week or less position restricted to a limited number of working days or hours. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES

- Possess knowledge of contemporary office practices, including familiarity and operational abilities as to common office equipment, filing systems, basic accounting principles and proper telephone etiquette.
- Ability to operate a personal computer, including proficient mastery of the Microsoft Operating Systems, Microsoft Office Suite programs and other common office programs.
- Ability to prepare and input activity registrations into computer/book with accuracy.
- Possess comprehensive knowledge and command of business English and an ability to proofread and edit grammar, spelling, punctuation, and grammar.
- Ability to make accurate arithmetic calculations.
- Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
- Ability to work independently, meet deadlines, complete tasks and routines as assigned.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
- Ability to work with employees and others in a courteous, tactful and professional manner.
- Ability to effectively utilize human relations skills and abilities in resolving disputes and problems through verbal and nonverbal communications.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
- Possess visual acuity correctable to read common documents and perform common office tasks.

MINIMUM REQUIREMENTS

- High School Diploma or G.E.D.
- Valid driver's license.
- 18-years of age or older.
- Minimum of two years customer service experience, supervision experience desired.
- First Aid, CPR Certification and AED training desired.
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: Child Watch Leaders - CSCC (Temporary, Seasonal, or 14 hours per week or less)

DEPARTMENT: Parks and Recreation

ACCOUNTABLE TO: Recreation Supervisor

REVISED: May 2009

SUMMARY/DUTIES OF POSITION:
The Child Watch Leader positions primary objective of the position is to provide leadership, supervision and security for children within a position setting. The position responsibilities include, but are not limited to, ensuring the care and safety of all children; enforcement of rules and policies; sign children in and out of program; supervise Child Watch area and equipment; and use a positive approach when interacting with children.

This is a temporary, seasonal, or 14-hour per week or less position restricted to a limited number of working days or hours. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES
• Possess knowledge and ability to express directions, demonstrate skills and provide communication with children and adults.
• Possess knowledge and ability to enforce rules and policies pertaining to CSCC facilities.
• Ability to promote a positive atmosphere.
• Ability to effectively deal with disciplinary problems in accordance with established procedures.
• Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
• Ability to comply with verbal and written instructions and established procedures.
• Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
• Ability to work with employees and others in a courteous, tactful and professional manner.
• Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
• Possess vision acuity correctable to read common documents.

OTHER DUTIES AND RESPONSIBILITIES:
• Responsible to ensure cleanliness of Child Watch area and ensure equipment is properly stored.
• Submit all reports to the Parks and Recreation Office in a timely manner, as required.
• Changing of infants/toddlers diapers, as necessary.
• Perform other duties as assigned.

MINIMUM REQUIREMENTS
• Possess strong desire to work with children
• American Red Cross Babysitting course desired
• First Aid and CPR certification desired
• Age, education and past experience will be taken into consideration during the hiring process
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: Lifeguard – Central Square (Temporary, Seasonal, or 14 hours per week or less)

DEPARTMENT: Parks and Recreation

ACCOUNTABLE TO: Aquatic Supervisor and Recreation Supervisor

REvised: May 2009

SUMMARY/DUTIES OF POSITION:
The primary objective of the position is to perform routine to skilled technical work monitoring pool activities to ensure a safe environment. The position responsibilities include, but are not limited to, ensuring the care and safety of all swimmers; enforcement of pool policies and procedures; detect and respond to pool emergencies; including water rescue and administration of first aid; maintenance and cleaning of locker rooms, pool area, and pool equipment; and, demonstrate best possible manner of conduct to promote and encourage a positive atmosphere.

This is a temporary, seasonal, or 14-hour per week or less position restricted to a limited number of working days or hours. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES:
- Possess knowledge and ability to express directions, demonstrate skills and provide patrons with assistance in use of pool facility.
- Possess knowledge and ability to enforce pool policies and procedures.
- Ability to promote a positive atmosphere.
- Ability to effectively deal with disciplinary problems in accordance with established procedures.
- Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
- Ability to work independently, meet deadlines, complete tasks and routines as assigned.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
- Ability to work with employees and others in a courteous, tactful and professional manner.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
- Possess visual acuity correctable to read common documents and perform common office tasks.

OTHER DUTIES AND RESPONSIBILITIES:
- Wear required uniform while on duty.
- Participate in pool in-service training, as required.
- Report to work 15 minutes prior to the start of session, arriving at assigned post before the first swimmer enters the pool area.
- Never leave the pool area unattended. At breaks and closing, make sure all swimmers are out of the water before leaving your post.
- Prohibit all individuals from running on the pool deck and locker rooms; do not allow horseplay or exhibition that could jeopardize the safety and welfare of patrons.
- Ensure proper swim attire (i.e. swim diapers) for infants/toddlers is adhered to, no regular diapers are allowed in pool area.

MINIMUM REQUIREMENTS:
- Current American Red Cross Certification in Lifeguarding, First Aid and CPR.
- Age, education and past experience will be taken into consideration during the hiring process.
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: WSI Instructor (Temporary, Seasonal, or 14 hours per week or less)

DEPARTMENT: Parks and Recreation

ACCOUNTABLE TO: Aquatic Supervisor and Recreation Supervisor

REVISED: May 2009

SUMMARY/DUTIES OF POSITION:
The Central Square Community Center WSI Instructor positions primary objective is to instruct students of all ages in the American Red Cross Learn to Swim Program. The position responsibilities include ensuring the care and safety of all swimmers; enforcement of pool policies and procedures; detect and respond to pool emergencies, including water rescue and administration of first aid; and use a positive approach to teaching, provide feedback both individually and in a group setting.

This is a temporary, seasonal, or 14-hour per week or less position restricted to a limited number of working days or hours. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES
• Possess knowledge of skills on progression cards for each program level being taught.
• Possess knowledge and ability to express directions, demonstrate skills and provide students with support and assistance with proper techniques.
• Possess knowledge and ability to enforce pool policies and procedures.
• Ability to promote a positive atmosphere.
• Ability to effectively deal with disciplinary problems in accordance with established procedures.
• Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
• Ability to work independently, meet deadlines, complete tasks and routines as assigned.
• Ability to comply with verbal and written instructions and established procedures.
• Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
• Ability to work with employees and others in a courteous, tactful and professional manner.
• Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
• Possess vision acuity correctable to read common documents and perform common office tasks.

MINIMUM REQUIREMENTS
• High School Diploma or G.E.D.
• Valid driver’s license.
• 18 years of age or older.
• Current American Red Cross Certification in WSI.
• First Aid, CPR Certification and AED training desired.
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: Exercise/Fitness Instructor (Temporary, Seasonal, or 14 hours per week or less)

DEPARTMENT: Parks and Recreation

ACCOUNTABLE TO: Recreation Supervisor

REVISED: May 2009

SUMMARY/DUTIES OF POSITION:
The primary objective of the position is to provide instruction, supervision and evaluation of exercise and/or fitness classes. The position responsibilities include, but are not limited to, planning, organizing and implementing components of exercise instruction; supervision of participants enrolled in the classes; care and use of all equipment and facility use, and, provide excellent customer service to participants.

This is a temporary, seasonal, or 14-hour per week or less position restricted to a limited number of working days or hours. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES:
- Possess knowledge and ability to express directions, demonstrate skills and provide patrons with assistance in use of equipment and facilities.
- Ability to promote a positive atmosphere.
- Ability to promote, organize and direct exercise/fitness classes.
- Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
- Ability to work independently, meet deadlines, complete tasks and routines as assigned.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
- Ability to work with employees and others in a courteous, respectful and professional manner.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
- Possess visual acuity correctable to read common documents and perform common office tasks.

OTHER DUTIES AND RESPONSIBILITIES:
- Responsible for verifying class participation for monthly pass or drop-in fee through sign-in sheets.
- Complete and submit a class evaluation, as required.
- Consult with Program Directors on needs for specific age groups relating to exercise classes.

MINIMUM REQUIREMENTS:
- Prior exercise/fitness instructor experience.
- First Aid and CPR certification desired.
- Certification through NDEITA desired.
- Age, education and past experience will be taken into consideration during the hiring process.
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: Personal Trainer (Seasonal/Temporary)

DEPARTMENT: CSCC/Parks and Recreation

ACCOUNTABLE TO: Recreation Supervisor

CREATED: September, 2009

SUMMARY/DUTIES OF POSITION:

The primary objective of the Personal Trainer position is to conduct fitness assessments and personal training sessions with patrons of Central Square Community Center. Position responsibilities include, but are not limited to, planning, organizing and implementing components of exercise instruction; supervision of patrons in training sessions; care and use of all equipment and facility use, and, provide excellent customer service to participants.

This is a seasonal/temporary position restricted to a limited number of working days or hours, and is subject to programming needs and city budget limitations. The work schedule will vary based on the needs of the department and scheduled events. Evening and weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES:

- Possess knowledge and ability to express directions, demonstrate skills and provide patrons with assistance and proper use of equipment and facilities.
- Ability to promote a positive atmosphere.
- Ability to provide fitness orientations.
- Ability to conduct risk assessment and health consultation requiring high level of confidentiality.
- Ability to conduct fitness assessments, design and implement individual workout programs including health and fitness goal setting.
- Ability to communicate effectively in the English language in both verbal and written modes, including the ability to provide clear explanations and answers to inquiries.
- Ability to work independently, meet deadlines, complete tasks and routines as assigned.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to set priorities, organize workload, handle multiple responsibilities and maintain attendance.
- Ability to work with employees and others in a courteous, tactful and professional manner.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal conversational level.
- Possess visual acuity correctable to read common documents and perform common office tasks.

OTHER DUTIES AND RESPONSIBILITIES:

- Responsible to keep detailed and accurate records of patron information.
- Complete and submit a program evaluation, as required.
- Consult with Recreation Supervisor on needs for the program of facility.

MINIMUM REQUIREMENTS:

- Prior personal training, exercise/fitness experience required.
- First Aid, CPR and AED certification required.
- Good communication skills and ability to work with people.
- 18-years of age or older.
POSITION DESCRIPTION
CITY OF SOUTH ST. PAUL

POSITION TITLE: Gymnastics Instructor

DEPARTMENT: Parks and Recreation -- Central Square

ACCOUNTABLE TO: Recreation Supervisor

REVISED: March 2010

SUMMARY/DUTIES OF POSITION:
The primary objective of the Gymnastics Instructor position is to provide instruction, supervision and evaluation of youth gymnastics classes. The position responsibilities include, but are not limited to,
planning, organizing and implementing components of gymnastics instruction; preparation of weekly
lesson plans stressing proper techniques and safety for each level of gymnastics; supervise and work with
children in a group setting and on an individual basis in order to teach specific skills; responsibility to
maintain and keep all equipment and facilities in good condition; responsibility for completing and
submitting class evaluations; and, perform other duties as assigned.

This is a temporary/seasonal position restricted to a limited number of working days and/or hours. The
work schedule will vary based on the needs of the department and scheduled events. Day, evening and
weekend hours are to be expected.

KNOWLEDGE, SKILLS AND ABILITIES
- Possess knowledge and ability to express directions, demonstrate skills and provide communication
  with children and adults.
- Ability to promote, organize and direct gymnastic classes.
- Ability to promote a positive atmosphere.
- Ability to effectively deal with disciplinary problems in accordance with established procedures.
- Ability to communicate effectively in the English language in both verbal and written modes,
  including the ability to provide clear explanations and answers to inquiries.
- Ability to comply with verbal and written instructions and established procedures.
- Ability to work independently, set priorities, organize workload, handle multiple responsibilities and
  maintain attendance.
- Ability to work with employees and others in a courteous, tactful and professional manner.
- Ability to hear within normal hearing range and understand spoken English delivered at a normal
  conversational level.
- Possess visual acuity correctable to read common documents.

MINIMUM REQUIREMENTS
- Age 18 or older
- Possess strong desire and ability to work with children
- Prior teaching experience
- Ability to pass a background investigation
- First aid and CPR certification desired
Central Square Community Center Management Agreement
Addendum 12 – Administrative Support Charge and Reimbursement

For the 2013 Central Square Community Center operating budget, the City reallocated Parks/Recreation Staff time to all appropriate program budgets based on a “time-spent” analysis. Much of that time and expense of Parks/Recreation administrative staff is realized in the operation of Central Square Community Center. This allocation across several program budgets includes the administrative positions of the Director of Parks and Recreation and the two Recreation Supervisors. The allocation does not include the Secretary position and Fitness Coordinator who are two true employees dedicated only to Central Square.

To offset the annual staffing allocation budgeted expenditure for the Director of Parks and Recreation and two Recreation Supervisors, the City is providing reimbursing revenue in the form of an Administrative Support Charge that it alone will contribute to the Central Square operating budget. This results in a net zero impact to the CSCC operating budget.

The Memorandum to the Board of Education explaining the budgeting practice is included in this Addendum.

To: Special School District #6 School Board members
From: Josh Feldman, Finance Director
       Steve King, City Administrator
Date: November 7, 2012
Re: Staffing Allocation change for the 2013 CSCC budget

The Draft 2013 CSCC budget includes a change of practice with regard to the display of Staff time expenditures generated by CSCC operations. This change implements one of the recommendations resulting from a joint review on January 3, 2011 of the CSCC Management Agreement and CSCC budgeting/Capital Improvement Project practices. The recommendation was to have the budget better reflect the “true operating cost that both parent organizations bring to the CSCC including facility maintenance, administrative staffing, utilities, and other “in-kind” contributions defined by the Management Agreement”. The finance officers from each parent were tasked with incorporating that approach and thus the proposed changes in the 2013 CSCC budget.
While The City has moved to include more accurate budget allocations for City Staff time consumed in operating the CSCC, it is not clear that the School District has conducted a similar review and placed similar modifications in the 2013 CSCC budget. The City certainly would invite such an approach and regard them as additional refinements serving the goal of better disclosing the true cost of operating the CSCC.

It has also come to the City’s attention that the School Board may have additional questions and concerns regarding the proposed CSCC 2013 Budget format changes. This memorandum is meant to help explain the rationale for change and hopefully addresses concerns.

**Background:**

In 2011, City Staff initiated a cost review of staff time and internal administrative support charges for a number of City operations and programs (e.g. Utilities, Airport, Wakota Arena, Parks and Recreation, etc.). The focus was on programs and budgets that consumed City Staff time and administrative support services but which did not include appropriate corresponding expenditure line items to account for the Staff and support services received.

Several factors stimulated this review.  
**First,** the City’s continuing budget struggle to cope with erratic and substantially reduced State Aids, stagnant tax base development and the crash of property values has necessitated cuts or other modifications to existing staffing, programs and services. To make informed decisions and to weigh alternatives associated with these changes, the City Council needed a better understanding of the full and true costs of programs and services.  
**Second,** we are in an era of increased demand for transparency and for accounting practices that better and more fully inform the general public about the actual costs of public services. One outcome of this movement has been required changes to budgeting and financial reporting methods. Assigning and appropriately reflecting complete costs in program and service budgets comports with these trends.  
**Third,** recent history with some of our program budget sectors has led the City to more precisely assign and justify staffing and administrative support service expenditure line items. As a specific example, the City’s recent efforts to find budget savings through reorganized and reduced management expenditures at Fleming Field led to charges from some quarters that the staffing and support services line item expenditures listed in our Airport budgets were insufficiently documented. As a result, there has been considerable effort to provide very clear explanations for budget expenditure lines and their rationale.  
**Fourth,** as a shared enterprise, the CSCC will probably always generate questions and discussion about the equitable allocation of costs between the two parents. In addition, the services rendered through the CSCC will probably also always be regarded as a bit more discretionary than some of the other program activities of the parents. Good information on the true cost of operating the CSCC can help respond to questions that might arise in these regards.

The cost review study cited at the onset of this discussion and a review of best practices led City Staff to identify opportunities for improvement in how the City accounts for internal and staff time expenditures. Focusing on the Parks/Recreation Department portion of the Staff analysis, it was noted that the Department manages multiple programs and services through separate and
distinct program budgets that include expenditure line items and revenues. Prior to 2013, the City allocated all Parks/Recreation administrative staffing expense only to the Parks/Recreation Administration program budget. In contrast, however, seasonal staffing expense was delineated and specifically allocated to the individual programs that consumed those services. This inconsistent practice created fiscal and administrative challenges. It also resulted in a misleading expression of the cost for those programs and services. The CSCC was one of the programs receiving Parks/Recreation Administrative staffing without fully accounting for the expense within its budget.

As a result of the study and corresponding adjustment of accounting practices, the following principles have been incorporated into the City’s budgeting practice:

1. Measuring the cost of Government Services –
   a. **Best practice recommendation** – the GFOA (Government Finance Officer Association) maintains that an identification of the cost of government services is useful for the evaluation of performance measurement, benchmarking service levels, and setting the appropriate level of user fees to pay for the service. These costs include salaries, wages, and benefits of employees while they are providing the service.

   b. **City’s Adjusted Practice** – the City reallocated Parks/Recreation Staff time to appropriate program budgets based on a time spent analysis. Much of that time and expense is realized in the Central Square Community Center Budget. To offset this increase of budgeted expenditures, the City is providing new revenue in the form of an administrative services charge that it alone will contribute. **This results in a net zero impact to the CSCC budget.**

2. Transparency and comparability –
   a. **Best practice recommendation** – The City’s budget has historically provided limited financial information to readers and decision makers. The City recently modified its budgeting approach and has expanded the information that is provided in the budget. GFOA recommends that the budget include this expanded information as a means to increase public understanding of the staffing levels and related responsibilities associated with each budgeted program.

   b. **City’s Adjusted Practice** – the City now presents and allocates appropriate Parks/Recreation staffing levels in the appropriate program budgets based on a ‘time-spent’ analysis and responsibility levels.
AGENDA ITEM: ALTERNATIVE ENERGY (SOLAR) ORDINANCE

DESIRED MEETING OUTCOMES:

- Discuss the proposed Alternative Energy Ordinance
- Answer any questions the City Council members may have.
- Receive input regarding “next steps” and what changes need to be made to the draft ordinance before it is ready for a public hearing.

OVERVIEW:

Staff is bringing forward an update of the City’s standards for solar energy systems in accordance with the City’s draft 2040 comprehensive plan. This proposed amendment to Section 118-265 encourages the use of solar energy systems by removing barriers for residents and businesses that are interested in investing in alternative energy systems and setting clear standards for the construction of these systems.

The proposed ordinance amendment would allow the city to implement Action 4.11 in the Comprehensive Plan. The draft ordinance is written in such a way that it will easily allow for the future addition of rules related to wind and geothermal energy systems if the City someday chooses to encourage those types of alternative energy within City limits.

Summary of Issues with Existing Ordinance

The Zoning Code’s existing solar ordinance is very short and was written in 1992, before solar energy systems were commonplace. The existing ordinance is two sentences long, does not contain performance standards, and simply states:

Section. 118-265. - Solar energy protection.

Access to sunlight for active and passive solar systems (for the heating and cooling of buildings) shall be protected in accordance with the applicable state statutes and regulations. All active solar systems proposed shall require a conditional use permit.

The existing ordinance does not currently include a definition of what the terms “passive solar system” and “active solar system” mean. These are technical terms which refer to specific types of solar energy technologies. The most common solar energy systems, such as roof-mounted solar panels, are “active systems.”
“Active” and “Passive” Solar Energy Systems Defined

Solar energy systems are devices or structural design features of which the primary purpose is to provide for interior lighting or provide for the collection, storage and distribution of energy for space heating or cooling, electricity (generation), or water heating. There are two kinds of solar energy systems: active systems and passive systems.

**Active solar energy systems** harvest energy by transferring collected solar energy into another medium using mechanical, electrical, or chemical means. Photovoltaic (PV) solar panels are the best known active solar energy system. Active solar energy systems are typically either roof mounted or ground mounted.

**Passive solar energy systems** utilize building constituents such as walls, floors, roof, windows, exterior building elements and landscaping that captures solar light or heat generated by the sun without transforming it to another form of solar energy or the use of mechanical and electrical equipment to enhance the conversion of solar energy to heat and electric power.

**Why do we need to look at the Ordinance?**

Most cities that want to encourage solar energy no longer require a Conditional Use Permit (CUP) for solar panels. A CUP requirement adds additional cost, an element of uncertainty, and a 45-day review period with required attendance at two City meetings. Very few residents are willing to go through that process to install solar panels on their roof. Cities that want to encourage solar energy typically only require a building permit for solar panels. Staff can issue the building permit as long as all performance standards in zoning code have been met.

It appears that South St. Paul made a policy decision to stop requiring a Conditional Use Permit for solar panels many years ago, but the Code was never amended to catch up with that policy decision. Consequently, there are no performance standards in the Code to govern solar panels. This means that Staff has been assigning conditions “case by case” without clear guidance from the Code when processing the building permits. Additionally, City Staff is operating in a somewhat tricky “gray area” right now, since the Code still technically says that a Conditional Use Permit is required for solar panels.

South St. Paul’s 2040 comprehensive plan lays out that one of the City’s policy goals is to establish clear zoning standards for solar energy systems and allow rooftop solar systems as a permitted accessory use. The ordinance can be cleaned up simply by implementing that comprehensive plan goal.

**Comprehensive Plan Guidance**

The South St. Paul Draft 2040 Comprehensive Plan contains the following recommended action:
Proposed Alternative Energy Ordinance

Staff has drafted an ordinance amendment that would implement the comprehensive plan goal and align South St. Paul’s ordinance with regionally accepted best practices concerning solar energy. City staff reviewed alternative energy ordinances from a number of Twin Cities area communities. A synopsis of these ordinances can be found in Attachment A. These ordinances create a picture of best practices for a solar energy system ordinance and were used to guide the proposed ordinance amendment. Some key provisions of the draft South St. Paul ordinance include:


- Classifying Solar Energy Systems as a permitted accessory use in all zoning districts.
  - As an accessory use, a property must still have a principal use in order to install solar equipment. Solar energy equipment cannot be the only use of the property.

- Creating a defined permitting process.
  - A building permit and an electrical permit are required.

- Creating performance standards for solar energy systems.
  - Roof-mounted solar is allowed on any roof, but cannot extend more than 10 feet beyond the height maximum for the zoning district.
  - Roof-mounted solar does not need to “color match” or complement the roof of the building that it is on. All solar panels are dark blue so a color-match requirement would prevent many buildings from being able to have roof-mounted solar.
  - Roof-mounted solar must be angled in such a way that the panels do not reflect light into neighbors’ windows. Screening may be required to address glare issues.
  - Ground-mounted systems cannot exceed 15 feet in height.
  - Ground-mounted systems on residential properties cannot exceed 200 square feet without first obtaining a Conditional Use Permit.
  - Ground-mounted systems on residential properties do not count towards the 30% limit on “lot coverage” and are exempted (as swimming pools and decks already are).
Ground mounted systems are restricted to back yards (and side yards in industrial and commercial zoning districts).

Ground-mounted systems in commercial and industrial areas cannot exceed 25% coverage of the lot.

Staff was not able to identify any viable areas in the community that would be good candidates for “solar gardens” or “solar farms” which are fields of solar panels that function as a standalone use. These installations are typically very land-intensive with a 5-Megawatt solar garden requiring roughly 25 acres of land. Large standalone solar gardens are typically found in rural areas where land values are low and the amount of land necessary can be obtained economically without having a negative impact on development. Therefore, Staff has not included “solar gardens” or “solar farms” in the draft ordinance, but these concepts can easily be added at a later time if a site in South St. Paul is identified as a good candidate for one of these facilities.

Discussion

A public hearing with the Planning Commission needs to be held before the zoning code can be amended. There are several performance standards that still need to be finalized (detailed below). Council is invited to weigh in on these performance standards, but it likely makes more sense for the Planning Commission to do the “deep dive.” Council will get to revisit these issues when the ordinance comes back for its 1st and 2nd readings. Staff is primarily seeking “policy level” Council feedback on the draft ordinance.

Outstanding Performance Standard Questions for Planning Commission:

- In residential districts, should ground mounted solar energy systems be required to follow setbacks for accessory structures or should they have their own standard?
  - St. Paul, Minneapolis and Maplewood state that ground mounted solar panels are subject to the setbacks of accessory structures
  - Mendota Heights requires ground mounted solar systems to be setback 15 feet from all property lines and 30 feet from all dwellings located on adjacent lots.
  - Burnsville requires ground mounted solar energy systems to adhere to accessory structures setbacks AND requires ground mounted systems to be at least 30 feet away from all dwellings located on adjacent lots.

- Should ground mounted solar energy systems in residential districts be required to conform to the area restrictions of an accessory structure (200 square feet) with the option for a larger system IF a conditional use permit is obtained?

- Should ground mounted solar energy systems count as one of the two accessory structures allowed on single family lots? Each property currently gets one (1) detached garage and one (1) “other” structure which cannot be more than 200 square feet unless a conditional use permit is obtained.
• Should ground mounted solar systems be exempt from lot coverage requirements similar to decks and swimming pools?

• Should staff add a conditional use permit option for businesses that have a creative solar energy system project that fall outside the realm of these standards?

Action Needed

Staff is seeking direction from the City Council regarding the draft ordinance.
AN ORDINANCE AMENDING SECTION 118-265 TO CREATE PERFORMANCE STANDARDS FOR ALTERNATIVE ENERGY SYSTEMS.

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Section 118-265 is hereby amended as follows:

Section 118-265. - Solar energy protection. Alternative Energy Systems

Access to sunlight for active and passive solar systems (for the heating and cooling of buildings) shall be protected in accordance with the applicable state statutes and regulations. All active solar systems proposed shall require a conditional use permit.

(a) Definitions.

Alternative Energy System means a ground source heat pump, wind or solar energy system.

Building Integrated Solar System means a solar system where photovoltaic materials are used in place of traditional building materials.

Ground Mounted means a solar system that is freestanding erected directly on the ground using a rack or pole structure

Roof Mounted means a solar system mounted directly to or abutting the roof of a building.

Solar Energy means radiant energy received from the sun to be collected in the form of heat or light by a solar collector.

Solar Energy System means a device or structural design feature of which the primary purpose is to provide for interior lighting or provide for the collection, storage and distribution of energy for space heating or cooling, electricity (generation), or water heating.

Solar Energy System, active means a solar energy system of which the primary purpose is to harvest energy by transferring collected solar energy into another form of energy or transferring heat from a solar collector to another medium using mechanical, electrical, or chemical means.

Solar Energy System, passive means a solar energy system that utilizes building components such as walls, floors, roof, windows, exterior building elements and landscaping that captures solar light or heat generated by the sun without transforming it to another form of solar energy or the use of
mechanical and electrical equipment to enhance the conversion of solar energy to heat and electric power.

(b) **Purpose.** It is a goal of the city to provide a sustainable quality of life for the city’s residents, making careful and effective use of available natural, human, and economic resources and ensuring that resources exist to maintain and enhance the quality of life for future residents. Purposes of this division include:

1. To promote rather than restrict development of alternative energy sources by removing regulatory barriers and creating a clear regulatory path for approving alternative energy systems
2. To create a livable community where development incorporates sustainable design elements, resource and energy conservation and the use of renewable energy.
3. To protect and enhance air quality, limit the effect of climate change and decrease the use of fossil fuels.
4. To encourage alternative energy development in locations where the technology is viable and the negative environmental, economic, and social impacts can be mitigated.

(c) **Solar Energy Systems**

1. **Zoning Districts.** Solar energy systems shall be a permitted accessory use with all required permits in any zoning district, subject to the regulations of this ordinance.

2. **Permits Required.** No active solar energy systems shall be erected, altered, improved, reconstructed, or moved without first obtaining a building and electrical permit. All solar energy systems must comply with this ordinance.

3. **Exemptions.** The following systems shall be exempt from the requirements of this section and shall be regulated as any other building element requiring a building permit:
   - i. Passive solar energy systems.
   - ii. Building integrated solar energy systems.

4. **Roof Mounted Solar Systems.** Roof mounted Solar Systems are allowed subject to the following conditions:
   - i. **Height.** Roof mounted solar energy system shall be no taller than ten (10) feet above the maximum building height in any zoning district.
   - ii. **Aesthetics.** The color of the solar collector is not required to be consistent with other roofing materials. Reflection angles from collector surfaces shall be oriented away from neighboring windows. Where deemed necessary by City Staff, screening may be required to address glare onto neighboring properties.
5. **Ground Mounted Solar Systems.** Ground Mounted Solar Systems are allowed subject to the following conditions:
   
i. **Height.** The maximum height of the system shall not exceed fifteen (15) feet from the average natural grade at the base of the system.
   
ii. **Impervious Surface.** Ground mounted solar energy systems are not considered an impervious surface so long as the surface underneath the system is permeable.
   
iii. **Location.** A ground mounted solar energy system shall be limited to rear yards in residential districts. Ground mounted solar energy systems shall be limited to rear and side yards in commercial and industrial districts.
   
iv. **Maximum Area:**
   
i. **Residential Districts:** Any ground mounted solar energy systems shall adhere to the requirements for accessory structures. Ground mounted solar energy systems larger than 200 square feet shall require a conditional use permit.
   
ii. **Commercial and Industrial Districts:** The system shall be limited in size to no more than twenty-five (25) percent of the property in which the system is located.
   
v. **Setbacks.** A ground mounted solar system shall be subject to the setback requirements for accessory structures as found in Section 118-208. Additional setbacks are required in the following environmentally sensitive areas:
   
i. **Bluff Impact Zones.** No ground mounted solar panel may be placed within 40 feet of an established bluff line per Section 118-167.
   
ii. **Mississippi River Corridor Critical Area.** No ground mounted solar energy system shall within 100 feet of the high-water mark of the river per Section 118-167 of this code.
   
iii. **Wetlands.** No ground mounted solar energy system shall be placed within 30 feet from the delineated edge of any wetland per Section 110-78 of the City Code.
   
6. **Easements.** Solar energy systems shall not encroach upon any public drainage, utility, roadway or trail easements.

7. **Abandonment.** Any solar energy system which remains nonfunctional or inoperable for a continuous period of twelve (12) months shall be deemed to be abandoned and shall be deemed a public nuisance. The owners shall remove the abandoned system, including the entire structure and transmission equipment, at their expense after obtaining a demolition permit.
SECTION 2. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

This ordinance creates definitions and performance standards for solar energy systems.

SECTION 3. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: ______________________

Published: _____________________

______________________________
Christy Wilcox, City Clerk
## Attachment A

### Summary of Solar Energy Ordinances in Other Cities

| City of Bloomington | - Solar panels are allowed in all commercial and residential districts.  
|                     | - Solar panels require a building and electrical permit.  
|                     | - Ground mounted solar panels over 15 feet in height are considered a “tower” and requires a Conditional Use Permit.  
|                     | - Roof-mounted solar panels over 15 feet above roof height are considered a “tower” and requires a Conditional Use Permit.  
|                     | - Solar panels do not count towards impervious surface cover. |

| City of Eagan       | - Roof and ground-mounted solar energy systems are accessory uses in all districts.  
|                     | - Solar energy systems require a residential building permit and any other permits required by the state.  
|                     | - Roof mounted solar systems must comply with height and setback regulations.  
|                     | - Roof-mounted solar panels must be setback 1 foot from the edge of residential roofs and 10 feet from the edge of commercial, industrial or institutional structures.  
|                     | - A ground-mounted solar energy system shall not exceed 12 feet in height; however, the height may be increased up to an additional 15 feet if the system structure is set back from any property line by an additional two feet for each one foot of height above 12 feet.  
|                     | - Solar panels do not need to be consistent with other roofing materials. Reflection angles from collector surfaces shall be oriented away from neighboring windows.  
|                     | - A roof-mounted solar energy system shall not cover more than 80 percent of the south-facing roof surfaces or of an entire flat roof surface area. The surface area of ground-mount systems, together with all other structures, shall not exceed a maximum lot coverage of 30 percent for residential and 70 percent of commercial, industrial, and institutional zoning districts. |

| City of Burnsville  | - Solar energy systems are a permitted accessory use in all residential, commercial, industrial and park zoning districts.  
|                     | - Solar energy systems require a building and electrical permit.  
|                     | - Performance standards are included for ground mounted solar systems, wall mounted solar systems, roof mounted solar systems, and pole mounted solar systems.  
|                     | - Solar energy systems shall not be installed within the floodway, flood fringe, floodplain, shore impact zone, bluff impact zone, wetlands, wetland buffers, public waters, or stormwater ponds.  
|                     | - Ground mounted solar energy systems must follow accessory structure setbacks. |
- Roof mounted solar energy systems must comply with setbacks and cannot extend further than the roof. Roof mounted solar systems cannot cover more than 80% of the total south facing roof.  
- Variations to any of the standards can be done by Conditional Use Permit.

| City of Maplewood | - Solar energy systems are a permitted accessory use in all districts.  
|                   | - Solar energy systems require proper permitting.  
|                   | - Ground mounted solar energy systems must meet the accessory structures setback for the zoning district in which it is installed.  
|                   | - Roof mounted solar energy systems may not extend beyond the required setbacks of the building on which the systems is mounted.  
|                   | - The color of a solar collector is not required to be consistent with other roofing materials.  
|                   | - Ground mounted solar energy systems shall be screened from view to the extent possible without reducing their efficiency. |

| City of Mendota Heights | - Solar energy systems are allowed with all districts subject to the appropriate permitting (building permit).  
|                         | - Roof mounted systems shall not exceed the structure height requirements in the applicable zoning district.  
|                         | - Roof mounted systems shall comply with all building setback requirements in all districts and shall not extend beyond the perimeter of the building on which the system is mounted.  
|                         | - Roof mounted systems shall not cover more than 80% of the roof section upon which the panels are mounted.  
|                         | - Ground mounted systems shall not exceed 15 feet in height. Systems shall be setback a minimum of 15 feet from all property boundary lines and 30 feet from all dwellings located on adjacent lots.  
|                         | - Ground mounted systems are limited to rear yards in all zoning districts.  
|                         | - Ground mounted solar systems have maximum area requirements based by district.  
|                         | - Solar energy systems shall use colors that are not visually incompatible with the color of roof material on which the system is mounted.  
|                         | - Reflective angels shall be oriented away from neighboring windows and minimize glare towards vehicular traffic and adjacent properties. |