



LE SUEUR CITY COUNCIL AGENDA
Monday, July 11, 2016
203 South Second Street
6:30 P.M.

1. Call to Order
2. Pledge of Allegiance
3. Norms of Behavior
4. Approval of the Agenda
5. Presentations – None
6. **Consent Agenda** – All items on the Consent Agenda are considered routine and have been made available to the City Council at least two days in advance of the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.
 - A. Approval of Minutes
 1. Regular Meeting of June 27, 2016
 - B. Resolution Approving Disbursements for Period Ending July 11, 2016
 - C. Consider Approval of 2017-2019 REDA Joint Services Agreement
 - D. Consider Approval of a Renewal of 2017-2019 Animal Control Services Agreement
7. Items of Appreciation
8. **Public Comment** – Public Comment provides an opportunity for the public to address the Council on items that are not on the Agenda. Comments will be limited to three (3) minutes per person. Persons wishing to make a comment must contact the Mayor prior to being allowed to speak.
9. Public Hearings – Le Sueur County Request to Vacate
10. Regular Agenda
 - A. Consider and Discuss Odor Monitoring Report
 - B. SCDP Implementation
 - C. Review Electric On Demand Rate

- D. Consider Approval of First Reading of an Ordinance Opting Out of the Requirement of Minnesota State Statutes 462.3593
- E. Consider Approval of Second Reading of Ordinance Amending the City Charter – Elimination of the Ward System
- F. Award 2016 Seal Coat Project
- G. Approve MMPA Appointment
- H. Councilmember Request to Discuss Open Meeting Law
- I. Miscellaneous
- J. Adjourn

A Regular Meeting of the City Council was held on Monday, June 27, 2016 at 6:30pm in the Council Chambers with Mayor Broeder presiding. Council Members present: Huntington, Johnson, Kerkow, Rohloff, Wicks and Wilke. Council Members absent: none. City Administrator Jenelle Teppen, City Attorney Todd Coryell, Public Services Director, Greg Drent and Bergan KDV Auditor, Michael Bosl were also present.

A motion by Council Member Wicks, seconded by Council Member Rohloff to approve the agenda as written. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Huntington, seconded by Council Member Rohloff to adopt Resolution #16-045 approving the following consent agenda items:

- Regular meeting minutes of June 13, 2016;
- Approving the disbursement for period ending June 27, 2016 in the amount of \$413,749.63;
- Approving the following personnel action items: hiring of Thomas Balder, Kelsey Berndt, Kindra Spinler, Kylie Dunning and Mia Preuhs as seasonal/temporary Lifeguards; hiring of Hannah Allen as an Office Assistant.

Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Wilke, seconded by Council Member Wicks to adopt Resolution #16-046 approving the Housing and Redevelopment Authority minutes of May 18, 2016. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Wicks to adopt Resolution #16-047 approving the Public Hearing amending the City Charter – Ward Elimination. Voting in favor: Council Members Huntington, Johnson, Kerkow, Wicks, Wilke and Mayor Broeder. Voting no: Rohloff. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Rohloff to adopt Resolution #16-048, approving the 2015 Financial Audit as presented. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Wicks, seconded by Council Member Rohloff to adopt Resolution #16-049, approving the Updated Fund Balance Policy with recommended changes to Section II – confirmation by City Administrator and City Council. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Huntington, seconded by Council Member Rohloff to adopt Resolution #16-050, approving the 1st Quarter Financial Report as presented. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Rohloff, seconded by Council Member Huntington to adopt Resolution #16-051, approving the second reading of an ordinance amending the City Charter. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Rohloff to adopt Resolution #16-052, approving a 60-day notice to terminate the electric distribution system service agreement with the City of Kasota. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Huntington, seconded by Council Member Rohloff to adopt Resolution #16-053, approving the award of the 2016 Sidewalk Project to Chard Tiling. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Rohloff to adopt Resolution #16-054, approving the purchase of a 2017 Freightliner boom truck. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Huntington, seconded by Council Member Kerkow to adopt Resolution #16-055, approving the bid to replace the 3rd Street Garage to Berndt Builders. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks and Mayor Broeder. Voting no: Wilke. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Rohloff to adopt Resolution #16-056, approving the quote for the completion of the Street Light Replacement Project. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Huntington, seconded by Council Member Rohloff to adopt Resolution #16-057, approving the expenditure to complete building assessments at City Hall and the Public Works and Parks building. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

A motion by Council Member Kerkow, seconded by Council Member Rohloff to adopt Resolution #16-058, approving the 2016 Municipal Maintenance Agreement with Le Sueur County. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

City Administrator Teppen provided a Comprehensive Plan update.

A work session was set for Monday, July 18, 2016 at 6:00pm.

A motion by Council Member Rohloff, seconded by Council Member Huntington to adjourn at 8:08pm. Voting in favor: Council Members Huntington, Kerkow, Rohloff, Wilke and Mayor Broeder. Voting no: None. Motion carried.

ATTEST:

Robert Broeder, Mayor

Stacy Lawrence, City Clerk



Council Approval Report for July 11, 2016

By Fund

Post Dates 06/28/2016 - 07/11/2016

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Fund: 101 - GENERAL FUND					
101-15502	I.U.O.E. LOCAL 49	AU	INV0003554	101-15502	4,440.00
101-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	101-20702	10,511.60
101-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	101-21701	5,023.71
101-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	101-21702	1,914.09
101-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	101-21703	3,363.48
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	101-21704	3,650.36
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003527	101-21704	4,834.56
101-21705	LINCOLN NATIONAL LIFE	JULY PREMIUM	INV0003535	101-21705	583.28
101-21707	I.U.O.E.-LOCAL 49	UNION DUES	INV0003528	101-21707	408.00
101-21709	LINCOLN NATIONAL LIFE	JULY PREMIUM	INV0003535	101-21709	755.51
101-21711	NCPERS MINNESOTA	JULY PREMIUM	INV0003537	101-21711	128.00
101-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	101-21712	1,283.98
101-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	101-21713	191.17
101-21714	SELECT ACCOUNT	FLEX/HSA	INV0003525	101-21714	1,053.66
101-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0003520	101-21718	519.79
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003523	101-21719	11,758.95
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	101-21719	582.71
101-21720	AFLAC	JULY PREMIUM	INV0003536	101-21720	301.24
101-21725	AFLAC	JULY PREMIUM	INV0003536	101-21725	163.62
					51,467.71
Department: 41320 - CITY ADMINISTRATOR					
101-41320-331	JENELLE TEPPEN	SEMINAR, GRANT TRAINING,	INV0003516	101-41320-331	275.79
101-41320-437	MN CITY-COUNTY	MEMBERSHIP	INV0003513	101-41320-437	127.77
Department 41320 - CITY ADMINISTRATOR Total:					403.56
Department: 41430 - CITY CLERK					
101-41430-201	STACY LAWRENCE	CALCULATOR	INV0003511	101-41430-201	9.32
101-41430-314	ABDO EICK & MEYERS, LLP	AUDIT	369335	101-41430-314	600.00
101-41430-314	AEM FINANCIAL SOLUTIONS, LLC	JULY 2016 FINANCIAL	369582	101-41430-314	3,798.00
101-41430-321	MARCO	MANAGE SERVICES	INV3430113	101-41430-321	225.00
101-41430-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	101-41430-321	123.64
Department 41430 - CITY CLERK Total:					4,755.96
Department: 41940 - GOVERNMENT BUILDINGS					
101-41940-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	101	101-41940-400	1,121.81
Department 41940 - GOVERNMENT BUILDINGS Total:					1,121.81
Department: 42120 - POLICE DEPARTMENT					
101-42120-201	QUILL CORPORATION	LABELS & PAPER TOWELS	6807934	101-42120-201	93.91
101-42120-304	BOLTON & MENK	JSB BUILDING	191091	101-42120-304	529.16
101-42120-321	VERIZON WIRELESS	CELLULAR SERVICE	9767951724	101-42120-321	401.69
101-42120-321	FRONTIER COMMUNICATIONS	PHONE SERVICE	INV0003512	101-42120-321	84.60
101-42120-321	MARCO	MANAGE SERVICES	INV3430113	101-42120-321	150.00
101-42120-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	101-42120-321	44.96
101-42120-452	BOUND TREE MEDICAL LLC	AED BATTERY	82176286A	101-42120-452	141.99
101-42120-452	BOUND TREE MEDICAL LLC	AED PADS FOR SQUAD	82194362	101-42120-452	24.94
Department 42120 - POLICE DEPARTMENT Total:					1,471.25
Department: 42140 - POLICE TRAINING					
101-42140-331	AARON THIEKE	TRAVEL EXPENSE	INV0003508	101-42140-331	78.73
Department 42140 - POLICE TRAINING Total:					78.73
Department: 42151 - POLICE COMMUNICATION SERV					
101-42151-325	BUREAU OF CRIM.	CJDN CONNECTION	296786	101-42151-325	570.00
Department 42151 - POLICE COMMUNICATION SERV Total:					570.00

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Department: 42152 - POLICE AUTOMOTIVE SERVICES					
101-42152-221	NORTHERN SAFETY	NEW SQUAD EQUIPMENT	41510	101-42152-221	66.03
101-42152-431	LABELLE'S ALIGNMENT	REPAIR TIRE ON SQUAD	19450	101-42152-431	19.44
101-42152-431	WOLF MOTOR CO., INC.	SQUAD MAINTENACE / REPAIR	8005338	101-42152-431	11.88
101-42152-431	WOLF MOTOR CO., INC.	SQUAD MAINTENACE / REPAIR	9031860	101-42152-431	137.57
101-42152-431	AQUA SHINE CAR WASH, INC.	CAR WASH COUPONS FOR	INV0003552	101-42152-431	100.00
101-42152-431	EVAN SMITH	SEAT COVERS FOR SQUAD CARS	INV0003553	101-42152-431	17.03
101-42152-438	VON ESSEN TOWING & REPAIR	TOW SEBRING	5365	101-42152-438	150.00
Department 42152 - POLICE AUTOMOTIVE SERVICES Total:					501.95
Department: 42401 - BUILDING CODE ENFORCEMENT					
101-42401-408	CITY BLDG INSPECTION	INSPECTION SERVICES	363	101-42401-408	5,389.81
101-42401-408	CITY BLDG INSPECTION	INSPECTION SERVICES	364	101-42401-408	8,789.88
Department 42401 - BUILDING CODE ENFORCEMENT Total:					14,179.69
Department: 42500 - POLICE RESERVES					
101-42500-321	MEDIACOM LLC	INTERNET SERVICE	INV0003506	101-42500-321	36.65
101-42500-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	105	101-42500-400	69.16
Department 42500 - POLICE RESERVES Total:					105.81
Department: 42700 - ANIMAL CONTROL					
101-42700-311	MINNESOTA CRITTER GETTER	ANIMAL CONTROL FOR JUNE	INV0003507	101-42700-311	1,148.00
Department 42700 - ANIMAL CONTROL Total:					1,148.00
Department: 42800 - EMERGENCY MANAGEMENT/EOC					
101-42800-321	VERIZON WIRELESS	CELLULAR SERVICE	9767935915	101-42800-321	438.72
Department 42800 - EMERGENCY MANAGEMENT/EOC Total:					438.72
Department: 43121 - STREET DEPARTMENT					
101-43121-215	TRUSTWORTHY HARDWARE	LIGHTS	212820	101-43121-215	10.98
101-43121-215	NAPA AUTO PARTS	PARTS	424311	101-43121-215	10.98
101-43121-215	NAPA AUTO PARTS	PARTS	424717	101-43121-215	21.99
101-43121-215	NAPA AUTO PARTS	GLASS CLEANER	424718	101-43121-215	3.99
101-43121-215	NAPA AUTO PARTS	PARTS	424896	101-43121-215	21.99
101-43121-215	NAPA AUTO PARTS	PARTS	425302	101-43121-215	17.18
101-43121-215	NAPA AUTO PARTS	PARTS	425312	101-43121-215	59.88
101-43121-215	NAPA AUTO PARTS	PARTS	425374	101-43121-215	15.47
101-43121-221	OLSON CHAIN & CABLE	SAFETY CHAINS	582772	101-43121-221	703.45
101-43121-221	CRYSTEEL TRUCK EQUIPMENT	LABOR & KING PINS	826581	101-43121-221	1,123.43
101-43121-224	BRYAN ROCK PRODUCTS	ROCK	15306	101-43121-224	498.47
101-43121-224	TRAXLER CONSTRUCTION	CLASS 5	51232	101-43121-224	272.53
101-43121-240	TRUSTWORTHY HARDWARE	SHOVELS & GLOVES	213364	101-43121-240	43.42
101-43121-303	BOLTON & MENK	GENERAL ENGINEERING	191089	101-43121-303	420.00
101-43121-321	MARCO	MANAGE SERVICES	INV3430113	101-43121-321	175.00
101-43121-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	101-43121-321	78.68
101-43121-404	CRYSTEEL TRUCK EQUIPMENT	LABOR & KING PINS	826581	101-43121-404	1,705.00
101-43121-405	NEW ULM QUARTZITE	SEAL COAT CHIPS	1329588	101-43121-405	553.43
101-43121-405	NEW ULM QUARTZITE	SEAL COAT CHIPS	1331646	101-43121-405	2,136.85
101-43121-411	BURNS CONSTRUCTION	BACKHOE & LABOR	1667	101-43121-411	178.28
101-43121-437	DARLA J FROST	LIFE INSURANCE SURRENDER	INV0003519	101-43121-437	5,747.60
Department 43121 - STREET DEPARTMENT Total:					13,798.60
Department: 44000 - SAFETY & WELLNESS					
101-44000-314	MMUA	SAFETY PROGRAM	47313	101-44000-314	3,650.00
Department 44000 - SAFETY & WELLNESS Total:					3,650.00
Department: 45201 - PARK DEPARTMENT					
101-45201-221	NAPA AUTO PARTS	EQUIPMENT TIGHTNER	424991	101-45201-221	15.58
101-45201-223	INTERSTATE BUILDING SUPPLY	CEDAR BOARDS & SCREWS	215536	101-45201-223	31.13
101-45201-253	SITEONE LANDSCAPE SUPPLY	IRRIGATION REPAIRS AT CITY	76405745	101-45201-253	497.67
101-45201-404	NAPA AUTO PARTS	CLAMP & SCREW DRIVER	424034	101-45201-404	15.22
101-45201-404	NAPA AUTO PARTS	MOTOR REPAIR PARTS	424927	101-45201-404	127.82
Department 45201 - PARK DEPARTMENT Total:					687.42

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Department: 45500 - LIBRARY MAINTENANCE					
101-45500-400	PROFESSIONAL CLEANING	JANITORIAL SERVICE	104	101-45500-400	999.98
Department 45500 - LIBRARY MAINTENANCE Total:					999.98
Department: 49200 - UNALLOCATED EXPENDITURES					
101-49200-441	BOLTON & MENK	RECONSTRUCTION CIP	191088	101-49200-441	1,428.00
101-49200-441	STACY LAWRENCE	BATHROOM MIRROR,	INV0003510	101-49200-441	37.96
101-49200-450	STACY LAWRENCE	EMPLOYEE PICNIC	INV0003509	101-49200-450	74.61
101-49200-453	COMMUNITY EDUCATION	RENTAL OF MS/HS FOR	INV0003538	101-49200-453	55.00
Department 49200 - UNALLOCATED EXPENDITURES Total:					1,595.57
Fund 101 - GENERAL FUND Total:					96,974.76
Fund: 225 - FIRE SERVICE FUND					
Department: 42200 - FIRE SERVICE					
225-42200-207	SAFETY & SECURITY	TRAINING	1801	225-42200-207	200.00
225-42200-212	HOLIDAY CREDIT OFFICE	MOTOR FUEL	164347086233	225-42200-212	11.97
225-42200-221	HEIMAN FIRE EQUIPMENT	ADAPTER	0847531-IN	225-42200-221	183.45
225-42200-221	MILLER'S REFRIGERATION	DOOR COMPONENTS	11903	225-42200-221	79.00
Department 42200 - FIRE SERVICE Total:					474.42
Fund 225 - FIRE SERVICE FUND Total:					474.42
Fund: 226 - AMBULANCE SERVICE FUND					
226-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	226-20702	36.36
226-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	226-21701	4.50
226-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	226-21702	1.97
226-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	226-21703	5.88
226-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	226-21704	6.90
226-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	226-21712	1.36
226-21719	FIRST FARMERS & MERCHANTS	H CSP	INV0003524	226-21719	0.51
					57.48
Department: 42153 - AMBULANCE SERVICES					
226-42153-107	SOUTH CENTRAL MN EMS	NEAL STOCKER SALARY FOR	13-215	226-42153-107	276.00
226-42153-212	SA FLEET ONE LLC	FUEL FOR AMBULANCE	4477250056	226-42153-212	192.09
226-42153-220	WOLF MOTOR CO., INC.	OIL LEAK ON 396	9031885	226-42153-220	77.05
226-42153-304	BOLTON & MENK	JSB BUILDING	191091	226-42153-304	529.17
226-42153-321	VERIZON WIRELESS	CELLULAR SERVICE	9767986964	226-42153-321	44.39
226-42153-321	MEDIACOM LLC	INTERNET SERVICE	INV0003506	226-42153-321	36.65
226-42153-321	MARCO	MANAGE SERVICES	INV3430113	226-42153-321	150.00
226-42153-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	226-42153-321	67.44
226-42153-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	105	226-42153-400	69.17
226-42153-433	IMAGETREND, INC.	ANNUAL FEE	102064	226-42153-433	900.00
Department 42153 - AMBULANCE SERVICES Total:					2,341.96
Fund 226 - AMBULANCE SERVICE FUND Total:					2,399.44
Fund: 227 - PARA-TRANSIT FUND					
227-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	227-20702	3,704.28
227-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	227-21701	320.21
227-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	227-21702	143.76
227-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	227-21703	475.12
227-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	227-21704	554.40
227-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	227-21712	111.10
227-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	227-21713	50.00
227-21719	FIRST FARMERS & MERCHANTS	H CSP	INV0003524	227-21719	50.45
					5,409.32
Department: 49800 - EQUIPMENT, MAINT, GARAGE					
227-49800-221	MICHELS REPAIR LLC	REPAIR LIFT	2514	227-49800-221	796.52
227-49800-221	WOLF MOTOR CO., INC.	FIX LIGHT	9031259	227-49800-221	83.21
227-49800-221	WOLF MOTOR CO., INC.	BRAKE INSPECTION, REPLACE	9031291	227-49800-221	809.52
227-49800-221	WOLF MOTOR CO., INC.	REPLACE ALARM AND CHECK	9031410	227-49800-221	147.20
227-49800-221	NORTH CENTRAL BUS SALES	INTERIOR BUS LIGHTS	INV0003556	227-49800-221	99.54
Department 49800 - EQUIPMENT, MAINT, GARAGE Total:					1,935.99

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Department: 49804 - ADMINISTRATION					
227-49804-304	BOLTON & MENK	JSB BUILDING	191091	227-49804-304	529.17
227-49804-321	MEDIACOM LLC	INTERNET SERVICE	INV0003506	227-49804-321	36.65
227-49804-321	MARCO	MANAGE SERVICES	INV3430113	227-49804-321	175.00
227-49804-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	227-49804-321	78.68
227-49804-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	105	227-49804-400	86.67
Department 49804 - ADMINISTRATION Total:					906.17
Fund 227 - PARA-TRANSIT FUND Total:					8,251.48
Fund: 235 - AIRPORT FUND					
Department: 49810 - AIRPORT ADMINISTRATION					
235-49810-326	SCOTT'S HELICOPTER SERVICE	FBO AGREEMENT JUNE 2016	INV0003514	235-49810-326	238.70
235-49810-382	SCOTT'S HELICOPTER SERVICE	FBO AGREEMENT JUNE 2016	INV0003514	235-49810-382	175.00
Department 49810 - AIRPORT ADMINISTRATION Total:					413.70
Fund 235 - AIRPORT FUND Total:					413.70
Fund: 240 - HRA FUND					
240-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	240-20702	15,081.76
240-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	240-21701	262.13
240-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	240-21702	100.50
240-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	240-21703	524.94
240-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	240-21704	710.47
240-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	240-21712	122.76
240-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	240-21719	112.47
					16,915.03
Department: 46330 - HRA EXPENDITURES					
240-46330-113	LESUEUR HRA	PER DIAMS	INV0003515	240-46330-113	750.00
Department 46330 - HRA EXPENDITURES Total:					750.00
Fund 240 - HRA FUND Total:					17,665.03
Fund: 250 - YOUTH OPPORTUNITIES FUND					
250-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	250-20702	969.67
250-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	250-21703	130.20
250-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	250-21712	30.46
					1,130.33
Fund 250 - YOUTH OPPORTUNITIES FUND Total:					1,130.33
Fund: 380 - EDA GENERAL FUND					
Department: 46500 - ECONOMIC DEVELOPMENT ASSIST					
380-46500-100	BOLTON & MENK	N 2ND ST RECONSTRUCTION	191090	380-46500-100	455.00
Department 46500 - ECONOMIC DEVELOPMENT ASSIST Total:					455.00
Fund 380 - EDA GENERAL FUND Total:					455.00
Fund: 393 - TIF DISTRICT #13					
Department: 47000 - DEBT SERVICE					
393-47000-733	CITY OF LESUEUR	PER TIF AGREEMENTS	INV0003518	393-47000-733	977.24
Department 47000 - DEBT SERVICE Total:					977.24
Fund 393 - TIF DISTRICT #13 Total:					977.24
Fund: 394 - TIF DISTRICT #14					
Department: 47000 - DEBT SERVICE					
394-47000-733	CITY OF LESUEUR	PER TIF AGREEMENTS	INV0003518	394-47000-733	575.29
Department 47000 - DEBT SERVICE Total:					575.29
Fund 394 - TIF DISTRICT #14 Total:					575.29
Fund: 398 - TIF DISTRICT #18					
Department: 47000 - DEBT SERVICE					
398-47000-733	CITY OF LESUEUR	PER TIF AGREEMENTS	INV0003518	398-47000-733	88.48
Department 47000 - DEBT SERVICE Total:					88.48
Fund 398 - TIF DISTRICT #18 Total:					88.48

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Fund: 415 - SIDEWALK RECONSTRUCTION FUND					
Department: 43121 - STREET DEPARTMENT					
415-43121-303	BOLTON & MENK	2016 SIDEWALK PROJECT	191092	415-43121-303	2,460.50
Department 43121 - STREET DEPARTMENT Total:					2,460.50
Fund 415 - SIDEWALK RECONSTRUCTION FUND Total:					2,460.50

Fund: 416 - PAVEMENT MANAGEMENT					
Department: 43121 - STREET DEPARTMENT					
416-43121-303	BOLTON & MENK	SOUTH 4TH PAVEMENT	0191093	416-43121-303	4,742.50
Department 43121 - STREET DEPARTMENT Total:					4,742.50
Fund 416 - PAVEMENT MANAGEMENT Total:					4,742.50

Fund: 601 - WATER UTILITY FUND					
601-15502	I.U.O.E. LOCAL 49	AU	INV0003554	601-15502	2,035.00
601-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	601-20702	8,249.59
601-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	601-21701	1,479.26
601-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	601-21702	531.45
601-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	601-21703	1,359.92
601-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	601-21704	1,538.30
601-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	601-21712	318.08
601-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	601-21713	20.00
601-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0003520	601-21718	180.09
601-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	601-21719	167.39
					15,879.08

Department: 49420 - PURIFICATION					
601-49420-404	HAWKINS, INC.	PUMP	3902707	601-49420-404	1,246.33
601-49420-404	VESSCO, CO.	ROTAMETER, PLUG	66637	601-49420-404	414.88
Department 49420 - PURIFICATION Total:					1,661.21

Department: 49430 - DISTRIBUTION					
601-49430-240	MINNESOTA RIVER VALLEY PUC	VFD BOOSTER STATION	315	601-49430-240	5,481.56
Department 49430 - DISTRIBUTION Total:					5,481.56

Department: 49440 - ADMINISTRATION & GENERAL					
601-49440-201	INNOVATIVE OFFICE SOLUTIONS	PENS, POSTITS	IN1232733	601-49440-201	10.08
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS/ TOWELS	754601979	601-49440-217	97.03
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754604559	601-49440-217	50.35
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754607057	601-49440-217	50.35
601-49440-220	NAPA AUTO PARTS	TRUCK BATTERY	424919	601-49440-220	59.50
601-49440-314	ABDO EICK & MEYERS, LLP	AUDIT	369335	601-49440-314	120.00
601-49440-314	AEM FINANCIAL SOLUTIONS, LLC	JULY 2016 FINANCIAL	369582	601-49440-314	759.60
601-49440-321	MARCO	MANAGE SERVICES	INV3430113	601-49440-321	325.00
601-49440-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	601-49440-321	146.12
601-49440-401	PROFESSIONAL CLEANING	JANITORIAL SERVICES	103	601-49440-401	203.13
601-49440-436	GOPHER STATE ONE CALL	LOCATES	6060505	601-49440-436	66.83
Department 49440 - ADMINISTRATION & GENERAL Total:					1,887.99
Fund 601 - WATER UTILITY FUND Total:					24,909.84

Fund: 602 - SEWER UTILITY FUND					
602-15502	I.U.O.E. LOCAL 49	AU	INV0003554	602-15502	2,035.00
602-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	602-20702	4,086.71
602-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	602-21701	457.01
602-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	602-21702	190.61
602-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	602-21703	600.18
602-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	602-21704	746.26
602-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	602-21712	140.34
602-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	602-21713	20.00
602-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0003520	602-21718	160.27
602-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	602-21719	60.66
					8,497.04

Department: 49490 - ADMINISTRATION & GENERAL					
602-49490-201	INNOVATIVE OFFICE SOLUTIONS	PENS, POSTITS	IN1232733	602-49490-201	10.07

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS/ TOWELS	754601979	602-49490-217	97.03
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754604559	602-49490-217	50.35
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754607057	602-49490-217	50.35
602-49490-220	NAPA AUTO PARTS	TRUCK BATTERY	424919	602-49490-220	59.50
602-49490-314	ABDO EICK & MEYERS, LLP	AUDIT	369335	602-49490-314	120.00
602-49490-314	AEM FINANCIAL SOLUTIONS, LLC	JULY 2016 FINANCIAL	369582	602-49490-314	759.60
602-49490-321	MARCO	MANAGE SERVICES	INV3430113	602-49490-321	325.00
602-49490-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	602-49490-321	146.12
602-49490-401	PROFESSIONAL CLEANING	JANITORIAL SERVICES	103	602-49490-401	203.13
602-49490-433	CGMC	CONTRIBUTION	INV0003555	602-49490-433	1,500.00
602-49490-436	GOPHER STATE ONE CALL	LOCATES	6060505	602-49490-436	66.82
Department 49490 - ADMINISTRATION & GENERAL Total:					3,387.97
Fund 602 - SEWER UTILITY FUND Total:					11,885.01

Fund: 604 - ELECTRIC UTILITY FUND

604-15502	I.U.O.E. LOCAL 49	AU	INV0003554	604-15502	4,810.00
604-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	604-20702	21,431.29
604-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	604-21701	4,338.68
604-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	604-21702	1,533.39
604-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	604-21703	3,609.34
604-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	604-21704	4,284.97
604-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	604-21712	844.12
604-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	604-21713	59.99
604-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0003520	604-21718	670.85
604-21719	FIRST FARMERS & MERCHANTS	HCSF	INV0003524	604-21719	538.35
Department 49560 - POWER SUPPLY Total:					660,202.80

Department: 49560 - POWER SUPPLY

604-49560-258	MMPA C/O AVANT ENERGY	POWER BILLING	2537	604-49560-258	97,810.37
604-49560-259	MMPA C/O AVANT ENERGY	POWER BILLING	2537	604-49560-259	167,639.00
604-49560-260	MMPA C/O AVANT ENERGY	POWER BILLING	2537	604-49560-260	394,753.43

Department: 49570 - TRANSMISSION & DISTRIBUTION

604-49570-207	MMUA	SAFETY PROGRAM	47313	604-49570-207	550.00
604-49570-221	NAPA AUTO PARTS	ANTIFREEZE	425030	604-49570-221	25.62
604-49570-221	DITCH WITCH OF MINNESOTA	BORING MACHINE PARTS	P17538	604-49570-221	300.20
604-49570-227	CROP PRODUCTION SERVICES	SUBSTATION SPRAY	INV0003558	604-49570-227	571.37
604-49570-230	GOPHER STATE ONE CALL	LOCATES	6061072	604-49570-230	130.95
604-49570-230	BORDER STATES ELEC SUPPLY	COUPLING, WASHER,	911459584	604-49570-230	98.27
604-49570-231	JOHN KOTASEK	STUMP REMOVAL	472470	604-49570-231	125.00
604-49570-231	BORDER STATES ELEC SUPPLY	COUPLING, WASHER,	911459584	604-49570-231	81.76
604-49570-233	T&R ELECTRIC SUPPLY	TRANSFORMER REPAIR	139549	604-49570-233	1,548.62
604-49570-235	BORDER STATES ELEC SUPPLY	COUPLING, WASHER,	911459584	604-49570-235	74.26
604-49570-240	LABELLE'S ALIGNMENT	COMPRESSOR REPAIRS	19584	604-49570-240	44.01
604-49570-240	DITCH WITCH OF MINNESOTA	BORING MACHINE O RINGS	P17732	604-49570-240	23.62
Department 49570 - TRANSMISSION & DISTRIBUTION Total:					3,573.68

Department: 49590 - ADMINISTRATION & GENERAL

604-49590-308	LINDA CHEVALIER	CLOTHES WASHER REBATE	INV0003550	604-49590-308	25.00
604-49590-308	LINDA CHEVALIER	RECYCLE BONUS REBATE	INV0003551	604-49590-308	50.00
604-49590-314	ABDO EICK & MEYERS, LLP	AUDIT	369335	604-49590-314	360.00
604-49590-314	AEM FINANCIAL SOLUTIONS, LLC	JULY 2016 FINANCIAL	369582	604-49590-314	2,278.80
604-49590-321	MANKATO ANSWERING SERVICE	ANSWERING SERVICE	160600053	604-49590-321	147.19
604-49590-321	VERIZON WIRELESS	CELLULAR SERVICE	9768004262	604-49590-321	475.49
604-49590-321	MARCO	MANAGE SERVICES	INV3430113	604-49590-321	675.00
604-49590-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	604-49590-321	303.48
604-49590-401	ALLIED OVERHEAD DOOR	GARAGE DOOR TRANSMITTERS	21295	604-49590-401	438.00
604-49590-401	MAYER SOFT WATER-CULLIGAN	WATER COOLER	221364	604-49590-401	48.25
604-49590-401	CHRISTINA BAUMAN	JANITORIAL SERVICE	INV0003549	604-49590-401	220.00
Department 49590 - ADMINISTRATION & GENERAL Total:					5,021.21
Fund 604 - ELECTRIC UTILITY FUND Total:					710,918.67

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Fund: 605 - STORM WATER UTILITY FUND					
605-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	605-20702	331.61
605-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	605-21701	42.26
605-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	605-21702	17.62
605-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	605-21703	56.56
605-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	605-21704	63.80
605-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	605-21712	13.22
					525.07

Fund 605 - STORM WATER UTILITY FUND Total: 525.07

Fund: 606 - MN RIVER VALLEY UTILITY COMM					
606-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	606-20702	2,349.34
606-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	606-21701	300.90
606-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	606-21702	125.39
606-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	606-21703	349.56
606-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	606-21704	424.83
606-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	606-21712	81.76
606-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	606-21719	32.95
					3,664.73

Fund 606 - MN RIVER VALLEY UTILITY COMM Total: 3,664.73

Fund: 615 - RECREATION FUND					
615-20702	FIRST FARMERS & MERCHANTS	07/08/2016 Payroll	INV0003534	615-20702	14,680.93
615-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0003531	615-21701	1,162.27
615-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0003533	615-21702	540.53
615-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0003532	615-21703	2,083.88
615-21704	FIRST FARMERS & MERCHANTS	PERA	INV0003526	615-21704	892.74
615-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0003530	615-21712	487.52
615-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0003521	615-21713	305.00
615-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0003524	615-21719	62.72
615-6-34750	BIMEDA	REFUND PICNIC SHELTER	INV0003540	615-6-34750	25.00
615-6-34756	LETICIA SNOW	REFUND	INV0003541	615-6-34756	26.25
615-6-34756	HALLIE COFFELT	REFUND	INV0003542	615-6-34756	26.25
615-6-34756	THERESA SULLIVAN	SWIM LESSON REFUND	INV0003544	615-6-34756	26.25
					20,319.34

Department: 45120 - RECREATION ADMINISTRATION

615-45120-201	STANLEY SECURITY SOLUTIONS	ACCESS CARDS	13648671	615-45120-201	411.47
615-45120-201	MAXIMUM SOLUTIONS, INC.	SOFTWARE SERVICE	18960	615-45120-201	2,450.00
615-45120-218	JADD SEPPMANN & SONS	PORTABLE BATHROOMS	29180	615-45120-218	345.49
615-45120-218	BSN SPORTS INC	PITCHING PLATE	97983227	615-45120-218	52.33
615-45120-262	ALI PLIESEIS	SOCCER COACH	INV0003543	615-45120-262	390.00
615-45120-262	BRICE CROSHY	SOCCER REFEREE	INV0003545	615-45120-262	120.00
615-45120-262	DREW SMOOK	SOCCER REFEREE	INV0003546	615-45120-262	40.00
615-45120-262	LORI PLIESEIS	SOCCER REFEREE	INV0003547	615-45120-262	155.00
615-45120-262	JESSICA DIRKS	SOCCER REFEREE	INV0003557	615-45120-262	291.00
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	586719	615-45120-271	205.25
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	588237	615-45120-271	122.21
615-45120-321	MARCO	MANAGE SERVICES	INV3430113	615-45120-321	300.00
615-45120-321	MARCO	ANNUAL EDI SUPPORT	INV3435862	615-45120-321	134.88
615-45120-437	MAYER SOFT WATER-CULLIGAN	WATER COOLER	220939	615-45120-437	48.75
615-45120-437	MAYER SOFT WATER-CULLIGAN	WATER COOLER	220966	615-45120-437	31.07
615-45120-437	MAYER SOFT WATER-CULLIGAN	WATER COOLER	221017	615-45120-437	105.71
615-45120-495	ANN MARIE SKUBITZ	REFUND CANCELED CLASS	INV0003539	615-45120-495	32.00
615-45120-495	ISD #2397	JUNE 2016 COMMUNITY ED	INV0003559	615-45120-495	34,750.84
					39,986.00

Department 45120 - RECREATION ADMINISTRATION Total: 39,986.00

Department: 45122 - COMM CTR BUILDING MAINT

615-45122-211	COLE PAPERS INC.	WIPES, CLEANING SUPPLIES	9216359	615-45122-211	666.66
615-45122-216	HORIZON COMMERCIAL POOL	POOL CHEMICALS	160613071	615-45122-216	968.31
615-45122-240	NAPA AUTO PARTS	VACUMN BELT	424874	615-45122-240	13.88
615-45122-401	STANLEY SECURITY SOLUTIONS	DOOR REPAIRS	13388765	615-45122-401	367.25

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
615-45122-401	PLUNKETT'S, INC.	PEST CONTROL	5470277	615-45122-401	1,244.15
Department 45122 - COMM CTR BUILDING MAINT Total:					3,260.25
Department: 45124 - OUTDOOR POOL EXPENDITURES					
615-45124-401	RECREATION SUPPLY CO, INC.	OUTDOOR PATIO CLOCKS FOR	302389	615-45124-401	84.81
615-45124-401	THE CONCRETE CUTTER	CONCRETE OUTDOOE POOL	4497	615-45124-401	150.00
615-45124-404	RECREATION SUPPLY CO, INC.	CHAIR LIFT CABLE	303328	615-45124-404	83.16
Department 45124 - OUTDOOR POOL EXPENDITURES Total:					317.97
Fund 615 - RECREATION FUND Total:					63,883.56
Grand Total:					952,395.05

Report Summary

Fund Summary

Fund	Payment Amount
101 - GENERAL FUND	96,974.76
225 - FIRE SERVICE FUND	474.42
226 - AMBULANCE SERVICE FUND	2,399.44
227 - PARA-TRANSIT FUND	8,251.48
235 - AIRPORT FUND	413.70
240 - HRA FUND	17,665.03
250 - YOUTH OPPORTUNITIES FUND	1,130.33
380 - EDA GENERAL FUND	455.00
393 - TIF DISTRICT #13	977.24
394 - TIF DISTRICT #14	575.29
398 - TIF DISTRICT #18	88.48
415 - SIDEWALK RECONSTRUCTION FUND	2,460.50
416 - PAVEMENT MANAGEMENT	4,742.50
601 - WATER UTILITY FUND	24,909.84
602 - SEWER UTILITY FUND	11,885.01
604 - ELECTRIC UTILITY FUND	710,918.67
605 - STORM WATER UTILITY FUND	525.07
606 - MN RIVER VALLEY UTILITY COMM	3,664.73
615 - RECREATION FUND	63,883.56
Grand Total:	952,395.05

THE PRECEDING LIST OF BILLS WAS REVIEWED AND APPROVED FOR PAYMENT.

DATE: July 11, 2016

APPROVED BY: _____

Jenelle Teppen



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving the 2017 - 2019 REDA Joint Services Agreement

DATE: For the City Council meeting of July 11, 2016

PURPOSE/ACTION REQUESTED

Consider approving the updated 2017-2019 REDA Joint Services Agreement.

SUMMARY

A group representing the various cities represented in the Greater Mankato Growth Regional Economic Development Services Agreement worked over a few months to update the joint services agreement. Attached is an annotated copy that reflects the updates.

Each governing body of the entities represented are asked to approve the agreement.

RECOMMENDATION

Staff recommends the Council approve the updated agreement.

**JOINT ECONOMIC DEVELOPMENT SERVICES AGREEMENT
REGARDING THE GREATER MANKATO REGIONAL MARKETPLACE**

THIS JOINT ECONOMIC DEVELOPMENT SERVICES AGREEMENT REGARDING THE GREATER MANKATO REGIONAL MARKETPLACE (this “Agreement”) is made and entered into this ____ day of _____ ~~2013~~2016, by and among Greater Mankato Growth, Inc. and the governmental entities listed herein under the heading “Definition of Greater Mankato Regional Marketplace” and who execute this Agreement (collectively “cities and counties” or in the singular a “city or county”)

WHAT WE AGREE TO

Purpose

It has become broadly accepted, embraced and understood that economic prosperity and activities do not stop at jurisdictional boundaries. Rather our economic and community prosperity lies in the success of our collective marketplace.

For this reason, the parties wish to facilitate economic development of the communities that make up the Greater Mankato Regional Marketplace. This endeavor will offer a “forum to strategically facilitate individual and regional assets and opportunities” for the purpose of business development and will enable us to enhance our future economic prosperity.

Guiding Principles

- **economic prosperity** – economic prosperity and continued strategic development and redevelopment are goals common to the interest of our individual entities, with regional economic prosperity strengthening all communities
- **atmosphere of cooperation** – to promote an atmosphere of cooperation in pursuit of economic development in the Greater Mankato area, while seeking to ensure a cooperative and equitable approach to development of the cities and counties
- **unique strengths and characteristics** – we must foster relationships which allow contribution of our individual expertise toward the common goal and promote the individual strengths and unique characteristics of each entity to best match potential development prospects with sites and services to fit their needs
- **direct technical assistance** – cities and counties will provide the direct development assistance necessary in potential facility siting, improvements and public financing, and will work to provide a smooth transition from the development and marketing effort to the ultimate acquisition of a site/facility for a development prospect
- **efficient and effective delivery** – successful economic development processes and marketing can best be achieved through cooperative efforts focused on increasing the tax base, growing the ~~primary~~-economy, and providing employment in the Greater Mankato Regional Marketplace.

- supportive – our work is both passive and active, providing general market expertise, analytics and information consistently and constantly; and when a specific development opportunity arises will actively focus and customize such business and community intelligence.

Commented [JZ1]: Substantive Addition (1): adds what seemed to be a natural 6th principle and represents our actions.

Definition of Greater Mankato Regional Marketplace

In December, 2008 the Federal Government designated Mankato – North Mankato as a Metropolitan Statistical Area (MSA), including all of Blue Earth and Nicollet counties. The Greater Mankato Regional Marketplace has included the MSA as well as ~~and~~ those communities immediately adjacent having a historical relationship.

Commented [JZ2]: Substantive Revision (2): this language was discussed and inserted to recognize those currently participating, while being cognizant of other previously expressed and future interests in joining. The “historical” reference grounds us in our original formation, while being deliberate about chaings such should we collectively agree to “expand.”

Consistent with this designation, the parties as communities within that geography wish to participate in this Agreement, and further acknowledges there may be additional communities outside of and adjacent to this geography that we collectively agree are integral to the marketplace.

The cities, counties and government entities participating in this revised Agreement (original agreement dated September 2009) are as follows:

- Blue Earth County
- Nicollet County
- City of Eagle Lake
- City of Lake Crystal
- City of LeSueur
- ~~City of Madison Lake~~
- City of Mankato
- City of North Mankato
- City of Saint Peter
- Region Nine Development Commission (advisory only, unless fiscal participation)

General Context and Parameters of the Parties Obligations

Greater Mankato Growth, Inc.’s (GMG) principal responsibility under this Agreement is to provide, marketing efforts (as described herein) relating to economic development of the overall regional marketplace, cities, and counties, including the development and implementation of programs that identify and support expansions and new business in the community and region, whether from firms currently operating locally or through recruitment of new enterprises. In carrying out its responsibility, GMG agrees to serve as the primary contact for expanding and locating private sector firms. This includes all prospects whether or not they are derived directly from the development and marketing programs established by GMG and this Agreement. Participants of this Agreement acknowledge economic development is a collaborative endeavor and understand GMG does not itself have all the necessary resources (i.e. sites, buildings or financial resources) available for projects, but rather will serve as a facilitator, working with the parties and/or providers of these resources to best serve the need of new, expanding or locating companies.

The cities and counties are responsible for the execution of their municipal regulatory duties and provision of public services in support of local economic development. The cities and counties agree to administer

their individual economic development programs and initiatives, business permit/licensing functions in a manner that encourages business expansion and new business starts consistent with their responsibility to protect the health and safety of local residents. Further, the cities and counties agree to the extent practical, to coordinate their infrastructure development and redevelopment programs with the needs of expanding and locating businesses.

~~This Agreement and the development process apply to economic development and marketing services related to the primary/industrial economy including job-creating service sector businesses. Consumer retail store and professional service sector development are not encompassed as the chief focus in this Agreement; however, GMG can provide a platform for supporting and showcasing the communities' opportunities and assets. To this end GMG will assist as able with the development and redevelopment of the central place functions of each of the cities (e.g. housing, main street businesses, implement dealers). Each of the cities and counties will continue to be the primary entity responsible for guiding commercial and professional service sector development or overall redevelopment in their respective city or county.~~

Commented [JZ3]: Note: this language moved to page 10 in Marketing, Communication and Program Services section.

STRATEGIC FOCUS OF THE PARTIES

Objective & Strategic Areas

To retain and grow the ~~primary~~ economic base of the Greater Mankato Regional Marketplace.

- 1) Business Retention
To retain and expand the existing business base, and includes such activities as conducting regular business visits (i.e. Grow Minnesota! Visits), and facilitating resources and services for expansion or other business development assistance.
- 2) New Enterprise & Emerging Business Development
To nurture the development of entrepreneurial and new enterprise activity by assisting and serving as a resource for connecting such to the extensive business development resources and tools available in or connected to the regional marketplace (e.g., Small Business Development Center).
- 3) New Business Development
To attract non-local businesses to the marketplace through proactive marketing and recruiting strategies, as well as supporting and facilitating responses to development opportunities from businesses that approach/contact the cities, counties or GMG.

The Business Development Process

Expansion of existing businesses:

- 1) **Substantive** expansion requests from an existing business may happen directly between the business and its current city or county or between the business and GMG.
 - a. If the city or county is contacted directly by the business, GMG will be involved if determined necessary by the parties, but at minimum will be kept informed by the applicable city or county.

- b. If GMG is contacted by the business, GMG will first be an advocate and facilitator for expansion within the existing city or county and will coordinate with the city or county to assist with such.
- c. If a business directly contacts a city or county in which it is not currently located, the contacted city or county will inform either the existing host city or county of the business as well as GMG.

2) If the city or county in which the business currently exists is not able to meet the business' facility or expansion needs, then GMG will facilitate exploration of alternative considerations with other entities. (Note: consistent with the guiding principles of the parties contained in this Agreement, cities and counties will not engage in relocating a business from one city or county to another but rather provide proposals when GMG invites such).

Commented [JZ4]: Substantive Revision & Addition (3): these revisions help clarify our internal rules of engaging and our responsibility to one another as regional partners; while we cannot control how business appears before any one of us, we are able to control our own responses, behaviors and interactions.

Locating businesses into the area from outside of the regional marketplace:

- 1) GMG will act as an advocate for the cities and counties in the marketing and recruitment of new businesses and will coordinate closely with the staff of each entity to reflect the opportunities of each as desired.
- 2) GMG will receive prospects resulting from its business development and marketing efforts and programs, as well as the Minnesota Department of Employment and Economic Development (DEED) or other development entities, and will inform the cities and counties meeting-of the specified development criteria of the potential new business. Those cities and counties will then have the opportunity to assemble a competitive proposal through a standardized and coordinated process to attract the business.

Commented [JZ5]: Substantive Revision (4): this single word change is intended to be sure all the participating entities are aware of ALL potential development opportunities, while also protecting GMG from inadvertently and wrongfully being seen as "directing" or "selecting" who gets to see what deal and respond.

GMG and its staff shall serve as the primary point of contact in facilitating DEED, site selector, and other business location specialists. Staff will gather as much information and clarity as possible related to the development inquiry and its viability, in order to allow development response to be as thorough as possible.

- 3) At the time a city or county is selected by a business, the entity and business will discuss and finalize incentives and the locating of the business.

Commented [JZ6]: Substantive Addition (5): this language is intended to get at concern previously expressed, to do what GMG staff can to ensure development requests aren't sparse on details or too ambiguous.

Economic Development Marketing, Communication and Program Services

GMG's economic development marketing and communications strategy and responsibilities will be as follows:

- Marketing and Communications:
 - GMG will develop a comprehensive marketing and communications plan, updated as needed with input from the cities and counties. The plan will market the collective strengths of the regional marketplace as a site for growing or expanding an existing business or locating potential businesses, organizations and site selectors from outside and within the regional marketplace. The plan will include goals, objectives and a comprehensive strategy for communicating to key audiences with consistent messaging and the most effective tactics that make the best use of our collective marketing resources. Tactics that may be considered in this plan include, but are not limited to: advertising, internet, digital, social media, press news releases, relationship marketing, special events and direct mail. GMG will provide periodic reports on the achievement of the objectives outlined in this plan.

- GMG ~~has~~ will continually redesigned and retooled its website to ~~be remain increasingly~~ business development centric and as such will continue to be positioned as a one stop, comprehensive location that site selectors and organizations can visit to learn about the collective assets of the marketplace and individual strengths of the cities and counties.
- GMG ~~has invested in an annual~~ will maintain website interface and tools (e.g., Location One Information Systems – LOISGIS Planning) designed to provide ~~an~~ efficient means for each of the cities and counties, as well as other property owners and agents, to update their information on available properties on_line, thereby creating a comprehensive area-wide inventory. This information will be available on the Greater Mankato Growth web site and others; (e.g., MN DEED website, MNCAR, etc. MNPROspector and ZoomProspector) providing greater visibility to site selectors and organizations who might consider building or expanding their business anywhere in our regional marketplace.
- GMG will work with the cities, counties and other entities a part of or related to this agreement to establish links to ~~#GMG~~ tools and resources via their respective online tools.
- GMG will maintain copies of closed or pending project files or other mechanisms, enabling the cities and counties to be advised of the ongoing business development opportunities resulting from its economic development marketing and communications efforts.
- Program Services:
 - GMG will facilitate initiatives targeted at retaining and growing existing businesses, including an annual program of company visits for the purpose of assessing individual and area business needs as well as identifying potential development and expansion opportunities. These visits will be coordinated with the primary city or county in which the business is located.
 - GMG, in support of business development and with respect to the balance of membership offerings versus general economic development offerings, will continue to bring to the regional economic development strategy initiatives and programming that have a direct impact on the development of business. Such initiatives may include: supply chain development, workforce / talent development (including promotion and development support of directly related housing efforts); assist with site readiness programs and/or initiatives; talent fulfillment work; improving connections to development resources (e.g., Higher Education); interaction and relationship with the Ag Business EpiCenter initiative; while not leading, being cognizant of and facilitating sharing on common community development elements (e.g. housing); and further development of an annual regional economic development summit “forum”.
- This Agreement and the development process apply to economic development and marketing services related to the primary economy including job creating service sector businesses. Consumer brick and mortar retail development are not encompassed as the chief focus in this Agreement; however, GMG can provide a platform for supporting and showcasing the communities’ opportunities and assets. GMG will assist as able with the development and redevelopment of the central place functions of each of the cities (e.g. housing, main street businesses). Each of the cities and counties will continue to be the primary entity responsible for guiding commercial and professional service sector development or overall redevelopment in their respective city or county.
- GMG will provide the cities and counties with an annual report, providing outcomes and impact from the previous year.

Commented [JZ7]: *Substantive Revision (6): more than bringing current this language, it also better identifies some new areas where GMG can add value, as well as engage appropriately with related subjects not within its competency.*

Commented [JZ8]: *Substantive Revision (7): this language moved from page 4/5...attempts to define primary, and establish distinction with brick and mortar retail; but allowing for GMG’s business intelligence and facilitation to support main street and brick and mortar retail development.*

FINANCIAL OBLIGATIONS AND ADVISORY COMMITTEE

Financial

The cities and counties agree to share in funding and payment of the economic development services described in this Agreement with Greater Mankato Growth, Inc. Accordingly, each City and County agrees to pay Greater Mankato Growth, Inc. on an annual basis, which shall be invoiced by Greater Mankato Growth, Inc., that amount set forth in Addendum 1 which describes the funding calculation/amounts).

Given the variance of services and activity relative to a municipalities size and role (city compared to county), a diversified per capita rate structure has evolved over time and shall be as follows going forward:

- \$4.38 / capita – City of Mankato
- \$2.19 / capita – all cities with a population greater than 2,000
- \$0.54 / capita – County (on total population)*

* Cities with a population of less than 2,000 are not apt to derive similar value or participate in the same fashion as those with a population exceeding 2,000 and having a direct investment of time and dollars. However, all participants in this Agreement acknowledge there may be specific instances identified where REDA services will be helpful to one of these cities, on an ad hoc basis when requested, and thereby the regional marketplace. As a result, County investments are calculated on total population to allow for such interaction and service (services will be coordinated with and as appropriate done in collaboration with Region Nine Development Commission). Additionally, all cities within a participating County will be (a) invited to participate in REDA's annual summit, and (b) will be included in the distribution of the monthly REDA Report upon request.

Commented [JZ9]: Substantive Revision (8): embedding the formula within the Agreement.

Commented [JZ10]: Substantive Addition (9): this is transformational language to the Agreement; establishes a threshold at which value can be derived, but given the County's investment allows resources to be shared when helpful to all within the Greater Mankato Regional Marketplace.

Governance

Greater Mankato Growth, Inc. Board of Directors

- A representative of the cities and counties (selected as provided below) will be an ex officio Director(s) with full voting rights and privileges. One (1) such ex-officio Director will be added for the first six (6) cities and counties, and two (2) ex-officio Directors added if there are seven (7) or more cities and counties.

Advisory Committee

- The cities and counties will establish an Advisory Committee. The Advisory Committee will be comprised of a GMG board member and one governmental member from each of the cities and counties along with the appropriate staff participant for each.
- The Advisory Committee will select a Chair and Vice-Chair for meeting administration (since the City of Mankato has an ex-officio seat with full voting rights on the Greater Mankato Growth, Inc. Board of Directors, it shall not be considered for either of these positions).
- This Advisory Committee will meet on an as needed basis to discuss issues related, but not limited to, inviting additional entities beyond the initial cities and counties to join the Advisory Committee and/or become parties to this Agreement, funding and amendments to this Agreement.

“Staff” Operating Interaction

In addition to regular interaction between the cities and counties and Greater Mankato Growth staff, GMG will facilitate monthly meetings of the “economic development staff” of the cities and counties to discuss business prospects, share information on pending economic development projects, develop appropriate responses, and provide updates.

Term, Termination and Prior Agreements

The term of this Agreement shall commence on the 1st day of January ~~2013-2017~~ and continue until the 31st day of December ~~2015~~2019. Notwithstanding the forgoing, any party may terminate this Agreement annually before the end of the calendar year by providing ninety (90) days advance written notice to the other parties. Additional government entities may be added, at any time, as parties to this Agreement with the written consent of the all the cities, counties and entities then parties to this Agreement and upon execution of a document pursuant to which such additional person agrees to be bound by the terms of this Agreement.

Unless terminated sooner, this Agreement will automatically renew for an additional one-year term, and any per capita fee increases will be mutually agreed upon by all parties.

When executed by the parties this Agreement will supersede and replace the existing Joint Economic Development Services Agreement dated ~~September 30, 2009 – December 31, 2012~~ January 1, 2013 – December 31, 2016.

Miscellaneous

This Agreement shall constitute the entire agreement between the parties and supersede all prior agreements. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota. This Agreement may be executed in several counterparts, including facsimile counterparts, and signatures, each of which shall be deemed to be an original copy, all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterparts.

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth opposite a parties signature.

Blue Earth County

<u>Drew Campbell</u> Chair – Board of Commissioners	Date	<u>Robert W. Meyer</u> County Administrator	Date
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Nicollet County

<u>Bruce Beatty</u> Chair – Board of Commissioners	Date	<u>Ryan Krosch</u> County Administrator	Date
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City of Eagle Lake

<u>Tim Auringer</u> Mayor	Date	Sack Thongvanh <u>Brad Potter</u> City Administrator	Date
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City of Lake Crystal

<u>Brad Ahrenstorff</u> Mayor	Date	Bob Hauge <u>Taylor Gronau</u> City Administrator	Date
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City of LeSueur

Bob Oberle <u>Robert Broeder</u> Mayor	Date	Rick Almich <u>Jenelle Teppen</u> City Administrator	Date
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City of Madison Lake

<u>Kenneth Reichel</u> Mayor	Date	<u>Kelly Steele</u> City Administrator	Date
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City of Mankato

<u>Eric Anderson</u> Mayor	Date	<u>Patrick Hentges</u> City Manager	Date
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Jurisdiction Name	2014 Population	2004 Population	Annual Growth Rate	Projected Population					2016 Fee	Participation Fee			
				2015	2016	2017	2018	2019		2017	2018	2019	2020
Blue Earth County	65620	58118	1.291%	66,467.04	67,325.01	68,194.05	69,074.32	69,965.95	\$35,934.63	\$36,355.50	\$36,824.79	\$37,300.13	\$37,781.61
Amboy city	531	554	-0.415%	528.80	526.60	524.41	522.24	520.07					
Eagle Lake city	2779	1974	4.078%	2,892.33	3,010.28	3,133.04	3,260.80	3,393.78	\$6,358.97	\$6,592.51	\$6,861.35	\$7,141.16	\$7,432.38
Good Thunder city	555	573	-0.314%	553.26	551.52	549.79	548.06	546.34					
Lake Crystal city	2546	2536	0.039%	2,547.00	2,548.01	2,549.01	2,550.02	2,551.02	\$5,563.42	\$5,580.14	\$5,582.34	\$5,584.54	\$5,586.74
Madison Lake city	1137	888	2.804%	1,168.88	1,201.66	1,235.35	1,269.99	1,305.60	\$2,566.88				
Mapleton city	1760	1659	0.609%	1,770.71	1,781.50	1,792.34	1,803.25	1,814.23					
Pemberton city	246	246	0.000%	246.00	246.00	246.00	246.00	246.00					
Saint Clair city	865	807	0.719%	871.22	877.48	883.78	890.14	896.53					
Skyline city	290	313	-0.735%	287.87	285.75	283.65	281.57	279.50					
Vernon Center city	323	342	-0.556%	321.21	319.42	317.65	315.88	314.13					
Mankato city	41202	34597	1.909%	41,988.60	42,790.21	43,607.13	44,439.65	45,288.05	\$183,994.66	\$187,421.13	\$190,999.23	\$194,645.65	\$198,361.68
Le Sueur County													
Le Sueur city	4073	4230	-0.371%	4,057.88	4,042.82	4,027.82	4,012.87	3,997.97	\$8,852.04	\$8,853.78	\$8,820.92	\$8,788.18	\$8,755.56
Kasota city	671	695	-0.345%	668.68	666.37	664.07	661.78	659.49					
Nicollet County	33350	31147	0.707%	33,585.88	33,823.43	34,062.66	34,303.58	34,546.21	\$18,114.02	\$18,264.65	\$18,393.84	\$18,523.94	\$18,654.95
Courtland city	619	569	0.879%	624.44	629.93	635.46	641.05	646.68					
Lafayette city	486	531	-0.847%	481.88	477.80	473.75	469.73	465.75					
Nicollet city	1116	967	1.541%	1,133.20	1,150.66	1,168.39	1,186.39	1,204.67					
Saint Peter city	11758	10401	1.305%	11,911.40	12,066.81	12,224.24	12,383.73	12,545.30	\$26,015.70	\$26,426.32	\$26,771.09	\$27,120.37	\$27,474.21
North Mankato city	13610	12489	0.898%	13,732.16	13,855.42	13,979.79	14,105.27	14,231.87	\$30,028.10	\$30,343.37	\$30,615.73	\$30,890.53	\$31,167.80
									\$317,428.42	\$319,837.40	\$324,869.29	\$329,994.50	\$335,214.93

Methodology

The most recent population estimates from the state demographer are utilized to have a baseline population for each of the jurisdictions. A 10 year annual average growth rate is used to project population growth. Participation fees are based up on the projected/estimated population for the prior year.

Example

As of today (May 2, 2016) the most currently available population estimate from the State Demographer is 2014 population estimates. For projecting 2017, 2018, 2019 and 2020 a growth rate is applied to the 2014 population. The 2017 participation fee is based upon the population in 2016.

Notes

State Demographer estimates are annually released in July each year for the previous year.



CITY OF LE SUEUR

REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Bruce Kelly, Police Chief
SUBJECT: Approve Renewing Agreement for Animal Control Services
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED

Consider approving a renewal of an agreement for animal control services.

SUMMARY

Over the past ten years several cities in the area including the City of Le Sueur have contracted with Minnesota Critter Getter to provide Animal Control Services. Since the original agreement was entered into, Minnesota Critter Getter has provided good service to our City, in picking up stray dogs and cats at all hours of the day and night.

In the past, Minnesota Critter Getter has assisted with Dangerous Dog registration, and explains the process for dog owners whose dogs have been deemed dangerous, they have assisted the police department with a variety of wild animals and insects. (wasp/bees), and they have provided live traps to property owners that have nuisance stray cats on their property.

This agreement does not provide private property owners with free animal control service. Minnesota Critter Getter will assist private property owners with private issues (woodchuck under shed) for a standard fee and animal control advises of this before any work is performed.

This agreement covers, dogs and cats that the city currently regulates and any other animal that is a safety risk to the general public.

This renewal is offered at no increase from the previous three year contract period which is \$1,200 per month.

RECOMMENDATION

Staff recommends that the council approve renewing the agreement for animal control services for the period of January 1, 2017 through December 31, 2019.

AGREEMENT FOR ANIMAL CONTROL SERVICES

THIS AGREEMENT is made on the 1st day of January, 2017, between the City of Belle Plaine, City of Elko New Market, City of Jordan, City of Le Sueur and the City of New Prague, Minnesota (hereinafter referred to as "Cities"), and David and Sandra Steinmetz, dba Minnesota Critter Getters (hereinafter referred to as "Animal Control Officer") whose business address is 36415 State Hwy 19, Henderson, MN 56044.

PRELIMINARY STATEMENT

The purpose of this agreement is to set forth the terms and conditions under which the Animal Control Officer shall provide services to the Cities as outlined in this agreement, hereinafter referred to as the "Work".

RECITALS

WHEREAS, the Cities require the services of an Animal Control Officer for public safety purposes; and,

WHEREAS, in February of 2007 the Cities issued a Request for Proposals (RFP) for animal control services: and,

WHEREAS, the Cities selected Minnesota Critter Getters and they were offered a contract as the Animal Control Officer pursuant to the RFP, and,

WHEREAS, the Cities have utilized 3 year agreements for the contracted services of Minnesota Critter Getters

WHEREAS, the Cities current contract agreement will expire with Minnesota Critter Getters on December 31, 2016.

WHEREAS, Minnesota Critter Getters has agreed to not raise the **Compensation for Services** costs for each of the City which is currently \$1200.00 per month.

WHEREAS, the Cities have agreed to renew this contract with Minnesota Critter Getters for the period beginning January 1, 2017 through December 31, 2019.

NOW THEREFORE BE IT RESOLVED, based upon mutual promises and consideration provided herein, the sufficiency of which is not disputed, the parties agree as follows:

1. **Recitals.** The Recitals set forth above are incorporated as if fully set forth herein.
2. **Scope of Work.** The Scope of Work is set-out in the contract proposal, along with services stated within this contract.

The attached contract and signed agreements from the Cities are fully set forth and together collectively constitute the "Contract Documents" and define the work that the Animal Control Officer will perform on behalf of the Cities.

If there is a conflict between any of the provisions in the Contract Documents, the discrepancy shall be resolved by utilizing the provisions most favorable to the Cities.

3. Time for Performance of Services.

The Animal Control Officer shall perform the services described in the Contract Documents within the timeframe specified therein unless otherwise agreed upon in writing.

4. Compensation for Services.

Cities agree to pay the Animal Control Officer a monthly retainer fee beginning January 1, 2017 through December 31, 2019 in the amount of \$1,200 per month.

The monthly retainer includes the following:

- 24-hour coverage
- Reasonable response times
- Compassion and quality care for all animals.
- Collection of fees for cities
- Animal impound facility
- Veterinary care, if needed (charged to city if owner is not found)
- Re-homing of unclaimed animals as capable
- DOA pick-up and disposal (dogs and cats)
- Record maintenance
- Nuisance animal control
- Each city shall receive 40% of the impound fee for each animal returned to its owner with payments being paid on a monthly basis
- Euthanasia/Disposal Cost—If an owner is not found and the animal has to be put down, the cost to the city (after verbal communication) is as follows:
 - Large dogs: (animals over 40 pounds) \$95.00 + \$30.00 charged to the city if the owner is not found;
 - Small dogs: (animals under 40 pounds) \$75.00 + 30.00 charged to the city if the owner is not found.

Other charges are pursuant to the Cost of Services schedule listed in the Contract Documents. Any changes in the Scope of Work, as described and defined in the Contract Documents, which may result in a change in the compensation due the Animal Control Officer, shall require prior written approval by an authorized representative of the Cities. The Cities will not pay additional compensation for services that do not have prior written authorization. Any additional service, including an emergency that is requested by a member city, shall be billed directly to the requesting city and only the requesting city shall be liable therefore.

5. Public Hours.

- The Facility must be open to the public and operational a minimum of six (6) days per week. Each day the facility will be open from 12 Noon until 5:00 p.m. for adoptions, redemptions and to receive animals from the public. All other days, the hours of operation will be by appointment for adoptions, redemptions and to receive animals from the public. With the

exception of Wednesday, the shelter may be closed to the public from 12 Noon until 1:00 p.m. for lunch break. The Facility will (may) be closed to the public on Sundays and State recognized holidays.

6. Dog Kennels.

- A minimum of ten (10) separate kennels must be maintained.
 1. Animals will be separated by sex.
 2. Adoption kennels will be separate from the hold-stray cages.

7. Cat Cages.

- A minimum of twenty (20) separate cages must be maintained. Cages must be inside and separated from the dog kennels.
- Animals will be separated by sex.
- Adoption cages will be separate from the hold-stray cages.

8. Other Animals.

- The Facility shall have the ability to shelter other animals; other animals shall include but not be limited to livestock, birds, rodents, snakes and exotic animals.

9. Operations.

- All animals are to be fed, provided fresh water, water bowls cleaned, kennels cleaned and cat litter changed daily.
- Collect and properly dispose of animal refuse, manure or other animal waste.
- All animals will have Minnesota Board approved disposition/identification cards attached to the kennels or cages; cards will indicate the breed, color, sex, age, license tag information, date the animal was received and from whom (designated as; Owner, County, other government agency, member of public), from where the animal was received.
- Documentation will be kept for 2 years of every animal brought in by an owner, other government agency or a member of the public; detailed inventory will be maintained indicating the type of animal, breed, sex, license tag information (in available), date the animal was received, from whom the animal was received (designated as: Owner, County, other government agency, member of the public), owner's name (if available), date a notification letter was sent, the final disposition of the animal and the date of disposition.
- Document and monitor all animals under quarantine; when necessary, obtain a lab sample of the animal, prepare the necessary paperwork to accompany the sample and notify the city for delivery of the sample to the Minnesota Department of Health for testing.
- Inform owner of dog licenses and process all redemptions and adoptions of animals.
- Immediately report to the city the illegal release of any animal from the facility.
- All impounded and unredeemed animals shall be disposed of by adoption, rescue or euthanasia; euthanasia will be accomplished by lethal injection; the facility operator and staff are trained and certified to administer controlled euthanasia solutions; the animal control is responsible for obtaining euthanasia solution.
- Euthanize animals which are immediately suffering from injury or illness.

- In accordance with public health regulations, properly store all animal carcasses until such time the carcasses are removed from the facility; The city is financially responsible for proper removal and transport of animal carcasses.
- Provide humane treatment of all animals while in the care of the Animal Control Officer; provide basic first aid services including licensed veterinary care at the owner(s) expense unless an owner cannot be found; if not found, this cost will be at the city's expense; ensure that all veterinary services shall be provided by qualified personnel licensed by the Veterinary Medical Association.
- In accordance with state law, all dogs and cats are to be spayed/neutered prior to the adoption.
- Animal inventory and revenue reports will be done daily and will be submitted to the Cities at the close of each month accompanied by the total number of fees collected during the reporting period.
- Promote animal care and control in accordance with the laws of the State of Minnesota and the ordinances of the Cities; provide public assistance and referral related to animal control issues.
- Maintain adequate staffing levels to ensure all services outlined in the contract are provided in an efficient and professional manner; all staff members are to be uniformed and wear identification badges acceptable to the Cities.
- Purchase and maintain an adequate inventory of all consumable supplies and equipment necessary to conduct animal operations.

10. Related Services

- **Access to the Area**—Depending upon the nature of the work, the Animal Control Officer may, from time to time, require access to public and private lands or property. As may be necessary, the Cities shall obtain access to and make all provisions for the Animal Control Officer to enter upon public and private lands or property as required for the Animal Control Officer to perform such services necessary to complete the work.
- **Consideration of the Animal Control Officer's Work**—The Cities shall give thorough consideration to all reports and other documents presented by the Animal Control Officer, and shall inform the Animal Control Officer of all decisions required of the Cities within a reasonable time as to not delay the work of the Animal Control Officer; written reports will be provided on a monthly basis indicating the work activity of the Animal Control Officer pertaining to each city under this contract.
- **Standards**—The Cities are relying on the Animal Control Officer to provide and advise the Cities with information on any standards or criteria, including but not limited to, any and all applicable animal control services.
- **Cities' Representatives**—The Police Chief of each city or his/her designee shall interface with the Animal Control Officer with respect to the work to be performed under this contract; each city's representative shall have complete authority to transmit instructions, receive information, interpret and define the City's policy and decisions with respect to the services provided or materials, equipment, elements and systems pertinent to the work covered by this contract.

11. Method of Payment.

The Animal Control Officer shall submit to the Cities, on a monthly basis, itemized bills for animal control services performed under Section 4 of the Agreement. Payment will be made within 30 days.

12. Project Manager(s) and Staffing.

Dave and Sandra Steinmetz shall serve as the Animal Control Officer(s).

13. Standard of Care.

All work performed pursuant to this contract shall be in accordance with the standard of care in Scott or Le Sueur Counties and the State of Minnesota for the services of the like kind.

14. Audit Disclosure.

The Animal Control Officer shall allow the Cities, or their duly authorized agents, reasonable access to such of the Animal Control Officers books and records as are pertinent to all services provided by the Animal Control Officer. These books and records shall not be made available to any individual or organization without the Cities prior written approval. All finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Animal Control Officer shall become the property of the Cities upon termination of the Agreement, but the Animal Control Officer may retain copies of such documents as records of the services provided.

15. Term.

The term of this Agreement is from January 1, 2017 through December 31, 2019.

16. Termination.

This Agreement may be terminated by either party with 30 (thirty) days written notice. If the termination is not for cause, the Animal Control Officer shall be paid for services rendered until the effective date of termination. If, however, the Cities terminate the Agreement because the Animal Control Officer has failed to perform in accordance with this Agreement, no further payment shall be made to the Animal Control Officer.

17. Termination by Individual City.

Any individual member of the Cities may terminate its relationship with the Animal Control Officer by giving the Animal Control Officer and the remaining members of the Cities 60 (sixty) days written notice. The terminating city solely shall be responsible for the cost of any additional work requested by the terminating city through the date of termination. Should a city terminate its relationship with the Animal Control Officer pursuant to this paragraph, the remaining Cities shall each still owe the same monthly amount they each owed prior to the individual city's termination.

18. Not a Joint Powers Agreement.

The Parties agree that this Agreement does not constitute a Joint Powers Agreement pursuant to Minn. Stat. 471.59 and this Agreement does not bind the various cities to pay any sum owed by an individual city.

19. Subcontractor.

The Animal Control Officer shall not enter into subcontracts for services provided under this Agreement without the express written consent of the Cities.

20. Independent Contractor.

At all times and for all purposes herein, the Animal Control Officer is an independent contractor and not an employee of the Cities. No statement herein shall be construed so as to find the Animal Control Officer an employee of the Cities.

21. Non-Discrimination.

During the performance of this contract, the Animal Control Officer shall not discriminate against any employee or applicants for employment because of race, color, creed, religion, national origin, sex, and marital status, status with regard to public assistance, disability, or age. The Animal Control Officer shall post in places available to employees and applicants for employment, notices setting forth the provision of the non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Animal Control Officer shall incorporate the foregoing requirements of the paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for work.

22. Assignment.

Neither party shall assign this contract, or any interest arising herein, without the written consent of the other party.

23. Services.

No claim for services furnished by the Animal Control Officer not specifically provided for herein shall be honored by the Cities.

24. Severability.

The provisions of this contract are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this contract.

25. Entire Contract.

The entire contract of the parties is contained herein. This contract supersedes all oral agreements and negotiations between parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions or waivers of the provisions of this contract shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein. Any additional services requested by the Cities or an individual city shall be in writing.

26. Compliance with Laws and Regulations.

In providing services hereunder, the Animal Control Officer shall abide by all statutes, ordinances, rules and regulations pertaining to the provisions of services to be provided. The Animal Control Officer and Cities, together with their respective agents and employees, agree to abide by the provisions of the Minnesota Data Practices Act, Minnesota Statutes Chapter 13, as amended, and Minnesota Rules promulgated pursuant to Chapter 13. Any violations of statutes, ordinances, rules and regulations pertaining to services to be provided shall constitute a material breach of this contract and entitle the Cities to immediately terminate this contract.

27. Waiver.

Any waiver by either party of a breach of any provisions of this contract shall not affect, in any respect, the validity of the remainder of this contract.

28. Indemnification.

The Animal Control Officer agrees to defend, indemnify and hold the Cities, their officers and employees harmless from any liability, claims, damages, costs, judgments or expenses, including reasonable attorney's fees, resulting directly or indirectly from a negligent act or omission (including without limitation errors or omissions) of the Animal Control Officer, its agents, employees, or subcontractors in the performance of the services provided by this contract or additional written request by a city, and against all losses by reason of the failure of said Animal Control Officer fully to perform, in any respect, all obligations under this contract.

29. Insurance.

- **General Liability.** During the term of this contract, the Animal Control Officer shall maintain a general liability insurance policy with limits of at least \$1,000,000 for each person and each occurrence, for both personal injury and property damage; this policy shall name the Cities as additional insured for the services provided under this contract and shall provide that the Animal Control Officer's coverage shall be the primary coverage in the event of a loss; the policy shall also insure the indemnification obligation contained in paragraph 28; a certificate of insurance on the Cities approved form which verifies the existence of this insurance coverage must be provided to the Cities before work under this contract is begun.
- **Worker's Compensation.** The Animal Control Officer shall secure and maintain such insurance as will protect the Animal Control Officer from claims under the Worker's Compensation Acts and from claims for bodily injury, death, or property damage which may arise from the performance of the Animal Control Officer's service under this contract.

30. Records Access.

The Animal Control Officer shall provide the Cities with access to any books, documents, papers and records which are directly pertinent to the specific contract, for the purpose of making audit, examination, excerpts and transcriptions, for three years after final payments and all other pending matters related to this contract are closed.

31. Ownership of Documents.

All plans, diagrams, analyses, reports and information generated in connection with the performance of the contract ("Information") shall become the property of the Cities. The Cities may use the information for its purposes and the Animal Control Officer also may use the information or its purposes. Reuse of the information for the purposes of the work contemplated by the contract ("Work") does not relieve any liability on the part of the Animal Control Officer, but is without liability to the other, and the party reusing the information agrees to defend and indemnify the other from any claims or liability resulting there from.

32. Governing Law.

This contract shall be controlled by the laws of the State of Minnesota.

Minnesota Critter Getters

Sandra Steinmetz

David Steinmetz

City of Belle Plaine

Mike Pingalore, Mayor

Dawn Meyer
City Administrator

City of Jordan

Tonya Velishek, Mayor

Tom Nikunen
City Administrator

City of Le Sueur

Robert Broeder, Mayor

Jenelle Teppen
City Administrator

City of New Prague

Chuck Nicolay, Mayor

Michael Johnson
City Administrator

City of Elko New Market

Robert Crawford, Mayor

Tom Terry
City Administrator

NOW THEREFORE BE IT RESOLVED that the City of Belle Plaine acknowledges the Agreement for Animal Control Services and wishes to adopt said contract.

This Resolution was declared duly passed and adopted and was signed by the _____ and attested to by the _____ this _____ day of _____, 2016.

ATTEST:

Mike Pingalore
Mayor

Dawn Meyer
City Administrator



NORTHWEST ASSOCIATED CONSULTANTS, INC.

4150 Olson Memorial Highway, Ste. 320, Golden Valley, MN 55422
Telephone: 763.957.1100 Website: www.nacplanning.com

PLANNING MEMO

TO: Le Sueur City Council
Jenelle Teppen, City Administrator

FROM: Nate Sparks

DATE: June 3, 2016

RE: Le Sueur County Block 69 Alley Vacation

Background

Le Sueur County has made a request to vacate the alley in Block 69 of the original town plat of the City of Le Sueur. The County has a facility on a one acre parcel at 1219 Hazel Street they are considering replacing. This property is bisected by an undeveloped alley right-of-way that the County would like to vacate. Originally, the County was considering replatting the property but their surveyor found that the individual lots within the County's property have already been combined and are on one title. The vacation of the alley would allow for one uninterrupted building site.

Easement Vacation

The County's property is on the north side of the block at the corner of Hazel and Dakota Streets. There is an alley running north-south between Peck and Dakota Streets, as well as an east-west segment in the center of the block on the eastern side running to the vacated right-of-way of College Street. The City owns the property on the southern half of the Block and the proposed vacation would eliminate the alley in the center of the City's property, as well. The alley right-of-way will accrue to the adjacent parcels if vacated.

Recommendation

The City Council must hold a public hearing related to the easement vacation. If it is found that the easement is no longer in the public interest, it may be vacated.

The alley is not currently built and is not used for any public purpose nor is any public use planned. The easterly extension of the alley terminates at private property and cannot be accessed.

Requested Action

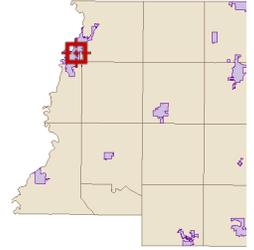
The City Council should hold a public hearing on the easement vacation and take action on the easement vacation resolution.

Attached:

Aerial Photo
Resolution
Easement Vacation Exhibit



Overview



Legend

- City Limits
- Political Township
- Cadastral Lines**
 - Corp Line
 - County Line
 - Easement Line
 - Geo Twp Line
 - Gov Lot Line
 - Lot Line
 - Misc Line
 - New Split Line
 - Parcel Line
 - Pol Twp Line
 - Quarter Line
 - Railroad Centerline
 - Railroad ROW
 - Road Centerline
 - Road ROW
 - Road ROW Vac
 - Section Line
 - Sub Line 400
 - Unknown Linear
- Parcels

Parcel ID	21.999.0950	Alternate ID	n/a	Owner Address	LE SUEUR COUNTY
Sec/Twp/Rng	--	Class	955 - COUNTY PUBLIC SERVICE-OTHER		88 PARK AVE S
Property Address	1219 HAZEL ST	Acreage	1		LE CENTER, MN 56057
	LE SUEUR				

District n/a
 Brief Tax Description LE SUEUR CITY Block-069 1.00 AC N 1/2 (HWY DEPT SHOP)

(Note: Not to be used on legal documents)

Photo from April 2013

Date created: 6/3/2016

RESOLUTION #16-XXX

RESOLUTION APPROVING THE VACATION OF ALLEYS IN BLOCK 69, CITY OF LE SUEUR

At a regular meeting of the City Council in and for the City of Le Sueur, Minnesota, which meeting was duly called and held on the 11th day of July, 2016 at 6:30 o'clock p.m., All Councilmembers were present. Mayor Broeder presided at the meeting and the following Resolution was offered by Alderperson ____ who duly moved for its adoption:

WHEREAS, the City of Le Sueur is a municipal corporation, organized and existing under the laws of Minnesota; and

WHEREAS, Le Sueur County has submitted to the City Council a petition to vacate the following legally described alleys:

All alleys in Block 69, Le Sueur City; and

WHEREAS, notice of the public hearing on said vacation has been duly published and posted in accordance with the applicable Minnesota Statutes; and

WHEREAS, the Le Sueur City Council conducted a public hearing on July 11, 2016; and

WHEREAS, the City Council proceeded to hear all persons interested in said petition and persons interested were afforded the opportunity to present their views and objections to the granting of said petition; and

WHEREAS, the City Council determined that there is no current and/or anticipated future public need to retain the alleys and the requested vacation would be in the public interest; and

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LE SUEUR, LE SUEUR COUNTY, STATE OF MINNESOTA that pursuant to Minnesota Statutes 412.851, the above described alleys are hereby vacated.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____, and upon vote being taken thereon, the following voted in favor thereof: _____ ;

and the following voted against the same: _____;

and the following abstained: _____;

and the following were absent: _____;

whereupon said resolution was declared duly passed and adopted by the Le Sueur City Council this the 11th day of July 2016.

Robert Broeder, Mayor

ATTEST:

Stacy Lawrence, City Clerk

Attached:
Vacation Exhibit



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Consider Odor Monitoring Report
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED
Consider Odor Monitoring Report

SUMMARY

As the Council will recall, a contract with SEH was approved in late 2015 to conduct baseline odor testing at four industrial facilities and the wastewater treatment plant. The testing took place in late April and the attached report was subsequently developed.

As you can see, three of the facilities tested did not reach levels that are considered much higher than 'more noticeable,' while two facilities reached level that could be considered significant odor generators.

Those two facilities are the wastewater treatment plant, with a 9.0 Odor Unit level, and the Hometown Bio-Energy facility at 9.7 Odor Units.

Todd Potas from SEH will be in attendance at your meeting to discuss detailed testing procedures and answer any questions or concerns you may have with the testing.

Following that, staff seeks direction on next steps. One option to consider is development of odor regulations, while another option is to work with the offending facilities to seek reductions in odor levels. There are positive and negative possible outcomes with both and the Council should have an understanding of those along with a full discussion. Staff and the City Attorney will assist the Council in understanding what those outcomes might be.

RECOMMENDATION

Staff recommends the Council accept the report and discuss next steps..

2016 Le Sueur Odor Survey Report

Le Sueur Odor Monitoring

Le Sueur, MN

SEH No. 136391

May 26, 2016

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2016 Le Sueur Odor Survey Report

City of Le Sueur Odor Monitoring

Prepared for the City of Le Sueur

1.0 Background

The City of Le Sueur (the “City”) has retained Short Elliott Hendrickson Inc. (“SEH”) to conduct odor monitoring on five facilities of interest located in the City limits. No previous monitoring has been conducted. This initial round of monitoring was completed by SEH to establish baseline odor levels and identify which facilities of interest may be generating significant odors.

During this initial round of monitoring, from April 20, 2016 through April 29, 2016, a total of 40 observations were recorded to determine whether any of the facilities of interest are currently emitting significant odor and quantitatively measure the odor levels comparing the facilities to each other. Each observation included an upwind and downwind reading. The five facilities of interest were the focus of this survey and 8 individual observations were made for each.

These five facilities were specified by the City as possibly generating significant odor and were the focus of this investigation. The following report details the odor data recorded upwind and downwind for the five facilities. The report comments on the odor levels that are generally considered as “offensive”.

To allow for some level of anonymity, monitoring locations and names of the facilities are removed from this report. When necessary, facilities will be referred to as Facility A through E when referencing a specific site compared to the others. The facilities that are A through E has been given to the City under separate correspondence.

2.0 Methods

Odor strengths were observed using a Nasal Ranger field olfactometer rented from St. Croix Sensory by the City. Field olfactometers are portable odor detecting and measuring devices. These devices measure ambient odor and give a quantitative value to the odor as a dilution-to-threshold ratio, commonly called a dilution ratio or odor unit (OU). The dilution-to-threshold (D/T) ratio is calculated by:

$$\frac{\text{Volume of Carbon Filtered Air}}{\text{Volume of Odorous Air}} = \text{Dilution Ratio}$$

The Nasal Ranger has 6 dilution settings: 60, 30, 15, 7, 4 and 2. The number given to each setting refers directly to the dilution ratio of air being inhaled through the device. For example, when using the number 15 dilution setting, 15 parts of carbon filtered (odor free) air are mixed with 1 part of odorous air. As the setting number decreases, a larger ratio of odorous air is being mixed with the filtered air. At the number 2 setting, the ratio is 2 parts

filtered air mixed with 1 part odorous air. Therefore, stronger odors will be detected at high number settings and higher dilution, while weak odors cannot be detected with higher dilution and require less dilution to be detected and thus lower number settings. If all settings are observed and no odor is detected, there is no observed odor value. According to St. Croix Sensory and Huey et. al. 1960, each D/T ratio odor level can be described by the following:

- 2 D/T – Noticeable
- 4 D/T – More Noticeable
- 7 D/T – Objectionable
- 15 D/T – Nuisance
- 30 D/T and above – Nauseating

A variety of parameters were recorded during the odor monitoring. Both the detection and recognition thresholds (in D/T or Odor Units) using the Nasal Ranger were recorded at each monitoring location. The detection threshold is the D/T setting at which an odor is first detected, whereas the recognition threshold is the D/T setting at which the odor had an identified descriptor associated to the odor. Recognized odors were assigned a descriptor that provides a description of the odor that can be connected to the odor source. The descriptors are used to assess and confirm the source of the odors. Several descriptors were identified during this monitoring including sewer, chemical, manure, earthy, dairy, metal/foundry, exhaust, and grass. During every monitoring event, both upwind and downwind odor observations were recorded to confirm the facility as the source of observed odors.

In addition, ambient temperature and wind readings (speed/direction) were taken both in the field with a portable weather meter and compared to recorded weather information from the Mankato Regional Airport. Precipitation occurred before or during some of the monitoring observations.

3.0 Results

3.1 Facility A

During this initial round of monitoring, detections of a potentially “offensive” odor were recorded downwind near Facility A for every monitoring event. The odor consistently recorded downwind can be described as chemical in nature, and is similar to that of organic chemical epoxy resins or adhesive binders. No other distinctive odors were detected downwind of the facility outside the facility property boundaries.

Observations were made at a variety of locations downwind of facility to better characterize the strength and extent of the odors. The monitoring results are shown in the table below. Strengths of odors were recorded at fairly consistent intensities. Odors downwind of the facility were recorded at the detection threshold as high as 7 odor units, and recognition threshold reached as high as 7 odor units. Odors recorded at 7 odor units can be considered objectionable and significant according to St. Croix Sensory and Huey et. al. 1960. Over the course of this initial monitoring round, the averaged downwind odor strength was observed at a detection threshold of 4.6 odor units. In addition, although measurements were not taken, the chemical odor consistent with Facility A was very unique and was detected while driving by the facility on more than one occasion during the monitoring round.

Upwind monitoring recorded no odors consistent with those recorded downwind. Grass/weed odors were recorded upwind of the facility during several monitoring events. This is most

likely due to monitoring sites being close to roads and in grassy or overgrown areas. One upwind event recorded a faint odor of cigarette smoke. Due to location and wind direction, the odor was likely from a neighboring source.

2016 Monitoring near Facility A

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	12:25	Upwind	NE	5.2-7.1	NE	11.5	<2	--	Chemical epoxy resin or adhesive
4/20/2016	12:40	Downwind	NE	4.4-6.6	NE	15.0	7	7	Chemical epoxy resin or adhesive
4/20/2016	16:30	Upwind	E-NE	3.6-6.2	E	6.9	2	2	Chemical
4/20/2016	16:50	Downwind	E-NE	4.2-5.7	E	8.1	7	4	Chemical epoxy resin or adhesive
4/21/2016	09:58	Downwind	W	2.2-3.2	N-NW	4.6	4	4	Chemical epoxy resin or adhesive
4/21/2016	10:10	Upwind	NW-W	2.1-3.0	N-NW	4.6	<2	--	Grass/Weeds
4/21/2016	15:00	Upwind	NW-N	1.3-2.8	N-NE	10.4	--	--	--
4/21/2016	15:15	Downwind	N-NW	2.2-4.3	N-NE	10.4	<2	--	Chemical epoxy resin or adhesive
4/26/2016	17:10	Upwind	NE-E	12.2-14.3	E	16.1	2	--	Cut Grass
4/26/2016	17:25	Downwind	NE-E	10.3-12.7	E	16.1	7	4	Chemical epoxy resin or adhesive
4/26/2016	19:00	Upwind	NE-E	4.8-9.5	E-NE	12.7	<2	--	Cut Grass, Cigarette smoke
4/26/2016	19:10	Downwind	NE-E	9.1-12.3	E-NE	13.8	4	2	Chemical epoxy resin or adhesive
4/29/2016	09:35	Upwind	N-NW	5.4-6.8	N-NE	6.9	<2	--	Grass, Earthy
4/29/2016	09:50	Downwind	N	3.1-4.5	N	10.4	4	2	Chemical epoxy resin or adhesive
4/29/2016	13:45	Upwind	N-NE	6.7-10.0	NE	8.1	--	--	--
4/29/2016	14:05	Downwind	N-NE	3.5-10.5	NE	10.4	4	2	Chemical epoxy resin or adhesive
Downwind Detection Average							4.6	3.1	

3.1.1 Summary

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

After 8 observations, Facility A recorded detections during all downwind monitoring events. A summary of detections at 7 Odor Units or greater during initial monitoring is shown in the table below. Odor at the detection threshold averaged approximately 4.6 Odor Units.

From these results, Facility A did not produce odors detected at greater than 7 Odor Units. At this time, Facility A has the potential to generate significant odors that could negatively impact residents downwind and the City would benefit from increased odor control or odor minimization at the facility.

Significant Odor Event Summary for Facility A

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	12:40	Downwind	NE	4.4-6.6	NE	15.0	7	7	Chemical epoxy resin or adhesive
4/20/2016	16:50	Downwind	E-NE	4.2-5.7	E	8.1	7	4	Chemical epoxy resin or adhesive
4/26/2016	17:25	Downwind	NE-E	10.3-12.7	E	16.1	7	4	Chemical epoxy resin or adhesive

3.2 Facility B

During this initial round of monitoring, detections of potentially “offensive” odors were recorded downwind near the Facility B for every monitoring event. The odor consistently recorded downwind can be described as sewer and chemical in nature. No other distinctive odors of the facility outside the facility property boundaries.

Observations were made at a variety of locations downwind of facility to better characterize the strength and extent of the odors. The monitoring results are shown in the table below. Strengths of odors were recorded at fairly consistent intensities. Odors downwind of the facility were recorded at the detection threshold as high as 15 odor units, and recognition threshold reached as high as 7 odor units. Odors recorded as high as 15 odor units can be considered a nuisance according to St. Croix Sensory and Huey et. al. 1960. Over the course of this initial monitoring round, the averaged downwind odor strength was observed at a detection threshold of 9.7 odor units.

Upwind monitoring recorded no odors consistent with those recorded downwind. Grass/weed and earthy odors were recorded upwind of the facility during several monitoring events. This is likely due to monitoring sites being in close proximity to grassy, overgrown areas and farm fields.

2016 Monitoring near Facility B

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	09:07	Upwind	E-NE	5.8	E	9.2	<2	--	Earthy
4/20/2016	09:16	Downwind	NE-E	4.2-5.7	E	13.8	4	2	Chemical, Sewer
4/20/2016	09:23	Downwind	NE-E	4.2-5.8	E	10.4	7	4	Chemical, Sewer
4/20/2016	14:30	Upwind	NE-E	5.2-8.6	E-NE	6.9	No Detect	--	--
4/20/2016	14:47	Downwind	E-NE	7.1-10.0	E-NE	11.5	15	7	Sewer, Chemical
4/21/2016	12:08	Downwind	SE-S	1-2.7	N-NW	9.2	2	--	Sewer, Chemical, Wet Grass
4/21/2016	12:20	Upwind	S	1.7-2.4	N-NW	9.2	<2	--	Sewer, Chemical
4/21/2016	14:40	Upwind	NW	2.7-4.5	N	9.2	<2	--	Grass/Weeds
4/21/2016	14:47	Downwind	NW-N	3.6-5.1	N-NW	9.2	15	7	Manure, Sewer, Chemical
4/26/2016	15:37	Downwind	E-NE	5.5-8.8	E-NE	13.8	15	7	Sewer, Chemical
4/26/2016	15:50	Upwind	E-NE	9.1-11.2	E	15	<2	--	Grass/weeds, Earthy
4/26/2016	18:09	Downwind	E-NE	4.7-7.3	E-NE	17.3	7	4	Sewer
4/26/2016	18:20	Upwind	E-NE	5.8-13.2	E-NE	17.3	<2	--	Grass, Earthy
4/29/2016	11:20	Upwind	N-NE	6.3-10.1	NE	12.7	No Detect	--	--
4/29/2016	11:30	Downwind	N-NE	6.8-10.3	N-NE	11.5	15	7	Sewer, Chemical
4/29/2016	15:25	Upwind	E-NE	5.1-7.1	E	9.2	<2	--	Grass, Earthy
4/29/2016	15:35	Downwind	E	3.8-6.7	E	9.2	7	4	Sewer, Chemical
Downwind Detection Average							9.7	4.7	

3.2.1 Summary

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

After 8 observations, Facility B recorded detections during all downwind monitoring events. A summary of detections at 7 Odor Units or greater during initial monitoring is shown in table below. Odor at the detection threshold averaged approximately 9.7 Odor Units.

From these results, Facility B did produce odors detected greater than 7 Odor units during multiple downwind observations. At this time, Facility B has an increased potential to

generate significant odors that could negatively impact residents downwind and the City would benefit from increased odor control or odor minimization at the facility.

Significant Odor Summary for Facility B

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	09:23	Downwind	NE-E	4.2-5.8	E	10.4	7	4	Chemical, Sewer
4/20/2016	14:47	Downwind	E-NE	7.1-10.0	E-NE	11.5	15	7	Sewer, Chemical
4/21/2016	14:47	Downwind	NW-N	3.6-5.1	N-NW	9.2	15	7	Manure, Sewer, Chemical
4/26/2016	15:37	Downwind	E-NE	5.5-8.8	E-NE	13.8	15	7	Sewer, Chemical
4/26/2016	18:09	Downwind	E-NE	4.7-7.3	E-NE	17.3	7	4	Sewer
4/29/2016	11:30	Downwind	N-NE	6.8-10.3	N-NE	11.5	15	7	Sewer, Chemical
4/29/2016	15:35	Downwind	E	3.8-6.7	E	9.2	7	4	Sewer, Chemical

3.3 Facility C

During this initial round of monitoring, detections of potentially “offensive” odor occurred downwind near the Facility C for most monitoring event. The odors recorded downwind were described as sweet/fruity, chemical, and cheese/dairy in nature. Difference in odor descriptions may correspond with different emission or processes at the facility.

Observations were made at a variety of locations downwind of facility to better characterize the strength and extent of the odors. The monitoring results are shown in the table below.

Strengths of odors were recorded at fairly consistent intensities. Odors downwind of the facility were recorded at the detection threshold as high as 4 odor units, and recognition threshold reached as high as 2 odor units. Odors recorded at 4 odor units can be considered more noticeable according to St. Croix Sensory and Huey et. al. 1960. Over the course of this initial monitoring round, the averaged downwind odor strength was observed at a detection threshold of 1.5 odor units.

Upwind monitoring recorded no odors consistent with those recorded downwind. Grass/flowers and exhaust odors were recorded upwind of the facility during several monitoring events. This is likely due to monitoring sites being in close proximity to grassy areas and along roadways.

2016 Monitoring near Facility C

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	10:20	Upwind	Calm	N/A	E	12.7	<2	--	Grass/flowers
4/20/2016	10:35	Downwind	(see comments)*		E	15	2	--	Fruity, Chemical
4/20/2016	16:10	Downwind	NE	2.8-4.8	E	11.5	2	--	Sweet, Chemical
4/20/2016	16:20	Upwind	NE	3.4-5.9	E	6.9	<2	--	Exhaust
4/21/2016	12:30	Downwind	NE	2.5-3.7	N-NW	4.6	2	--	Cheese/dairy odor
4/21/2016	12:40	Upwind	NE-N	0-1.6	N-NW	10.4	--	--	--
4/21/2016	14:15	Upwind	N/A	Calm	N-NW	6.9	--	--	--
4/21/2016	14:25	Downwind	N	1.5-3.6	N	9.2	4	2	Cheese/dairy odor
4/26/2016	16:10	Downwind	E-NE	5.1-8.5	E	17.3	--	--	--
4/26/2016	16:15	Upwind	NE-N	4.3-4.7	E	17.3	--	--	--
4/26/2016	17:35	Downwind	NE	7.3-10.5	E-NE	16.1	2	--	Cheese/dairy, Sweet
4/26/2016	17:40	Upwind	NE-E	4.7-7.9	E-NE	16.1	--	--	--
4/29/2016	10:40	Upwind	N-NW	3.8-5.9	N	11.5	<2	--	Exhaust
4/29/2016	10:55	Downwind	N-NW	3.5-7.5	N	12.5	--	--	--
4/29/2016	14:55	Upwind	NE-E	3.8	SE	8.1	--	--	--
4/29/2016	15:05	Downwind	NE	4.2-5.7	E	10.4	<2	--	Exhaust
Downwind Detection Average							1.5	0.3	

* Winds swirling downwind of the facility's location during A.M. observation. Was not able to get accurate wind direction or speed.

3.3.1 Summary

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

After 8 observations, Facility C recorded detections during most downwind monitoring events. No detections at or above 7 Odor Units were recorded during this initial monitoring. Odors at the detection threshold averaged approximately 1.5 Odor Units.

From these results, the facility has not recorded odors detected at or above 7 Odor Units. Although odors were detected, Facility C looks to not be generating odors that would be considered significant or that could negatively impact residents downwind. Future monitoring may be required to determine if intermittent events at this facility are the reason for initial identification as a potential odor generator.

3.4 Facility D

During this initial round of monitoring, detections of a potentially “offensive” odor occurred downwind near Facility D for every monitoring event. The odor consistently recorded downwind was described as a metal/foundry odor, and is similar to those associated with hot metal or welding. No other distinctive odors were detected downwind of the facility outside the facility property boundaries.

Observations were made at a variety of locations downwind of facility to better characterize the strength and extent of the odors. The monitoring results are shown in the table below.

Strengths of odors were recorded at a range of intensities. Odors downwind of the facility at the detection threshold varied from as high as 7 odor units, and as low as 2 Odor Units on other observations. Odors at the recognition threshold fluctuated as well. Odors recorded at 7 odor units can be considered objectionable and significant according to St. Croix Sensory and Huey et. al. 1960. Over the course of this initial monitoring round, the averaged downwind odor strength was observed at a detection threshold of 4.1 Odor Units.

Upwind monitoring recorded no odors consistent with those recorded downwind. Common upwind odors included grassy and earthy odors which were likely due to monitoring sites being in close proximity to grassy, overgrown areas and farm fields. On several occasions, upwind monitoring record potentially “offensive” odors described as sewer and earthy. Due to wind direction and position during detection, these were thought to have been coming from another source upwind, similar to what was seen during monitoring of Facility A.

2016 Monitoring near Facility D

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	09:48	Upwind	E	1.8	E-NE	10.4	<2	--	Grass/leaves
4/20/2016	09:58	Downwind	NE-E	5.8-6.9	E-NE	10.4	4	2	Metal/Foundry
4/20/2016	15:10	Upwind	NE-E	1.7-4.7	E-NE	15	No Detect	--	--
4/20/2016	15:45	Downwind	NE-E	3.4-6.2	E	16.1	4	2	Metal/Foundry
4/21/2016	09:40	Downwind	N-NW	2.8-3.4	NW	8.1	4	2	Metal/Foundry
4/21/2016	09:50	Upwind	NW-W	1.6-2.7	Calm	Calm	2	--	Sewer, Earthy
4/21/2016	13:45	Downwind	W-NW	1.0-3.2	N	4.6	4	2	Metal/Foundry, Exhaust
4/21/2016	14:00	Upwind	NW	2.4-3.8	N	5.8	<2	--	Sewer, Earthy
4/26/2016	16:25	Upwind	N-NE	3.0-8.6	E-NE	16.1	--	--	--
4/26/2016	16:35	Downwind	NE	5.3-8.9	E-NE	16.1	7	7	Metal/foundry
4/26/2016	17:47	Downwind	NE-E	3.6-8.3	E	17.3	4	2	Metal/foundry
4/26/2016	17:55	Upwind	NE-E	5.9-9.3	E	17.3	<2	--	Grass, Earthy
4/29/2016	10:10	Upwind	NW-N	3.0-4.5	N-NE	11.5	2	--	Sewer, Earthy

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/29/2016	10:21	Downwind	W-NW	4.2-7.7	N	11.5	4	2	Metal/Foundry
4/29/2016	14:25	Downwind	NE-E	3.8-7.6	NE	6.9	2	--	Metal/Foundry
4/29/2016	14:40	Upwind	E-NE	4.5-7.4	N-NE	9.2	--	--	--
Downwind Detection Average							4.1	2.4	

3.4.1 Summary

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

After 8 observations, Facility D recorded detections during all downwind monitoring events. Only one detection was recorded at 7 Odor Units or greater during initial monitoring and is shown in the table below. Odors at the detection threshold averaged approximately 4.1 Odor Units.

From these results, Facility D did not produce odors at greater than 7 Odor units during multiple downwind observations. At this time, this facility has the potential to generate significant odors that could negatively impact residents downwind. With few recorded detections at a significant level, the City may or may not benefit from increased odor control or odor minimization at Facility D.

Odor Summary for Facility D

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/26/2016	16:35	Downwind	NE	5.3-8.9	E-NE	16.1	7	7	Metal/foundry

3.5 Facility E

During this initial round of monitoring, detections of potentially “offensive” odors occurred downwind near Facility E for every monitoring event. The odors consistently recorded downwind were described as sewer, earthy, manure, and chemical in nature.

Observations were made at a variety of locations downwind of facility to better characterize the strength and extent of the odors. The monitoring results are shown below in the table. Additionally, although measurements were not taken, the sewer/chemical odor consistent with the facility was detected while driving in the area downwind on a few occasions during the monitoring round.

Strengths of odors were recorded at fairly consistent intensities. Odors downwind of the facility were recorded at the detection threshold as high as 15 odor units, and recognition threshold reached as high as 7 odor units. Odors recorded at 7 odor units can be considered

objectionable and a nuisance at 15 Odor Units according to St. Croix Sensory and Huey et. al. 1960. Detections at both levels are deemed significant.

Upwind monitoring recorded no odors consistent with those recorded downwind. Common upwind odors included grassy odors which were likely due to monitoring sites being in close proximity to grassy or overgrown areas. On several occasions, potentially “offensive” odors described as metal/foundry where recorded upwind of the facility. Due to wind direction and position during detection, these were thought to have been from another source upwind, similar to what had been seen during observations as the other facilities.

2016 Monitoring near Facility E

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	11:15	Upwind	NE	4.5-7.7	E	13.8	2	--	Metal/Foundry
4/20/2016	11:35	Downwind	NE	1.2-4.1	E-NE	12.7	7	4	Sewer, Chemical
4/20/2016	15:50	Upwind	NE	5.5-6.8	E	15	No Detect	--	--
4/20/2016	16:05	Downwind	NE-E	3.7-5.2	E	11.5	7	4	Sewer, Chemical
4/21/2016	09:20	Downwind	N	INT	W	3.5	7	4	Sewer, Earthy
4/21/2016	09:30	Upwind	--**	--**	W	4.6	--	--	--
4/21/2016	14:10	Downwind	N-NW	2.2-3.7	N-NW	6.9	7	4	Sewer, Earthy
4/21/2016	14:10	Upwind	--**	--**	N-NW	6.9	--	--	--
4/26/2016	16:50	Downwind	NE	3.2-4.6	E-NE	15	15	7	Sewer, Earthy, Manure
4/26/2016	17:00	Upwind	NE-N	4.3-6.2	E-NE	15	<2	--	Grass
4/26/2016	18:35	Downwind	E-NE	3.5-7.2	E-NE	15	15	7	Sewer, Manure, Earthy
4/26/2016	18:50	Upwind	NE	3.9-6.2	E-NE	12.7	--	--	--
4/29/2016	09:15	Downwind	N-NW	1.4-1.7	N	6.9	7	4	Sewer, Earthy
4/29/2016	09:25	Upwind	--**	--**	N	6.9	--	--	--
4/29/2016	15:55	Downwind	E-NE	INT	E	5.8	7	4	Sewer, Earthy, Manure
4/29/2016	16:05	Upwind	E-NE	3.5-4.9	SE	5.8	<2	--	Metal/Foundry
Downwind Detection Average							9	4.8	

** Couldn't get to a location to accurately make upwind observation due to wind direction

INT Intermittent winds

3.5.1 Summary

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

After 8 observations, Facility E recorded detections during all downwind monitoring events. A summary of detections at 7 Odor Units or greater during initial monitoring are shown in the table below. Odor at the detection threshold averaged approximately 9 Odor Units.

From these results, the Facility E did produce odors detected at greater than 7 Odor units during multiple downwind observations. At this time, the facility has the potential to generate significant odors that could negatively impact residents downwind and the City would benefit from increased odor control or odor minimization at the facility.

Odor Summary for Facility E

Date	Time	Location	Wind Direction (Field)	Wind Speed (Field), mph	Wind Direction (Airport)	Wind Speed (Airport), mph	Detection Threshold, Odor Units	Recognition Threshold, Odor Units	Descriptors
4/20/2016	11:35	Downwind	NE	1.2-4.1	E-NE	12.7	7	4	Sewer, Chemical
4/20/2016	16:05	Downwind	NE-E	3.7-5.2	E	11.5	7	4	Sewer, Chemical
4/21/2016	09:20	Downwind	N	INT	W	3.5	7	4	Sewer, Earthy
4/21/2016	14:10	Downwind	N-NW	2.2-3.7	N-NW	6.9	7	4	Sewer, Earthy
4/26/2016	16:50	Downwind	NE	3.2-4.6	E-NE	15	15	7	Sewer, Earthy, Manure
4/26/2016	18:35	Downwind	E-NE	3.5-7.2	E-NE	15	15	7	Sewer, Manure, Earthy
4/29/2016	09:15	Downwind	N-NW	1.4-1.7	N	6.9	7	4	Sewer, Earthy
4/29/2016	15:55	Downwind	E-NE	INT	E	5.8	7	4	Sewer, Earthy, Manure

4.0 Summary

After four days of monitoring from April 20 through April 29, 2016 at the five sites, there are three main conclusions that can be made:

- Peak odor measurements of 7 odor units were recorded at Facilities A and D.
- Multiple occurrences of odors measuring 15 odor units and greater were recorded at the Facilities B and E.
- No significant odors were monitored at Facility C. A maximum detection occurred at 4 odor units only once. Although not able to be considered negligible, this facility had the lowest average odor strengths.

This initial round of monitoring was intended to establish baseline odor levels and identify facilities that may be generating significant odors.

From these results, Facilities B and E have produced odors at the greatest average downwind detections, 9.7 and 9 odor units respectively. At this time, multiple facilities has been shown to have the potential to generate significant odors that could negatively impact residents downwind. As discussed in the individual summaries, the City would likely benefit from increased odor control or odor minimization at those facilities.



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Approve Small Cities Development Program (SCDP) Implementation
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED
Approve Small Cities Development Program (SCDP) Implementation

SUMMARY

As the Council will recall, the City was awarded \$462,840 in funds in order to offer rehabilitation loans to homes (existing owner occupied and rental) in the previously established target area.

Because these funds originate at the federal level, and are dispersed by the state, the City must administer the program according to state statutes.

The City contracted with the Southwest Minnesota Housing Partnership (SWMHP) in the grant application and we will continue to contract for grant administration services.

Michele Clark of the SWMHP will be in attendance at Monday's meeting. Michele is the grant administrator acting on behalf of the City. She will walk through the attached documents which are the policies and procedures the City must comply with.

RECOMMENDATION

Staff recommends the Council review and approve the policies and procedures in order to comply with SCDP requirements.

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date

X

RESOLUTION NO. _____

**CITY OF LE SUEUR
ADOPTED
FAIR HOUSING POLICY**

The purpose of this policy statement is to formally declare the conviction and the intention of the City of Le Sueur to further the aims of the Fair Housing Act and to assist the Secretary of Housing and Urban Development for the promotion and assurance of equal opportunity in housing with regard to race, color, religion, sex, handicap, familial status, national origin, or public assistance status. For the purposes of this public policy statement the following definitions will apply.

1. "Discriminatory Housing Practices" means any act that is unlawful under the Fair Housing Act.
2. "Dwelling" means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families.
3. "Fair Housing Act" means Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3600-3620).
4. "Familial Status" means one or more individuals (who have not attained the age of 18 years) being domiciled with -
 - (a) A parent or another person having legal custody; or
 - (b) The designee of such parent or other person having such custody, with the written permission of such parent or other person.
5. "Handicap" means, with respect to a person, a physical or mental impairment, which substantially limits one or more major life activity.

It will be the public policy of the City of Le Sueur to formally support equal opportunity for all residents or persons who wish to become residents of the City of Le Sueur and to ensure their rights to obtain decent, safe, and sanitary housing. The City of Le Sueur will not tolerate discriminatory practices within its jurisdiction. The following practices have been declared to be discriminatory and unlawful under the Fair Housing Act:

1. To refuse to sell or rent or to negotiate for the sale or rental of any property based on race, creed, color, sex, religion, national origin, marital status, familial status, handicap, or in regard to public assistance.
2. To discriminate in terms, conditions, and privileges and in services and facilities.
3. To engage in any conduct which makes dwellings unavailable or denies dwellings to persons.

4. To make, print, or publish or cause to make, print, or publish discriminatory advertisements.
5. To represent that a dwelling unit is not for sale or rent when in fact it is.
6. To engage in blockbusting.
7. To deny access to or membership or participation in, or to discriminate against any person in his or her access to or membership or participation in, any multiple-listing service, real estate broker's association, or other service organization or facility relating to the business or selling or renting a dwelling or in the terms or conditions or membership or participation.

Whenever a complaint alleging a discriminatory housing practice is received within the jurisdiction of the City of Le Sueur, the City will assist households who may have been discriminated against by providing the following services:

1. The City of Le Sueur will provide Fair Housing information (pamphlets) to all interested parties.
2. The City of Le Sueur will provide referral information concerning the ability of alleged discriminated households to make formal complaints to the State of Minnesota Department of Housing and Urban Development.
3. The City of Le Sueur will provide referral information enabling alleged discriminated households to contact Legal Services and the Minnesota Migrant Council.

This Fair Housing Policy is formally adopted by the City Council on behalf of the City of Le Sueur this _____ day of _____, 2016

By: _____
 Mayor of Le Sueur

ATTEST: _____
 Attest

LOAN REPAYMENT & PROGRAM INCOME PLAN

1. **LOAN REPAYMENT:** The City of Le Sueur Small Cities Development Program consists of repayment terms for owner occupied and renter occupied. SCDP funds secured by repayment agreements will be repaid under the following terms:

a. **Owner Occupied:**

A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed or ceases to be the borrower's principal place of residence. This loan is forgiven 10% per full year and fully forgiven after 10 full years of the date of the document.

b. **Rental:**

A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed, ceases to be occupied by qualified low to moderate income tenants, or fails to maintain its contract rents at the county Fair Market Rent. This loan is forgiven 20% per full year and is fully forgiven after 5 years of the date of the document.

2. **PROGRAM INCOME:**

- a. **Definition:** Program Income is defined as any funds in excess of \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Local Funds are defined as less than \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Program Income includes not only funds generated by SCDP grants, but also by the Small Cities Economic Development Set Aside Program, also administered by DEED. These include:

- 1) loan repayments (with interest, if applicable),
- 2) proceeds from the sale of property purchased with SCDP funds,
- 3) interest earned on the Program Income itself, once back under the control of the grantee, and/or
- 4) Fines assessed on SCDP funded contracts, among other things.

- b. Reporting:** The City of Le Sueur is responsible for reporting to DEED annually on all Program Income.
- c. Earnings:** All earnings of Program Income must follow SCDP Federal Requirements, similar to an open grant.
- d. Open Grant:** Program Income earned while the grant is open must be used to fund approved activities, the Program Income/Local Funds earned will be set aside for use in post-grant projects.
- e. Closed Grant:** Program Income must be utilized only on activities approved in the grant when the project was open. The Program Income must be used within two federal fiscal years after the reporting period in which it was collected. Unspent funds will be returned to DEED.

Dated : _____

Mayor

City Administrator

Prohibition of Excessive Force Policy

The City of Le Sueur prohibits the use of excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations.

The City of Le Sueur also will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction.

Mayor

City Administrator

Date: _____

Section 3 Plan for the City of Le Sueur

The City of Le Sueur, in conjunction with Small Cities Development Program Income Project, has the following plan to direct employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing.

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, preference is given to low- and very low-income persons or businesses. Being a Section 3 Business is not required however, preference is given to those businesses.

The City of Le Sueur will attempt to recruit low-income residents through at least one of the following: local advertising media, notification at local council meeting, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within The City of Le Sueur in which the Section 3 covered program or project is located, or participate in the one of the HUD program or other program which promotes the training or employment of Section 3 residents, or will participate in a HUD program or other program which promotes the award of contracts to businesses which meet the definition of Section 3.

The City of Le Sueur will require all contractors to complete and submit the Section 3 Business Certification Form prior to awarding contracts. While being a Section 3 business is not required for the program, The City of Le Sueur will give preference to qualified, competitive Section 3 businesses.

Mayor

Date

Witness

Date

**RESIDENTIAL ANTIDISPLACEMENT, RELOCATION ASSISTANCE
AND DISPLACEMENT MINIMIZATION PLAN FOR THE
CITY OF LE SUEUR
OWNER-OCCUPIED REHABILITATION**

The City of Le Sueur is participating in the Minnesota Small Cities Development Program. Through this participation, housing rehabilitation activities will occur. The consequence of the proposed activity is that the potential for displacement exists, although it is not anticipated. The purpose of the Residential Anti-displacement and Relocation Assistance Plan describes the steps that shall be taken to mitigate the adverse effects of displacement on low and moderate income persons.

- A. All occupied and vacant occupiable low-to-moderate income dwelling units demolished or converted to a use other than as low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR Part 570.606 and 24 CFR Part 42 will be replaced. All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, The City of Le Sueur will make public and submit to the Minnesota Department of Employment and Economic Development the following information in writing:
1. A description of the proposed assisted activity;
 2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-to-moderate income dwelling units as a direct result of the assisted activity;
 3. A time schedule for the commencement and completion of the demolition or conversions;
 4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
 5. The source of funding and a time schedule for the provision of replacement dwelling units; and
 6. The basis for concluding that each replacement dwelling unit will remain a low to moderate income dwelling unit for at least 10 years from the date of initial occupancy.
 7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units is consistent with the housing needs of low and moderate income households in the City.

The City of Le Sueur may request the Minnesota Department of Employment and Economic Development to recommend that the U.S. Department of Housing and Urban Development approve an exception to required replacement housing if there is an adequate local supply of vacant low-to-moderate income dwelling units in standard condition. Exceptions will be reviewed on a case-by-case basis as described in 24 CFR Part 507.488(c)(i)(b).

- B. Relocation assistance will be provided, as described in 24 CFR Part 570.488(c)(2), to each low to moderate income household displaced by the demolition of housing or by the conversion of a low to moderate income dwelling to another use as a direct result of assisted activities. Displaced low to moderate income persons may choose assistance under the Uniform Relocation Act or moving costs and an available Section 8 Housing voucher/certificate or moving costs and a housing assistance payment so that rent and utilities do not exceed 30% of household income for a period of years.

- C. Consistent with the goals and objectives assisted under the Act, the following steps will be taken to minimize the displacement of persons from their homes:
1. No rehabilitation construction activities will be undertaken that will cause permanent displacement as a result of these activities.
 2. My construction activities that may cause temporary displacement will be coordinated so that disruption of living accommodations is minimized.
 3. Demolition of existing structures will occur only under the following conditions:
 - a. That the structure has been identified as blighted and a hazard to the surrounding community.
 - b. That the cost of rehabilitation of the structure to a reasonably decent, safe, and sanitary condition exceeds the fair market value of that structure.

D. Definitions for the purposes of this plan are as follows:

A "low to moderate income dwelling unit" is a unit with a market rental, including utility costs, that does not exceed the applicable fair market rent for existing housing and moderate rehabilitation, as established under the Section 8 existing housing program.

A "vacant occupiable dwelling unit" is a unit that is vacated within the Small Cities grant target area after the developer or community began preparations for the project or less than a year before the grant was approved.

An "occupiable dwelling unit" is a unit that is in standard condition or has been raised to a standard condition from a substandard condition, suitable for rehabilitation,

A "standard condition" dwelling unit is a unit which meets HUD Section 8 Housing Quality Standards (HQS) with no major defects in the structure and only minor maintenance is required, Such a dwelling will have the following characteristics: reliable roofs; sound foundations; adequate and stable floors, walls and ceilings; surfaces and woodwork that are not seriously dammed nor have paint deterioration; sound windows and doors; adequate heating, plumbing, and electrical systems; adequate insulation; and adequate water and sewer systems, and not overcrowded (defined as more than one person per room).

A "substandard but suitable for rehabilitation condition" dwelling unit, at minimum, is a dwelling unit that does not meet Housing Quality Standards (HQS) with some of the same features as a "substandard condition" dwelling unit. This unit is likely to have deferred maintenance and may have some structural damage, such as a leaking, deteriorated interior surfaces, and inadequate insulation, A "substandard but suitable" dwelling unit, however, has basic infrastructure (including systems for clean water and adequate waste disposal) that allows for economically and physically feasible improvements and upon completion of rehabilitation meets the definition of a "Standard" dwelling unit,

E. Displacement Minimization,

1. Temporary Displacement. Temporary displacement occurs when people move out of their dwelling, business, or property for a short period of time due to activities of the Small Cities Development Program. Temporary displacement most frequently occurs with housing and commercial rehabilitation projects.

Actions that may be taken to minimize displacement include:

- a. Planning utility shut-offs for times most convenient to residents and business owners.

- b. Providing information and referral services to individuals who must temporarily leave their homes or businesses.
 - c. Establish temporary relocation facilities in order to house families whose displacement will be of short duration.
2. Permanent Displacement, Any person permanently and involuntarily displaced will be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The term displaced persons means any person (family, individual; business, non-profit organization, or farm) that moves from real property or moves personal property from real property as a direct result of rehabilitation, demolition, or acquisition for a Small Cities Development Program project,

Actions to be taken to minimize displacement include:

- a. Informing tenants that they may be entitled to relocation payments and other assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).
- b. Informing tenants that they may be entitled to additional payments above the URA payment in compliance with requirements of section 104(d) of the Housing and Community Development Act of 1974, as amended. If rehabilitation activities raise the market rent (including utility costs) above the applicable fair market rent established by HUD's Section 8 existing housing program, then the unit must be replaced and low or moderate income tenants are entitled to additional payments in compliance with section 140(d),

RESOLUTION OF ADOPTION OF RESIDENTIAL ANTIDISPLACEMENT, RELOCATION ASSISTANCE, AND DISPLACEMENT MINIMIZATION PLAN,

BE IT RESOLVED THAT THE CITY COUNCIL MEMBERS OF THE CITY OF LE SUEUR HEREBY ADOPTS THE RESIDENTIAL ANTIDISPLACEMENT, RELOCATION ASSISTANCE, AND DISPLACEMENT MINIMIZATION PLAN.

I, _____, Mayor of the City of Le Sueur, Le Sueur County, State of Minnesota do hereby certify that the foregoing copy represents a true and correct copy of the original thereof on file in my office.

Dated:

CITY OF LE SUEUR
SMALL CITIES DEVELOPMENT PROGRAM (SCDP)
RESIDENTIAL OWNER OCCUPIED
HOUSING REHABILITATION PROGRAM
~ PROCEDURAL GUIDELINES ~

A. PROGRAM OBJECTIVES

1. **FEDERAL OBJECTIVE:** The primary objective is to provide financial assistance to low to moderate income individuals who are residing in substandard housing.
2. **SECONDARY IMPACTS:** Secondary impact is to encourage the improvement of the general appearance and value of the housing stock while making a visible and substantial improvement upon the quality of life and appearance of the community.

B. PROGRAM ADMINISTRATION

1. **GENERAL ADMINISTRATOR:** The City of Le Sueur is contracting with the Southwest Minnesota Housing Partnership (SWMHP); SWMHP is responsible for all phases of the administration of this Small Cities Development Program (SCDP) while a contract is in place. The SWMHP will be responsible for all financial and progress reports. SWMHP will have principle responsibility for the compliance with all Federal Regulations, adherence to the City of Le Sueur Procedural Guidelines and SCDP regulations.
2. **FIELD ADMINISTRATOR:** Southwest Minnesota Housing Partnership (SWMHP) is responsible for housing rehabilitation field administration services. SWMHP is responsible for program delivery including: marketing, determination of household eligibility, application completion and approval, assist with packaging of project financing, housing inspections and suitability of housing rehabilitation, work write-ups, contract awards, interim inspections, change orders, final inspections, contractor payments and project close-outs.
3. **FEDERAL COMPLIANCE:** The City of Le Sueur and SWMHP will share responsibility to comply with Federal Regulations regarding the implementation and administration of this Small Cities Development Project.

C. DEFINITIONS

1. **ALLOCATED FUNDS:** SCDP funds that have been reserved for an approved project.
2. **APPLICANT:** An applicant is defined as a homeowner who is gathering the proof of ownership of their property, current insurance policy, proof that the real estate taxes have been paid and third party income verification. No SCDP funds will be allocated for an applicant.
3. **APPROVED PROJECT:** An approved project is a project where the homeowner has completed all the applicant and client requirements; and competitive bids

have been received and approved; the governing entity has approved the project; the homeowner has secured matching funds for their portion of the project; the SCDP funds have been allocated to the project; the SCDP Repayment Agreements, Mortgages or other funding documents for all matching funds have been signed and are ready to be recorded; and all escrow funds have been supplied to SWMHP.

4. **CLIENT:** The client will be working with the Field Administrator in completing all necessary paperwork and inspections to determine if the project is suitable for rehabilitation; developing a scope of work; approving the scope of work; sending out the bid packets to contractors for review and bidding; and securing matching funds. No SCDP funds will be allocated for a client.
5. **INCOME:** SCDP requires independent third-party, written verifications on gross household income. Income projections must include but not be limited to: salary, commissions, bonuses, earnings from part-time employment, interest, dividends, tips, gains on sale of securities, annuities, pensions, royalties, veterans administration compensation, net rental income from all sources, alimony & child support (if received), public assistance, sick pay, social security benefits, income received from business activities or investments, unemployment compensation, estate or trust income, and other miscellaneous income. Income from self-employment can be projected using the average of the last two years of income from Federal tax statements. Income of or resulting from foster children, live-in aides, children of live-in aides or children being pursued for legal custody or adoption who are not currently living with the household can be counted, but only if these same individuals are counted as residents of the household.
6. **PROJECT EQUITY:** Project Equity is defined as rehabilitation work being performed by a homeowner.

D. CONFLICT OF INTEREST

1. **GENERAL CONDITIONS:** No member of the governing body of the locality and no official, employee, or agent of the local government, Southwest Minnesota Housing Partnership (SWMHP), or other persons who exercise policy, decision-making function or responsibilities in connection with the planning and implementation of the Housing Rehabilitation Program shall directly or indirectly benefit from this program. This prohibition shall continue for one year after an individual's relationship with the local government or SWMHP ends. Specific prohibitions are as follows:
 - a. **Program Participation:** No member of the governing body of the locality, no official, employee, or agent of the local unit of government or SWMHP as defined above, shall accrue direct or indirect program benefits.
 - b. **Contractual Relationships:** No member of the governing body of the locality, no official, employee, or agent of the local unit of government or SWMHP as defined above, shall obtain direct or indirect interest in any contract, subcontract, or agreement in any activity in this program that provides financial compensation for services.

- c. **Prohibition Extensions:** This prohibition extends to contracts or direct benefits in which a spouse, minor child or business partner may have personal or financial interest.
 2. **DETERMINATION OF CONFLICT OF INTEREST:** When questions arise or a situation is unclear an initial Opinion of Conflict of Interest shall be sought from the Le Sueur City Attorney. That Attorney's Opinion will outline areas that the situation is within or outside applicable Federal Regulations 24 CFR 570, Uniform Administration Requirements and State Statutes 412.311 or 471-87 through 471.89. The Attorney's Opinion shall be forwarded to DEED Staff, and at DEED's discretion, shall be forwarded to the Minnesota Attorney General for the State's Legal Opinion.

E. HOUSEHOLD ELIGIBILITY

1. **INCOME ELIGIBILITY:** The housing rehabilitation program is designed to be of 100% benefit to households of low to moderate incomes. This will be achieved by following the gross income limits as set by the Department of Housing and Urban Development for the Section 8 Existing Housing Program. The income limits as adjusted for family sizes are listed in Section F. These limits shall be adjusted periodically upon HUD notification of income revisions.
2. **GROSS ANNUAL INCOME:** Income for the purposes of this program shall be defined as gross annual income. Income includes, but is not limited to the following sources:
 - a. Salary, commissions, bonuses and tips.
 - b. Interest and dividends.
 - c. Annuities and pensions.
 - d. Rental property income (gross rents received subtracting interest, insurance, taxes, maintenance, and utilities).
 - e. Estate or trust income.
 - f. Gross annual income from self employment shall be deemed to be the net profit from said self employment, as declared by the applicant in Schedule C, D, or E, Part III, as appropriate, of the United States Internal Revenue Service form 1040, or any other such schedule as may be hereafter promulgated.
 - g. Any public assistance including but not limited to GA, AFDC, SSI and Unemployment Compensation for all household residents.
 - h. Social Security, including survivor benefits.
 - i. Child support payments.
 - j. Workers Compensation.
 - k. Business income for self employed individuals.

1. Interest income from lump sum insurance payments or judgments for health, accident, worker's compensation and personal or property losses.
3. **EXCLUDED INCOME:** Temporary, non-recurring or sporadic income shall not be considered as part of a household's annual income. That income will be as defined below:
 - a. One Time or sporadic gifts.
 - b. Income from children under 18 years of age.
 - c. Payments for foster children.
 - d. Medical expense reimbursements.
 - e. Educational scholarships used for tuition, fees, or books.
 - f. Insurance lump sum payments or judgments for health, accident, worker's compensation and personal or property losses. Any interest income derived from such sources will be viewed as annual income.
 - g. Hazard duty pay to a household member in the Armed Forces. (NOT regular pay).
 - h. A capital gain.
 - i. Reimbursements for expenses.
4. **INCOME VERIFICATION:** All income shall be verified in writing by a third party. The following verification examples listed below are considered acceptable.
 - a. An income verification sheet, which is signed by a third party at the source of income.
 - b. The previous two years federal tax returns shall be placed in the file for all applicants. Federal tax returns will be used to calculate income for those applicants who are self employed or have variable incomes. All schedules and attachments are necessary. All tax returns must be signed and dated.
 - c. Signed third party verifications from banks, savings and loans, insurance companies, and etc.
 - d. Such other written/printed verifications as deemed appropriate by SWMHP.

Income verification information that is more than **90 days** old will not be considered current or valid and must be re-verified.
5. **ASSETS:** There will be no asset limitation associated with SCDP loans.
6. **DATA PRIVACY:** Information on program applicants shall be gathered and released in accordance with the Minnesota Data Practices Act. All information including names, addresses, income and income sources, assets and assets

sources, credit reports and financial reports will not be released without prior, written consent of the applicant as specified by the Act. The Data Release Form will be signed by the applicant(s) and will inform the applicant of what information will be released and to whom. Information will only be gathered and released for solely administrative purposes such as eligibility determination, administrative review, coordination and securing of leverage funds. Private information may be released to the following agencies or organizations: City of Le Sueur, SWMHP, Minnesota Housing Finance Agency, Rural Development, Lending Institutions, MN DEED, and HUD.

7. **EVIDENCE OF FRAUD:** Any administering party participating in the Program shall refer evidence of fraud, misrepresentation, collusion or other misconduct on the part of the applicant or contractors in connection with the operation of the Program to the State of Minnesota Attorney General for investigation and possible legal action.

F. ELIGIBLE PROPERTIES

1. **SUBSTANDARD RESIDENTIAL PROPERTY:** Residential dwelling must be determined to meet the following classifications in order to be eligible for assistance under this SCDP Housing Rehabilitation Program.
 - a. The residential unit does not meet HUD's Section 8 Housing Quality Standards.
 - b. The residential unit does not meet applicable Fire Code, Occupancy Codes, National Electrical Code, Uniform Mechanical and Plumbing Codes.
 - c. The residential unit contains health and safety hazards.
 - d. The residential unit lacks safe, reliable water supply or sanitary wastewater disposal.
 - e. The residential unit does not meet Minnesota Energy Efficiency Standards.
 - f. The residential unit fails to provide suitable shelter in some other obvious and apparent manner.
2. **SUITABILITY FOR REHABILITATION:** Residential dwellings must be determined as suitable candidates for rehabilitation in order to receive SCDP funds. That determination shall be based on a number of factors including structural viability/housing deficiencies, historic significance, cost of rehabilitation versus post market value, housing replacement costs and other socioeconomic factors.
 - a. **Structural Viability/Housing Deficiencies:** Will be determined by the number and severity of structural damage and house system deficiencies existing in the home to be rehabilitated candidate. Sufficient funding from SCDP and Leverage Funds sources must be available to address all existing structural deficiencies.

- b. **Historic Significance:** Residential units that possess historic significance will be reviewed outside of normal market value economic considerations.
- c. **After Rehabilitation Market Value:** If the type and number of housing repairs needed to bring the home into compliance with the adopted housing standards exceeds 125% of the after rehabilitation market value of the unit, the unit shall be declared as not suitable for rehabilitation. **After Rehabilitation Market Value is defined as:**

(Total Cost of Rehabilitation x 50%) + Current EMV = After Rehabilitation Market Value

- d. **Housing Replacement Costs/Socioeconomic Factors:** When a residential unit has been determined to be unsuitable for rehabilitation, housing replacement costs or socioeconomic factors **must** be considered in the final determination of unsuitability. These factors include:
 - 1) Lack of Housing Alternatives.
 - 2) Cost of Relocation.
 - 3) Expense of Housing Alternatives.
 - 4) Abnormal Low Market Values due to depressed market.
 - 5) Physical condition and age of resident.

If the Field Administrator and Applicant choose to invoke one of the Factors above and proceed with the rehabilitation, the Field Administrator must present the documentation to the governing body and request a waiver.

- e. **Disclosure of Loan to Value:** Should the total cost of rehabilitation exceed 125% of the after rehabilitation market value, the Field Administrator must disclose to the applicant the loan to value position they will be in when undertaking the SCDP loan. The disclosure must also be provided to the applicant in writing.

3. DECLARATION OF UNSUITABLE FOR REHABILITATION: When a residential unit has been determined as not suitable for rehabilitation by the governing body, the Field Administrator must document the file with written documentation and present such information to the governing body. The documentation shall consist of the following:

- a. Inspection Report.
- b. Estimated Cost of Repairs.
- c. Zoning/Location.
- d. Historic Review (SHPO).
- e. Socioeconomic Factors Review.

4. **ELIGIBLE STRUCTURES:** The property must be a residential structure occupied by the owner. The following structures will be eligible to receive assistance through this housing rehabilitation program:
 - a. Owner occupied single-family detached homes.
 - b. Owner occupied attached homes.

The following structures will be ineligible to receive assistance through this housing rehabilitation program:

- a. Owner-occupied mobile homes.
5. **TARGET AREA:** See attached target area map.
6. **OWNERSHIP REQUIREMENTS:** The following requirements must be met relating to ownership and the execution of the repayment agreement:
 - a. **Fee Simple Absolute:** All owners named by deed, and if applicable their spouses, must execute the repayment agreement prior to the commencement of work.

Properties held in trust and life estates are generally not eligible and must be transferred into another ownership type above that is eligible. Contract for deed transactions are not eligible. The Field Administrator must review the document prior to eligibility determination.

7. **PRIOR SCDP FUNDING RECIPIENTS:** Properties that have been rehabilitated with SCDP funds prior to the current application may only be eligible for additional SCDP funds under the following conditions:
 - a. Ten full years have lapsed since the date of the Repayment Agreement under the previous SCDP Program.
 - b. The property currently contains a very serious health and safety deficiency (e.g. failing furnace, mold, and structural damage). This deficiency must be verified prior to application by a qualified third party (e.g. City's Building Official).
8. **OCCUPANCY STANDARDS:** The property to be rehabilitated shall be the principal place of residence of the applicant defined as being occupied by the applicant for more than 6 months consecutively prior to the application. Failure to meet occupancy standards will result in denial of application or repayment of the unforgiven portion of the SCDP loan.
9. **HOMEOWNER'S INSURANCE:** The applicant must carry current homeowner's hazard insurance both at the time of the application and through the term of loan with a minimum coverage equal to all liens held against the property. Where the applicant does not have said insurance at the time of application, the applicant will be issued a Denial letter and the application will be placed on hold until insurance can be secured or a letter from the insurance company stating the property will be covered after the rehabilitation has been complete. If a letter is given by the insurance company the funds for the first six months will need to be held in an escrow account. The lack of insurance is considered

an incomplete application so no funds will be held for an applicant while they are securing the homeowner's insurance.

10. **TAX DELINQUENCY:** Applicants receiving rehabilitation assistance must be current with property tax payments and assessments. Verification must be provided in the file. Where payments are not current, at the time of application, the applicant will be issued a Temporary Denial and the application will be placed on hold until payments are paid current. No SCDP funds will be held for the applicant while payments are delinquent.
11. **DEFAULT AND BANKRUPTCY:** Applicants shall not be eligible to receive SCDP funding if the property to be rehabilitated is in default under its current home mortgage, contract for deed or comparable real estate obligation. An applicant will be ineligible to receive assistance through this rehabilitation program if the applicant is currently involved in bankruptcy proceedings.
12. **FLOOD PLAIN:** The City of Le Sueur Target Area does encompass an area located within a flood plain. These locations will not be eligible to receive SCDP funds. The City may not issue a waiver on this item.
13. **PROPERTY ACCESS:** Applicants shall not be eligible to receive SCDP funding if the property and the elements to be repaired cannot be reasonably accessed by the Project Manager, Contractor, Building Official, and other SCDP staff. Entries and halls must be passable and a minimum of six (6) feet of clearance must be allowed around all elements and systems to be repaired.

G. PROJECT FUNDING

1. **OWNER OCCUPIED PROGRAM DESIGN:** The SCDP project shall be funded based upon income. The following table details 80% Area Median Income:

HUD Section 8 Income Guidelines Effective April, 2016

HOUSEHOLD SIZE	Gross Income limits County of Le Sueur
1	\$40,500
2	\$46,300
3	\$52,100
4	\$57,850
5	\$62,500
6	\$67,150
7	\$71,750
8	\$76,400

2. **MAXIMUM FINANCING:** The maximum SCDP loan amount extended to any applicant shall not exceed \$25,000 per dwelling unit. While \$25,000 is the maximum SCDP loan, the average SCDP loan of \$18,200 per unit will be maintained. If the total cost of repairs exceeds the maximum SCDP loan limits, the applicant will be responsible to secure additional financing beyond the required matching leverage amount for the applicant's income. Southwest Minnesota Housing Partnership (SWMHP) will assist the applicant to secure leverage funding. If the applicant is unable to secure the necessary funding,

then the scope of the project will be reduced in a manner that is consistent with funding regulations and adopted housing standards.

3. **OWNER OCCUPIED ATTACHED HOUSING:** Where SCDP loans are granted for rehabilitation of owner occupied attached homes, funds may only be used for 1) rehabilitation of the structural components of the eligible unit and 2) the internal components of the eligible unit. Funds may not be used for the rehabilitation of the internal/external components of the non-owner occupied unit within the attached units. The amount of the rehab dollars associated with the owner occupied portion of the house will be determined by the percentage of the square footage of the building that is occupied by the owner.
4. **FINANCING TERMS:** The City of Le Sueur Small Cities Development Program (SCDP) Housing Rehabilitation Program will have different financing categories based on applicant income. The financing will consist of:
 - a. **Deferred Loans:** A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed or ceases to be the borrower's principal place of residence. This loan is forgiven 10% per full year and fully forgiven after 10 full years of the date of the document. The Deferred Loan must only be used for SCDP eligible repairs as determined by the Field Administrator and SCDP Housing Rehabilitation Program. The Deferred Loan will only be applied **toward 70%** of SCDP eligible repairs unless a waiver is obtained from the governing body. The Deferred Loan is Non-Assumable.
 - b. **Leverage Funds:** Shall be any funds used to provide for rehabilitation activities performed at an eligible applicant's dwelling unit other than the funds provided by the Small Cities Development Program. Leverage sources will be determined by income, homeowner debt and debt carrying capacity, homeowner credit worthiness and property eligibility. Leverage funds must only be used for repairs determined eligible by the Field Administrator and leverage fund Programs. The leverage funds will be applied **to the remaining 30%** or the remaining total amount of the project costs for eligible rehabilitation costs.

Very Low Income Applicants will not be excluded from participation in the Housing Rehabilitation Program due to the lack of leverage funds. To allow Very Low Income Applicants time to secure remaining leverage and reach Approved Project status, files will remain open until 90 days from the end of the grant period or until all funds are allocated to Approved Projects, whichever comes first.

5. **Leverage Fund Sources:** The following fund sources **may be** accessed based on applicant income eligibility:
 - a. **Very Low Income:** Deferred loans and grants. These may be provided by the following programs and sources: Minnesota Housing Deferred Loan Program, D.O.E. Weatherization, Energy Assistance Repair Program, Farmers Home Administration's 504 Rural Housing Grant Program, Rural Development Housing Preservation Program, Federal Home Loan Bank Affordable Housing Program and the Greater MN Housing Fund.

And where applicable, client contributions or other available financing sources.

- b. **Lower Income:** Amortized loans, deferred loans and grants. These loans will be provided by the following programs and sources: Minnesota Housing Community Fix Up Fund or Fix Up Fund Loans, Farmer's Home Administration's 504 Rural Housing Loan Program; Local Bank Loans, Federal Home Loan Bank Affordable Housing Program and the Greater MN Housing Fund and where applicable, client contributions and other available financing sources.

6. **OTHER LEVERAGE SOURCES:** Leverage may be provided from sources other than private, public or non-profit Lenders as follows:

- a. **Liquid Assets:** In some cases homeowners may wish to use liquid assets for leverage funds. When this occurs, homeowners will be required to deposit these funds into an escrow account with Southwest Minnesota Housing Partnership (SWMHP). These escrow funds must be in place prior to any allocation of SCDP funds or a Notice to Proceed is sent to a contractor. These funds will be held in an escrow account and will be released only after the homeowner has signed a completion certificate.
- b. **Project Equity:** Applicants may only be allowed to perform the work on their home when they can provide written verification, by third party, that they currently are employed or are directly retired from employment from a construction trade in which they wish to work on their property (i.e., a Plumber may work on plumbing but not roofing).

If the applicant performs work on their home, they shall be given credit for their owner's match for only the materials they put into the property, however, they will not be given credit towards their owners' match for labor or tools purchased for the project. All owners' match credit for materials must include a bona fide receipt from a vendor.

If the applicant is employed by a contractor and the employer wishes to bid on the applicant's project, the contractor may do so. If the contracting company is owned only in part or by another entity not related to the applicant, the contracting company may be reimbursed fully for its contract, should it perform. The contracting company may not be owned in whole by the applicant and expect to be paid for any labor or tools purchased for the project.

- c. **Prior Improvements:** No improvements made prior to the date of the inspection by the Field Administrator shall be allowed to be counted toward the project or the matching funds.
- d. **Escrow Fund Policy:** Funds will be held in escrow accounts from all sources, except where prohibited by other lending sources, until the improvement has been completed to the satisfaction of the applicant and the project manager. The escrow will be held in a special account labeled as "leverage funds" and cannot be released until the applicant has signed a completion certificate, indicating that they are releasing the funds to the contractor. The applicant will not earn interest on the escrowed funds.

H. ELIGIBLE IMPROVEMENTS

1. **GENERAL CONDITIONS:** It is the goal of this housing rehabilitation program to rehabilitate substandard housing to the HUD Housing Quality Standards, Minnesota Energy Efficiency Standards, and where applicable to the State and local Building Code. It will be the primary focus of this rehabilitation program to eliminate health, safety, energy and structural deficiencies in the dwelling units within the residential areas of target area. In all cases those types of housing deficiencies will be addressed before any other improvement can be considered. There will be no work funded through the Small Cities Development Program for strictly cosmetic purpose.
2. **ELIGIBLE IMPROVEMENTS:** The deficiencies identified and the improvements called out for by the Project Manager during the inspection process will meet the following tests:
 - a. Only permanent improvements: Permanent improvements shall be those that include, but are not limited to, conversions, alterations, renovations, or repairs upon and in connection with existing dwelling units, which correct defects and deficiencies in those units, which affect the safety, habitability, structural integrity or energy efficiency of the property.
 - b. The improvements shall only address HUD's Housing Quality Standards, Minnesota Energy Efficiency Standards and applicable Building Code.
 - c. The structure shall be livable, safe, structurally sound and habitable.
 - d. All improvements shall meet all governing applicable codes and shall not be governed solely by the City of Le Sueur Rehabilitation Standards. However, existing situations may be "grandfathered in" if the code violation is not one that is associated with any health, safety, energy or structural violations.
3. **PRIORITY IMPROVEMENTS:** Shall be defined as improvements that are mandatory and must be completed before other types of repairs are considered. Those repairs include, but are not limited to the following:
 - a. Fire Code, National Electrical Code, Uniform Plumbing Code and Mechanical Code violations affecting health and safety.
 - b. Elimination of Lead Based Paint and Asbestos.
 - c. Repairs affecting the structural integrity of the building.
 - d. Modifications to make the home accessible to handicapped members of the household (Section 504). Handicaps must be medically documented.
 - e. Violations of HUD's Housing Quality Standards.
 - f. Violations of the Minnesota Energy and Efficiency Standards.
 - g. SHPO mandated repairs are priority. If the Minnesota Historical Society has determined the structure historically significant, the Minnesota Historical Society must review plans for exterior improvements to the structure.

4. **FUNDING PROHIBITIONS:** Improvements that are largely cosmetic or do not improve housing systems are generally ineligible. Specifically, the following activities are examples of some ineligible repairs:
- a. Household appliances, saunas, whirlpool baths, decorative cabinetry, detached garages, decks (not related to a main point of entry), patios, landscaping (unless if undertaken due to repairs resulting from eligible activities), wood burning heating systems, fireplaces, fencing, water softeners, window air conditioners, or central air. (Central air conditioning may be allowable with documented medical justification).
 - b. Small Cities Development Program funds shall not be used in whole or in part to finance or to satisfy an existing debt.
 - c. Small Cities Development Program funds shall not be used for the payment, in whole or partly for the satisfaction of assessments for public improvements. However SCDP funds can be used to fund improvements that may be a portion of city improvements as long as those improvements are located on or under an eligible applicant's property. Such improvements must be documented as to location of improvement and reason for assessment.
 - d. Additions are generally ineligible unless the work is being undertaken to address accessibility issues. Documentation of such conditions is required in the file.
5. **WAIVER OF PROGRAM REQUIREMENTS:** Southwest Minnesota Housing Partnership (SWMHP), as the Field Administrator, may request a waiver of program requirements on behalf of an applicant that meets basic SCDP Program eligibility.

Waivers may be requested to address the following housing deficiencies:

- a. Repairs that address code violations that effect health and safety.
- b. Repairs that affect the elimination of Lead Based Paint and Asbestos.
- c. Repairs affecting structural integrity.
- d. Modifications to make the home handicapped accessible in cases where a medically documented need exists.
- e. SHPO mandated repairs, etc.

Waivers may not be requested that involve the following program areas:

- a. Maximum loan amount may not be increased.
- b. Eligibility requirements relating to property tax/assessment payments, etc.

In order to request a waiver of Program Requirements, Southwest Minnesota Housing Partnership (SWMHP) shall present a request in writing containing the following documentation to the governing body:

- a. Identification of necessary repairs and modifications.
- b. Identification of financial, repair cost, or debt carry issues that make the waiver necessary.
- c. Income/ownership eligibility status of applicant.
- d. Submitted bid amounts and selection of approved bid.
- e. Proposed financing package.

A determination shall be made by the approving entity. Southwest Minnesota Housing Partnership (SWMHP) shall inform the applicant of the approving entity's decision.

I. LEAD BASED PAINT

1. **GENERAL CONDITIONS:** The elimination of lead based paint is a priority of this Small Cities Development Program. The following procedures shall apply to the housing rehabilitation activities:
 - a. All housing units built prior to 1978 will have a lead Risk Assessment completed.
 - b. The Risk Assessment Report will be part of the rehabilitation project file.
 - c. All applicants shall receive, review and sign, "Renovate Right" brochure. Rehabilitation files must indicate that owner has received a copy of the brochure. This document shall be part of the applicant file.
 - d. Homeowners must receive the HUD Notice "Summary Risk Assessment Notice" and the file must show receipt of the Notice.
 - e. Work write ups/specifications will incorporate the required lead hazard reduction options from the Risk Assessment Report and include language on required lead safe work practices, site preparation, prohibited practices and clearance.
 - f. Owner-Contractor language will include prohibition of use of lead based paint, requirement for trained workers/supervisors and conducting work in accordance with lead safe work practices.
 - g. Licensed supervisor must be available for lead hazard reduction work.
 - h. A clearance examination where lead hazard reduction was carried out. Trained Sampling Technicians will conduct clearance examinations. Copy of the clearance report will be kept in the project file.
 - i. When a homeowner is doing their own work they must take the one day Renovator's class and provide a Certificate of Completion for the course.

J. ANTI-DISPLACEMENT

The City of Le Sueur does not anticipate any displacement with the SCDP 2014 activity. However, if it becomes necessary, the City will take action to minimize the displacement. In all cases the City will follow the requirements of the Uniform Relocation Act and the Section 104(d) regulations.

K. RELOCATION PROCEDURES

In the case of extensive lead hazard abatement, the applicant will be advised that the work will proceed only with temporary relocation of the applicant and all residents in the dwelling. It will be the responsibility of the applicant to voluntarily relocate during the abatement work and the applicant will assume all costs associated with the relocation. The applicant must attempt to relocate with families and friends first.

L. HISTORICAL SOCIETY REVIEW

1. **SHPO REVIEW:** All properties that are older than 50 years will be reviewed by the Minnesota Historical Society to determine if the structure is historically significant **before** bids are let and any rehabilitation occurs. The file must contain documentation of approval from SHPO to proceed with rehabilitation.
2. **HISTORIC PROCEDURE:** After the Project Manager has completed the initial property inspection; the following will be submitted to the Minnesota Historical Society Officer (SHPO):
 - a. A summary of the work to be done at the property.
 - b. Photographs of the structure.
 - c. Property description.
 - d. Any other information request by the SHPO.

Prior to the issuance of the “Notice to Proceed”, a response from SHPO must be in the file indicating approval of proposed work and/or required amendments to the proposed work. If the project is considered historically significant, any changes in the scope of the project required by the SHPO must be initiated.

M. MARKETING

1. **GENERAL MARKETING:** Southwest Minnesota Housing Partnership (SWMHP), on behalf of the City of Le Sueur, will conduct outreach in the target area and will solicit applications should the initial pool of applicants become exhausted. The Southwest Minnesota Housing Partnership (SWMHP) may find new applicants in the following ways:
 - a. Conduct community meeting(s) to inform the City of Le Sueur residents of the availability of and application process for the Program.
 - b. Issue press releases advertising community meetings and/or information on SCDP grant application both to local newspapers and to local radio stations.

- c. Make direct mailing of program information to the homeowners in the community if necessary to generate additional applicants.
 - d. Develop posters and post them in prominent areas in the communities as well as distributing brochures at commodity distribution sites, where applicable.
2. **FAIR HOUSING/AFFIRMATIVE ACTION:** It is the policy of the City of Le Sueur to work affirmatively to ensure that all persons regardless of race, creed, national origin, sex, marital status, age, handicap or reliance on public assistance shall be treated equally and fairly for purposes of this SCDP Housing Rehabilitation Program.
- a. Program promotion conducted by Southwest Minnesota Housing Partnership (SWMHP) and/or the City of Le Sueur shall be inclusive and will exercise care to avoid promotion methods that exclude eligible applicants.
 - b. Southwest Minnesota Housing Partnership (SWMHP) will provide all applicants with printed information on Fair Housing at the time of application.
 - c. An interpreter will be made available upon request for the public meetings.

The applicant (client and approved project) will be asked to provide an interpreter in all phases of the rehabilitation process at the applicant's expense.

N. APPLICATION AND APPLICANT SELECTION PROCEDURES

- 1. **APPLICATION PROCEDURES:** The application process will be opened to anyone living in the target area. The allocation of funds will be on a first come first serve basis.
 - a. **Announcement:** A letter will be mailed to all the pre-applicants and a notice will be published inviting all potential applicants to a meeting which will provide them with more information about the full application process and a chance to ask questions. If the applicant cannot attend the meeting, the letter includes the list of documentation necessary to continue with the application process and information on how and where to send the information.
 - b. **Applicant:** All applicants must turn in the initial documentation for screening which includes:
 - 1) Complete SCDP Application
 - 2) Proof of ownership
 - 3) Proof of insurance
 - 4) Third Party Income verification

The Field Administrator will review all the information provided by the applicant to determine if the applicant meets all the qualifications of the SCDP. If the applicant does not qualify or has not supplied the correct information, a letter will be sent to the applicant explaining why they do not qualify or what additional information is needed. If the applicant does qualify they will be notified and moved to the client phase of the program. At this time no SCDP funds will be reserved for the project.

- c. **Client:** The client will work with the Field Administrator in completing all necessary paperwork and scheduling the inspections to determine if the project is suitable for rehabilitation. The Field Administrator will determine what work is necessary to bring the property into compliance with the Housing Standards. The Project Manager will determine the priority level of the necessary repairs. The Project Manager will then prepare a Bid Package (work write up), which will rectify any violations to the Housing Standards, local codes and other eligible repairs.

BID PACKAGE: Shall contain the following project and contractual documents:

- 1) Instructions to the bidder.
- 2) Bid Proposal.
- 3) Program Warranties.
- 4) General Conditions.
- 5) Specifications categorized by trade.
- 6) Diagrams and Layouts.

The Bid Package shall be considered a binding contract between the homeowner and the contractor performing work at the applicant's property.

The bid package will be sent to approved contractors for review and bidding. When the bids are returned they will be reviewed by the Field Administrator and the Client to determine if the project should move forward in its entirety or if revisions need to be completed. The Client will need to secure all matching funds before they can move to the next phase of Approved Project. At this time no SCDP funds will be reserved for the project.

- d. **Approved Project:** The approved project will have met all the requirements of the applicant and client phases of the program along with having the project approved by the governing entity before SCDP funds will be allocated to the project. When the funds have been allocated to the project the Field Administrator will complete the SCDP loan documents for the homeowner to sign. The matching funds will be made available by the homeowner and placed in an escrow account at SWMHP on the date the SCDP loan documents have been signed. Failure to supply the matching funds on this date will move the project back to the client stage and no SCDP funds will be allocated to the project until the matching funds are secured. The SCDP funds are issued on a first

come first serve basis. If a project is moved back to the client stage there is no guarantee that the SCDP funds will be available when the client secures their matching funds.

O. CONTRACTING PROCEDURES

1. **PARTICIPATING CONTRACTORS:** All contractors participating in the Small Cities Development Program must have a Contractor's Application on file at the Southwest Minnesota Housing Partnership (SWMHP) office. The application must contain proof of insurance coverage via a Certificate of Insurance Coverage and builder's license number. The contractors will be responsible for securing insurance of the amounts specified on the application form. All Contractors are required to follow all State and Federal laws.
2. **BID SOLICITATION:** The applicant will be provided a list of contractors recognized by Field Administrator by virtue of the contractor's filed application at Southwest Minnesota Housing Partnership (SWMHP). However, an applicant is free to solicit bids from any contractor they wish. In order for a contractor who is not on file at the Southwest Minnesota Housing Partnership (SWMHP) office to be awarded a bid, the contractor must furnish Southwest Minnesota Housing Partnership (SWMHP) with a Certificate of Insurance, license number and must complete a Contractor Application. Upon doing so the contractor may be awarded the bid. The Southwest Minnesota Housing Partnership (SWMHP) will mail out bid packages to contractors selected by the applicant.
3. **BIDDING:** Contractors will be allowed to bid on any and all rehabilitation projects. When lead certification is required, contractors must verify such certification in the bidding process.
4. **BID AWARDS:** The Contract shall be awarded to the lowest base bid, unless one of the following circumstances occurs:
 - a. The contractor has failed to follow the procedures as outlined in the Instructions to the Bidders, see Bid Package.
 - b. The contractor fails to bid according to the specifications and it proves impossible to compare that contractor's bid with the other contractors.
 - c. The bid is determined to be unrealistically low by the Project Manager.
 - d. The applicant does not want the low contractor to perform the work and agrees to pay the difference between the lowest bid and the preferred contractor's bid.
 - e. All bids in a trade category are determined to be unrealistically high or non-competitive, in which case all bids in the questionable trade category will be thrown out and different contractors solicited for bids.
5. **PROJECT PACKAGING:** Upon acceptance of the bid by the applicant and the Project Manager, the Project Manager will package the project according to the eligibility of the homeowner to the various leverage sources and the Small Cities Development Program. The package is then reviewed by the Field Administrator to ensure completeness and accuracy.

6. **PROJECT APPROVAL PROCEDURE:** The Project Manager will then present the project package to the governing body for review and approval. The following information shall be provided to the governing body on the project approval form:
- a. Location of Home (City, Loan Number) to be rehabilitated.
 - b. Income/ownership eligibility status of applicant.
 - c. Proposed rehabilitation to be completed.
 - d. Proposed Financing Package.
 - e. Miscellaneous information pertinent to the approval and completion of the project.

The governing body will approve or deny the proposed work to be completed and the amount of the SCDP loan. Upon approval by the governing body, the Repayment Agreement is drawn up by Southwest Minnesota Housing Partnership (SWMHP) and returned to the Project Manager for closing with the applicant.

7. **CONTRACTOR NOTIFICATION:** Upon closing the Project Manager issues a **Notice to Proceed** to the accepted contractors. The Notice to Proceed will allow the contractor 90 calendar days in which to complete the awarded contract. Ninety days will be the allotted amount of time except under the following conditions.
- a. The work is weather dependent and weather conditions have not allowed the completion of the work.
 - b. The Notice to Proceed is issued too late in the building season to allow weather dependent work to be completed on time.
 - c. Unforeseen difficulties develop with the approved work and force a delay.
8. **CONTRACTOR CONTRACT:** Each selected contractor will enter into a contract with the applicant. The contract will outline the terms for completion of the rehabilitation on the home and will include, but is not limited to, the following:
- a. Project Start Date
 - b. Project Completion Date.
 - c. General Conditions.
 - d. Warranties.
 - e. Payment Terms.
 - f. Termination Procedures.
 - g. Specifies that the contract is between the applicant and the contractor.

9. **FAILURE TO START/COMPLETE PROJECT:** Upon receipt of the Notice to Proceed a contractor will have 90 calendar days in which to complete the contracted work. Failure to begin work within the first 60 calendar days will be grounds to terminate the contract.
10. **INTERIM INSPECTIONS:** After work begins, interim inspections will be scheduled by the Project Manager at a minimum of every 4 weeks to monitor work progress and work quality. If a dispute arises between an applicant and a contractor the Project Manager will attempt to find a means of resolving the conflict, but the Project Manager is not responsible for the final outcome.
11. **PAYMENT PROCEDURES:** All payments to contractors will be restricted as follows:
 - a. No pre-payments are allowable for any reason.
 - b. Lien Waivers are required for all contractors/sub-contractors before payment will be made.
 - c. Partial payments are made proportional with the work completed and all work is completed according to the specifications contained within the Bid Package and when the work meets with the approval of both the applicant and the Project Manager. No payments will be made for work that has not yet been completed.
 - d. No retainage will be held for partial payments.
 - e. Partial payments are limited to a maximum of 85% of the total due on the completed portions of the project for that contractor.
 - f. In order for all contractors to be paid in full, a signed Completion Certificate must be presented at the time of payment. Both the applicant, the Project Manager and the contractor must sign the Completion Certificate.
 - g. Payments will be made only upon presentation of the following documents to SWMHP:
 - 1) Cover Form with Instructions.
 - 2) Billing Statement.
 - 3) Lien Waiver.
 - 4) Sworn Contractors Statement.
 - 5) Completion Certificate.
12. **CHANGE ORDERS:** Changes made to the contract require the signature of the applicant, the contractor, and the Project Manager on a Change Order. Change Orders will be allowed only for the following reasons:
 - a. Changes made to the contract to rectify hidden deficiencies that are discovered once the work has begun.

- b. To change a specification due to unforeseen difficulties arising after work has begun.
- c. To address a deficiency that was inadvertently dropped from the project during project packaging.
- d. To approve changes in the contract time period.

13. TERMINATION OF CONTRACT: A contractor's contract can be terminated under the following procedures:

- a. Poor work performance on the job site and the demonstrated inability to rectify the poor workmanship. The cost of repairing poor workmanship and the higher costs of awarding the bid to the next lowest bidder shall be deducted from any amount owed to the initial contractor for work completed. In all cases a good faith effort will be made to allow the contractor the opportunity to rectify the problem before removal procedures are instituted. The Project Manager shall institute the following procedures when negotiating a workmanship problem:
 - 1) Shall set up a meeting at the job site with the contractor and applicant to attempt to come to a consensus.
 - 2) Shall contact the contractor the second time by certified mail notifying the contractor that the workmanship is still poor and specifying the areas that need to be addressed to satisfy the contract, giving the contractor a fifteen (15) day time limit in which to make the required repairs.
- b. Where collusion or fraud has been determined to exist on the part of the contractor.
- c. Lack of sufficient insurance coverage.
- d. The inability of the contractor to perform the work within the allotted time.
- e. Irreconcilable and irresolvable differences between the contractor and the applicant.
- f. The contractor requests to be removed from the contract. There will be no penalty associated with this request as long as the request is made within sixty days of receiving the Notice to Proceed.
- g. Contractors who are removed from a contract shall at the discretion of the agency maybe removed from the Approved Contractors List and may be prohibited from being awarded any contract with Southwest Minnesota Housing Partnership (SWMHP).

P. LOAN PACKAGES

- 1. **LOAN FILES:** Southwest Minnesota Housing Partnership (SWMHP), as the Field Administrator, shall maintain files on each applicant throughout the duration of

the program. Each applicant's file shall include, but is not limited to, the following:

- a. **Work Progression Chart:** This form allows easy monitoring of the file and enables those working with it to see at a glance just what stage the project is at. This form will be attached to the inside cover of the file.
- b. **SCDP Loan Application:** This form will provide information relative to family size and composition, employment information, household income and assets, applicant affordability, and monthly expenses. The form will also provide data on the property to be improved as well as other pertinent lending data as required by the Southwest Minnesota Housing Partnership (SWMHP). The Lead Paint Warning and Data Privacy Statement will be included in the file. The Lead Paint Warning will be signed by the applicant attesting that they have read and understand the dangers associated with lead based paint.
- c. **Third Party Income Verification:** This form provides third party verification of an applicant's income. A representative from the source of income shall sign these forms.
- d. **Income Tax Statements:** Copies of the applicant's signed federal income tax returns for the two preceding years, including all Schedules.
- e. **Proof of Ownership:** Copies of a recorded deed, contract for deed, life estate or any other valid proof of ownership.
- f. **Proof of Insurance Coverage:** Copies of an insurance binder or certificate that ensures that proper hazard insurance is binding on the property.
- g. **Property Inspection Form:** The Inspection Report shall be prepared by the Project Manager. The Inspection Report is designed to include a specific account of the condition of the property and all corrective actions necessary.
- h. **SHPO Response:** A letter from SHPO indicating their approval or requirements for the project, if the property is over 50 years old and a Programmatic Agreement has been sign with SHPO. If a Programmatic Agreement is not in place, photos of all properties will have to be sent to SHPO for review and comment.
- i. **Bid Package:** The Bid Package is the contract between the applicant and contractor and specifies the exact work which will be performed at the eligible household's property.
- j. **Repayment Agreement:** This form is the legal mechanism by which a Lien is placed against the improved property until the loan is repaid, with no interest, at the time of property ownership transfer.
- k. **Close-Out Packet:** A letter is sent to the homeowner informing them of completion and contains copies of the Repayment Agreement and Completion Certificates.

1. **Other Pertinent Information:** Other information important to the approval and completion of the project.

Q. LOAN REPAYMENT & PROGRAM INCOME

1. **LOAN REPAYMENT:** The City of Le Sueur Small Cities Development Program consists of repayment terms for owner occupied projects. Deferred loan funds secured by repayment agreement will be repaid under the following terms:

- a. **City of Le Sueur Small Cities Development Program Deferred Loan:** A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed or ceases to be the borrower's principal place of residence. This loan is forgiven 10% per full year and fully forgiven after 10 full years of the date of the document. The Deferred Loan must only be used for SCDP eligible repairs as determined by the Field Administrator and SCDP Housing Rehabilitation Program. The Deferred Loan will only be applied **toward 70%** of SCDP eligible repairs. The Deferred Loan is Non-Assumable.

2. PROGRAM/GENERATED INCOME:

- a. **Definition:** Program Income is defined as any funds in excess of \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Local Funds are defined as less than \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Program Income includes not only funds generated by SCDP grants, but also by the Small Cities Economic Development Set Aside Program, also administered by DEED. These include:

- 1) loan repayments (with interest, if applicable),
- 2) proceeds from the sale of property purchased with SCDP funds,
- 3) interest earned on the Program Income itself, once back under the control of the grantee, and/or
- 4) Fines assessed on SCDP funded contracts, among other things.

- b. **Reporting:** The City of Le Sueur is responsible for reporting to DEED annually on all Generated Income.

- c. **Earnings:** All earnings of Generated Income must follow SCDP Federal Requirements, similar to an open grant.

- d. **Open Grant:** Program Income earned while the grant is open must be used to fund approved activities and reduce current draws through the

first 365 days of the open period. Beginning 120 days from the end of the open grant period (October 1, 2018), the Program Income earned will be set aside for use in post-grant projects.

- e. **Closed Grant:** Program Income must be utilized only on activities approved in the grant when the project was open. The Program Income must be used within two federal fiscal years after the reporting period in which it was collected. Unspent funds will be returned to DEED.

R. LOAN SUBORDINATION AND SATISFACTION PROCEDURE

1. **AUTHORIZED LOAN SUBORDINATION:** Without further approval, the City of Le Sueur will authorize the subordination of its SCDP deferred loan under the following circumstances:
 - a. The Borrower wishes to borrow funds for housing debt only (i.e. home repair) or straight mortgage refinance, as evidenced by loan documents from a lender.
 - b. The applicant will be charged a Processing Fee of \$100 by the City of Le Sueur payable to SWMHP. The applicant is responsible for the cost of all filing fees associated with the recording of subordination documents.
2. **AUTHORIZED DEFERRED LOAN SATISFACTIONS:** Without further approval, the City of Le Sueur will authorize the satisfaction of its SCDP deferred loan under the following circumstances:
 - a. Upon the fulfillment of the full term of the SCDP loan.
 - b. Upon payment of the remaining debt on SCDP loan.
 - c. As otherwise determined satisfied by the City of Le Sueur.

The City of Le Sueur will prepare and provide to the applicant a Satisfaction of Mortgage. The applicant will be charged a Processing Fee of \$50 by the City of Le Sueur payable to SWMHP. The applicant is responsible for the recording fees associated with the recording of satisfaction documents.

S. APPEALS PROCEDURES

1. **APPLICANT DENIAL PROCEDURE:** If an applicant is denied for any reason, the Field Administrator will send a letter of denial to the applicant within 20 working days of the determination that the applicant or client does not qualify. The denial letter will clearly outline the reason for denial and inform the applicant that an appeals procedure is available
2. **APPLICANT APPEAL PROCEDURE:** If an applicant is dissatisfied with the level of assistance they have received, and where an applicant complaint cannot be resolved with the conduct of the administration, the Field Administrator will notify the applicant in writing that a written procedure for appeal is available. The appeals procedure is as follows:

- a. The applicant who wishes to make an appeal must submit such an appeal **in writing** to the City of Le Sueur. The appeal must specifically state the complaint and how the applicant wishes the complaint to be resolved. The applicant will need to notify the City of Le Sueur in writing within 30 days of the date of their notification of denial of financing.
- b. The complaint will be presented to the Le Sueur City Council at a regularly scheduled meeting within 30 days of the receipt of the written complaint.
- c. The Le Sueur City Council will review the complaint and will make a determination concerning the complaint. The SWMHP will notify the applicant of the Le Sueur City Council's decision regarding the appeal. Notification will be in writing and must be made within 10 working days of the decision.
- d. After an appeal action has been initiated, SWMHP will send the following information to the Minnesota Department of Employment and Economic Development, and the City of Le Sueur.
 - 1) A copy of the written complaint and request for satisfaction under the appeals process.
 - 2) A copy of all correspondence between SWMHP and the appealing client concerning the appeal disposition.
 - 3) The final appeal disposition.

T. EXCESSIVE FORCE

The Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990 requires that a recipient of HUD funds:

- 1. Adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstrations; and
- 2. Adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstration within its jurisdiction. The policy may be adopted by:
 - a. a local legislative act, such as in ordinance; or
 - b. a local administrative act, such as a written statement of policy by the local chief executive; or
 - c. an executive order; or
 - d. a regulation within the police department or sheriff's office

U. AMENDMENTS, DIRECTIVES

These procedural guidelines may be amended or supplemented by SWMHP in coordination with the City of Le Sueur. Amendments or changes must be approved by the Department of Employment and Economic Development.

V. ADOPTION

These procedural guidelines governing the administration of the City of Le Sueur Owner Occupied Rehabilitation Program have been adopted by action of the Le Sueur City Council.

Attest: _____

Witnessed: _____

Date: _____

CITY OF LE SUEUR
SMALL CITIES DEVELOPMENT PROGRAM (SCDP)
RENTAL REHABILITATION PROGRAM
~ PROCEDURAL GUIDELINES ~

A. PROGRAM OBJECTIVES

1. **FEDERAL OBJECTIVE:** The primary objective is to provide financial assistance to low to moderate-income individuals who are residing in substandard housing.
2. **SECONDARY IMPACTS:** Secondary impact is to encourage the improvement of the general appearance and value of the housing stock while making a visible and substantial improvement upon the quality of life and appearance of the community.

B. PROGRAM ADMINISTRATION

1. **GENERAL ADMINISTRATOR:** The City of Le Sueur is contracting with the Southwest Minnesota Housing Partnership (SWMHP); SWMHP is responsible for all phases of the administration of this Small Cities Development Program while a contract is in place. The SWMHP will be responsible for all financial and progress reports. SWMHP will have principle responsibility for the compliance with all Federal Regulations, adherence to the Le Sueur Procedural Guidelines and SCDP regulations.
2. **FIELD ADMINISTRATOR:** Southwest Minnesota Housing Partnership (SWMHP) is responsible for housing rehabilitation field administration services. SWMHP is responsible for program delivery including; marketing, determination of household eligibility, application completion and approval, assist with packaging of project financing, housing inspections and suitability of housing rehabilitation, work write-ups, contract awards, interim inspections, change orders, final inspections, contractor payments and project close-outs.
3. **FEDERAL COMPLIANCE:** The City of Le Sueur and SWMHP will share responsibility to comply with Federal Regulations regarding the implementation and administration of this Small Cities Development Project.

C. DEFINITIONS

1. **ALLOCATED FUNDS:** SCDP funds that have been reserved for an approved project.
2. **APPLICANT:** An applicant is defined as an owner who is gathering the proof of ownership of their property, current insurance policy, and proof that the real estate taxes have been paid and all necessary tenant information. No SCDP funds will be allocated for an applicant.
3. **APPROVED PROJECT:** An approved project is a project where the owner has completed all the applicant and client requirements; and competitive bids have been received and approved; the governing entity has approved the project; the

owner has secured matching funds for their portion of the project; the SCDP funds have been allocated to the project; the SCDP Repayment Agreements, Mortgages or other funding documents for all matching funds have been signed and are ready to be recorded; and all escrow funds have been supplied to SWMHP.

4. **CLIENT:** The client will be working with the Field Administrator in completing all necessary paperwork and inspections to determine if the project is suitable for rehabilitation; developing a scope of work; approving the scope of work; sending out the bid packets to contractors for review and bidding; and securing matching funds. No SCDP funds will be allocated for a client.
5. **INCOME:** SCDP requires the tenant's self declared income statement on gross household income. Income projections must include but not be limited to: salary, commissions, bonuses, earnings from part-time employment, interest, dividends, tips, gains on sale of securities, annuities, pensions, royalties, veterans administration compensation, net rental income from all sources, alimony & child support (if received), public assistance, sick pay, social security benefits, income received from business activities or investments, unemployment compensation, estate or trust income, and other miscellaneous income. Income from self-employment can be projected using the average of the last two years of income from Federal tax statements. Income of or resulting from foster children, live-in aides, children of live-in aides or children being pursued for legal custody or adoption who are not currently living with the household can be counted, but only if these same individuals are counted as residents of the household.
6. **PROJECT EQUITY:** Project Equity is defined as rehabilitation work being performed by an owner.

D. LANDLORD/TENANT ELIGIBILITY

1. **INCOME ELIGIBILITY:** Landlords (hereinafter also referred to as the "applicant") and tenants are qualified differently in respect to income under the SCDP project:
 - a. **Landlords:** Landlord income shall have no direct bearing on the lending of SCDP funds to the project.
 - b. **Tenants:** The rental rehabilitation program is designed to be of benefit to households of low to moderate incomes. The landlord must agree to rent 51% of the units in the property to low to moderate income households. This will be achieved by following the gross income limits as set by the Department of Housing and Urban Development for the Section 8 Existing Housing Program. The income limits as adjusted for family sizes are listed in Section F. These limits shall be adjusted periodically upon HUD notification of income revisions.

2. **GROSS ANNUAL INCOME:** Income for the purposes of this program shall be defined as gross annual income. Income includes, but is not limited to the following sources:
 - a. Salary, commissions, bonuses and tips.
 - b. Interest and dividends.
 - c. Annuities and pensions.
 - d. Rental property income (gross rents received subtracting interest, insurance, taxes, maintenance, and utilities).
 - e. Estate or trust income.
 - f. Gross annual income from self employment shall be deemed to be the net profit from said self employment, as declared by the applicant in Schedule C, D, or E, Part III, as appropriate, of the United States Internal Revenue Service form 1040, or any other such schedule as may be hereafter promulgated.
 - g. Any public assistance including but not limited to GA, AFDC, SSI and Unemployment Compensation for all household residents.
 - h. Social Security, including survivor benefits.
 - i. Child support payments.
 - j. Workers Compensation.
 - k. Business income for self employed individuals.
 - l. Interest income from lump sum insurance payments or judgments for health, accident, worker's compensation and personal or property losses.
3. **EXCLUDED INCOME:** Temporary, non-recurring or sporadic income shall not be considered as part of a household's annual income. That income will be as defined below:
 - a. One Time or sporadic gifts.
 - b. Income from children under 18 years of age.
 - c. Payments for foster children.
 - d. Medical expense reimbursements.
 - e. Educational scholarships used for tuition, fees, or books.
 - f. Insurance lump sum payments or judgments for health, accident, worker's compensation and personal or property losses. Any interest income derived from such sources will be viewed as annual income.

- g. Hazard duty pay to a household member in the Armed Forces. (NOT regular pay).
 - h. A capital gain.
 - i. Reimbursements for expenses.
4. **INCOME VERIFICATION:** All income shall be self declared in writing by the tenant. SWMHP may request verification if they believe fraud may be involved.
- Income declarations that are more than **90 days** old will not be considered current or valid and must be re-declared by the tenant.
5. **ASSETS:** There will be no asset limitation associated with SCDP loans.
6. **DATA PRIVACY:** Information on program applicants shall be gathered and released in accordance with the Minnesota Data Practices Act. All information including names, addresses, income and income sources, assets and assets sources, credit reports and financial reports will not be released without prior, written consent of the applicant as specified by the Act. The Data Release Form will be signed by the applicant(s) and will inform the applicant of what information will be released and to whom. Information will only be gathered and released for solely administrative purposes such as eligibility determination, administrative review, coordination and securing of leverage funds. Private information may be released to the following agencies or organizations: City of Le Sueur, SWMHP, Minnesota Housing Finance Agency, Rural Development, Lending Institutions, MN DEED, and HUD.
7. **EVIDENCE OF FRAUD:** Any administering party participating in the Program shall refer evidence of fraud, misrepresentation, collusion or other misconduct on the part of the applicant or contractors in connection with the operation of the Program to the State of Minnesota Attorney General for investigation and possible legal action.

E. CONFLICT OF INTEREST

1. **GENERAL CONDITIONS:** No member of the governing body of the locality and no official, employee, or agent of the local government, SWMHP, SWMHP or other persons who exercise policy, decision-making function or responsibilities in connection with the planning and implementation of the Rental Rehabilitation Program shall directly or indirectly benefit from this program. This prohibition shall continue for one year after an individual's relationship with the Local Government or SWMHP or SWMHP ends. Specific prohibitions are as follows:
- a. **Program Participation:** No member of the governing body of the locality, no official, employee, or agent of the local unit of government or SWMHP or SWMHP as defined above, shall accrue direct or indirect program benefits.
 - b. **Contractual Relationships:** No member of the governing body of the locality, no official, employee, or agent of the local unit of government or SWMHP or SWMHP as defined above, shall obtain direct or indirect interest in any contract, subcontract, or agreement in any activity in this program that provides financial compensation for services.

- c. **Prohibition Extensions:** This prohibition extends to contracts or direct benefits in which a spouse, minor child or business partner may have personal or financial interest.
2. **DETERMINATION OF CONFLICT OF INTEREST:** When questions arise or a situation is unclear an initial Opinion of Conflict of Interest shall be sought from the City of Le Sueur's Attorney. That Attorney's Opinion will outline areas that the situation is within or outside applicable Federal Regulations 24 CFR 570, Uniform Administration Requirements and State Statutes 412.311 or 471-87 through 471.89. The Attorney's Opinion shall be forwarded to DEED Staff, and at DEED's discretion, shall be forwarded to the Minnesota Attorney General for the State's Legal Opinion.

F. ELIGIBLE PROPERTIES

1. **SUBSTANDARD RENTAL PROPERTY:** The rental unit must be determined to meet the following classifications in order to be eligible for assistance under this SCDP Rental Rehabilitation Program.
 - a. The rental unit does not meet HUD's Section 8 Housing Quality Standards.
 - b. The rental unit does not meet applicable Fire Code, Occupancy Codes, National Electrical Code, Uniform Mechanical and Plumbing Codes.
 - c. The rental unit contains health and safety hazards.
 - d. The rental unit lacks safe, reliable water supply or sanitary wastewater disposal.
 - e. The rental unit does not meet Minnesota Energy Efficiency Standards.
 - f. The rental unit fails to provide suitable shelter in some other obvious and apparent manner.
2. **SUITABILITY FOR REHABILITATION:** Rental units must be determined as suitable candidates for rehabilitation in order to receive SCDP funds. That determination shall be based on a number of factors including structural viability/housing deficiencies, historic significance, cost of rehabilitation versus post market value, housing replacement costs and other socioeconomic factors.
 - a. **Structural Viability/Housing Deficiencies:** Will be determined by the number and severity of structural damage and house system deficiencies existing in the rental unit to be rehabilitated candidate. Sufficient funding from SCDP and Leverage Funds sources must be available to address all existing structural deficiencies.
 - b. **Historic Significance:** Rental units that possess historic significance will be reviewed outside of normal market value economic considerations.

- c. **After Rehabilitation Market Value:** If the type and number of housing repairs needed to bring the rental unit into compliance with the adopted housing standards exceeds **125%** of the after rehabilitation market value of the unit, the unit shall be declared as not suitable for rehabilitation. **After Rehabilitation Market Value is defined as:**

(Total Cost of Rehabilitation x 50%) + Current EMV = After Rehabilitation Market Value

- d. **Housing Replacement Costs/Socioeconomic Factors:** When a rental unit has been determined to be unsuitable for rehabilitation, housing replacement costs or socioeconomic factors **must** be considered in the final determination of unsuitability. These factors include:

- 1) Lack of Housing Alternatives.
- 2) Cost of Relocation.
- 3) Expense of Housing Alternatives.
- 4) Abnormal Low Market Values due to depressed market.
- 5) Physical condition and age of resident.

If the Field Administrator and Applicant choose to invoke one of the Factors above and proceed with the rehabilitation, the Field Administrator must present the documentation to the governing body and request a waiver.

- e. **Disclosure of Loan to Value:** Should the total cost of rehabilitation exceed 125% of the after rehabilitation market value, the Field Administrator must disclose to the applicant the loan to value position they will be in when undertaking the SCDP loan. The disclosure must also be provided to the applicant in writing.

3. **DECLARATION OF UNSUITABLE FOR REHABILITATION:** When a rental unit has been determined as not suitable for rehabilitation by the governing body, the Field Administrator must document the file with written documentation and present such information to the governing body. The documentation shall consist of the following:

- a. Inspection Report.
- b. Estimated Cost of Repairs.
- c. Zoning/Location.
- d. Socioeconomic Factors Review.

4. **ELIGIBLE STRUCTURES:** The following structures will be eligible to receive assistance through this Rental Rehabilitation Program:
- a. Single Family rental units.
 - b. Duplex rental units
 - c. Multi-Family rental units

The following structures will be ineligible to receive assistance through this Rental Rehabilitation Program:

- a. Single-family mobile rental homes.
- b. Single-family detached rental homes.

5. **TARGET AREA:** See attached target area map

6. **OWNERSHIP REQUIREMENTS:** The following requirements must be met relating to ownership and the execution of the repayment agreement:

- a. **Fee Simple Absolute:** All owners named by deed, and if applicable their spouses, must execute the repayment agreement prior to the commencement of work.

Properties held in trust and life estates are generally not eligible and must be transferred into another ownership type above that is eligible. Contract for deed transactions are not eligible. The Field Administrator must review the document prior to eligibility determination.

7. **PRIOR SCDP FUNDING RECIPIENTS:** Properties that have been rehabilitated with SCDP funds prior to the current application may only be eligible for additional SCDP funds under the following conditions:

- a. Ten full years have lapsed since the date of the Repayment Agreement under the previous SCDP Program.
- b. The property currently contains a very serious health and safety deficiency (e.g failing furnace, mold, or structural damage). This deficiency must be verified prior to application by a qualified third party (e.g. City's Building Official).

Applicants may apply for additional SCDP funding for other properties owned by the applicant.

8. **OCCUPIED UNITS:** Rental rehabilitation funds may be used for the rehabilitation of rental units or the conversion of property to rental housing. The units may be unoccupied at the time of application, but the landlord must agree to rent the units, in all cases, to income eligible households during the term of the SCDP loan. The landlord must fill the unit prior to the close out of the City of Le Sueur SCDP project or repay the SCDP deferred loan to the City of Le Sueur. The City of Le Sueur retains the right to prioritize occupied units over unoccupied units in the allocation of funds.
9. **PROPERTY INSURANCE:** The applicant must carry current hazard insurance both at the time of the application and through the term of loan with a minimum coverage equal to all liens held against the property. Where the applicant does not have said insurance at the time of application, the applicant will be issued a denial letter and the application will be placed on hold until insurance can be secured or a letter from the insurance company stating the property will be covered after the rehabilitation has been complete. If a letter is given by the insurance company the funds for the first six months will need to be held in an escrow account. The lack of insurance is considered an incomplete application so no funds will be held for an applicant while they are securing the homeowner's insurance.
10. **TAX DELINQUENCY:** Applicants receiving rehabilitation assistance must be current with property tax payments and assessments. Verification must be provided in the file. Where payments are not current, at the time of application, the applicant will be issued a Temporary Denial and the application will be placed on hold until payments are paid current. No SCDP funds will be held for the applicant while payments are delinquent.
11. **DEFAULT AND BANKRUPTCY:** Applicants shall not be eligible to receive SCDP funding if the property to be rehabilitated is in default under its current mortgage, contract for deed or comparable real estate obligation. An applicant will be ineligible to receive assistance through this rehabilitation program if the applicant is currently involved in bankruptcy proceedings.
12. **FLOOD PLAIN:** The City of Le Sueur Target Area does encompass an area located within a flood plain. These locations will not be eligible to receive SCDP funds. The City may not issue a waiver on this item.
13. **PROPERTY ACCESS:** Applicants shall not be eligible to receive SCDP funding if the property and the elements to be repaired cannot be reasonably accessed by the Project Manager, Contractor, Building Official, and other SCDP staff. Entries and halls must be passable and a minimum of six (6) feet of clearance must be allowed around all elements and systems to be repaired.

G. PROJECT FUNDING

1. **RENTAL REHABILITATION PROGRAM DESIGN:** The SCDP project shall have funding based upon tenant income for 51% of the units within the property. The following table details 80% Area Median Income:

HUD Section 8 Income Guidelines Effective April, 2016

HOUSEHOLD SIZE	Gross Income limits County of Le Sueur
1	\$40,500
2	\$46,300
3	\$52,100
4	\$57,850
5	\$62,500
6	\$67,150
7	\$71,750
8	\$76,400

2. **MAXIMUM FINANCING:** The maximum SCDP loan amount extended to any applicant shall not exceed \$25,000 per single rental unit. While \$25,000 is the maximum SCDP loan limits, the **average SCDP loan of \$18,200 per unit for Single Family and Duplex rental units and the average SCDP loan of \$10,500 per unit for Multi-Family rental units will be maintained.** If the total cost of repairs exceeds the maximum SCDP loan limits, the applicant will be responsible to secure additional financing beyond the required matching leverage amount for the applicant's income. SWMHP will assist the applicant to secure leverage funding. If the applicant is unable to secure the necessary funding, then the scope of the project will be reduced in a manner that is consistent with funding regulations and adopted housing standards.

3. **FINANCING TERMS:** The City of Le Sueur Small Cities Development Program (SCDP) Rental Rehabilitation Program will have different financing categories. The financing will consist of:
 - a. **Deferred Loans:** A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed, ceases to be occupied by qualified low to moderate income tenants, or fails to maintain its contract rents at the county Fair Market Rent. This loan is forgiven 20% per full year and is fully forgiven after 5 years of the date of the document. The Deferred Loan must only be used for SCDP eligible repairs as determined by the Field Administrator and SCDP Rental Rehabilitation Program. The Deferred Loan will only be applied **toward 70%** of SCDP eligible repairs unless a waiver is obtained from the governing body. The Deferred Loan is Non-Assumable.

 - b. **Leverage Funds:** Shall be any funds used to provide for rehabilitation activities performed at an eligible applicant's dwelling unit other than the funds provided by the Small Cities Development Program. Leverage sources will be determined by income, owner debt and debt carrying capacity, owner credit worthiness and property eligibility. Leverage Funds must only be used for repairs determined eligible by the Field Administrator and Leverage Fund Programs. The Leverage Funds will only be applied **toward 30%** or the remaining total amount of the project costs for eligible rehabilitation costs.

Leverage Fund Sources: The following fund sources may be accessed from: Rural Development and SWMHP (Weatherization and MHFA Rehabilitation Loan Program) MN Housing Rental Rehabilitation Loan Program and private bank financing.

5. **OTHER LEVERAGE SOURCES:** Leverage may be provided from sources other than private, public or non-profit Lenders as follows:

a. **Liquid Assets:** In some cases homeowners may wish to use liquid assets for leverage funds. When this occurs, homeowners will be required to deposit these funds into an escrow account with Southwest Minnesota Housing Partnership, Inc. (SWMHP). These escrow funds must be in place prior to any allocation of SCDP funds or a Notice to Proceed is sent to a contractor. These funds will be held in an escrow account and will be released only after the homeowner has signed a completion certificate.

b. **Project Equity:** Applicants may only be allowed to perform the work on their home when they can provide written verification, by third party, that they currently are employed or are directly retired from employment from a construction trade in which they wish to work on their property (i.e., a Plumber may work on plumbing but not roofing).

If the applicant performs work on their home, they shall be given credit for their owner's match for only the materials they put into the property, however, they will not be given credit towards their owners' match for labor or tools purchased for the project. All owners' match credit for materials must include a bona fide receipt from a vendor.

If the applicant is employed by a contractor and the employer wishes to bid on the applicant's project, the contractor may do so. If the contracting company is owned only in part or by another entity not related to the applicant, the contracting company may be reimbursed fully for its contract, should it perform. The contracting company may not be owned in whole by the applicant and expect to be paid for any labor or tools purchased for the project.

c. **Prior Improvements:** No improvement shall be allowed to be counted toward the project or matching funds prior to the date of the inspection made by the Field Administrator.

d. **Escrow Fund Policy:** Funds will be held in escrow accounts from all sources, except where prohibited by other lending sources, until the improvement has been completed to the satisfaction of the applicant and the Project Manager. The escrow will be held in a special account labeled as "leverage funds" and cannot be released until the applicant has signed a completion certificate, indicating that they are releasing the funds to the contractor. The applicant will not earn interest on the escrowed funds.

6. **TERMS OF RENTAL AGREEMENT:** Applicant's participation in the Rental Rehabilitation Program is conditional upon the applicant's consent to enter into an agreement with the City of Le Sueur. The term of the agreement will be for five (5) years. The agreement shall stipulate the following conditions:

- a. Properties where 51% of the units are rented to tenants that meet the low to moderate income guideline are eligible to receive funding for rehabilitation for the entire property.
- b. Upon completion of rehabilitation, all rental units must meet, at a minimum, HUD’s Housing Quality Standard and all applicable Building Codes.
- c. The landlord must have documentation available to the City of Le Sueur, should it request randomly during the term of the loan, evidence that 51% of the units are rented to tenants that meet low to moderate income guidelines.
- d. Tenant income may increase above the income guidelines so long as they qualified under the income guidelines at the time of application by the landlord or upon move in.
- e. Low to moderate income is defined as 80% of area median income.
- f. Applicant agrees to maintain one year, written leases with all tenants during the term of the loan.
- g. Applicant agrees not to increase rents during the period of rehabilitation. Thereafter, the applicant will not increase rents more than 5% each year unless written approval is provided by the City of Le Sueur for the remaining term of the loan.
- h. The applicant agrees that gross rents (utilities paid by the tenant according to the published utility allowance provided by the local Housing and Redevelopment Authority plus contract rent paid) will not exceed the posted Fair Market Rent for the unit size. Currently the Fair Market Rents are:

2016 Fair Market Rents for Le Sueur County

Efficiency	\$438
One Bedroom	\$530
Two Bedroom	\$710
Three Bedroom	\$953
Four Bedroom	\$1,146

- i. Should the applicant rehabilitate an unoccupied unit, the City of Le Sueur retains the right to call the loan due and payable if the unit is not filled upon the close of the SCDP grant.

H. ELIGIBLE IMPROVEMENTS

- 1. **GENERAL CONDITIONS:** It is the goal of this Rental Rehabilitation Program to rehabilitate substandard housing to the HUD Housing Quality Standards, Minnesota Energy Efficiency Standards, and where applicable to the State and local Building Code. It will be the primary focus of this rehabilitation program to eliminate health, safety, energy and structural deficiencies in the dwelling

units within the residential areas of City of Le Sueur. In all cases those types of housing deficiencies will be addressed before any other improvement can be considered. There will be no work funded through the Small Cities Development Program for strictly cosmetic purpose.

2. **ELIGIBLE IMPROVEMENTS:** The deficiencies identified and the improvements called out for by the Project Manager during the inspection process will meet the following tests:
 - a. Only permanent improvements: Permanent improvements shall be those that include, but are not limited to, conversions, alterations, renovations, or repairs upon and in connection with existing dwelling units, which correct defects and deficiencies in those units, which affect the safety, habitability, structural integrity or energy efficiency of the property.
 - b. The improvements shall only address HUD's Housing Quality Standards, Minnesota Energy Efficiency Standards and applicable Building Code.
 - c. The structure shall be livable, safe, structurally sound and habitable.
 - d. All improvements shall meet all governing applicable codes and shall not be governed solely by the City of Le Sueur Rehabilitation Standards. However, existing situations may be "grandfathered in" if the code violation is not one that is associated with any health, safety, energy or structural violations.

3. **PRIORITY IMPROVEMENTS:** Shall be defined as improvements that are mandatory and must be completed before other types of repairs are considered. Applicants who own properties with priority improvements will be given priority over other applicants. Those repairs include, but are not limited to the following:
 - a. Fire Code, National Electrical Code, Uniform Plumbing Code and Mechanical Code violations affecting health and safety.
 - b. Elimination of Lead Based Paint and Asbestos.
 - c. Repairs affecting the structural integrity of the building.
 - d. Modifications to make the rental unit accessible to handicapped members of the household (Section 504). Handicaps must be medically documented.
 - e. Violations of HUD's Housing Quality Standards.
 - f. Violations of the Minnesota Energy and Efficiency Standards.
 - g. SHPO mandated repairs are priority. If the Minnesota Historical Society has determined the structure historically significant, the Minnesota Historical Society must review plans for exterior improvements to the structure.

4. **FUNDING PROHIBITIONS:** Improvements that are largely cosmetic or do not improve housing systems are generally ineligible. Specifically, the following activities are examples of some ineligible repairs:
- a. Household appliances, saunas, whirlpool baths, decorative cabinetry, detached garages, decks (not related to a main point of entry), patios, landscaping (unless it undertaken due to repairs resulting from eligible activities), wood burning heating systems, fireplaces, fencing, water softeners, window air conditioners, or central air. (Central air conditioning may be allowable with documented medical justification).
 - b. Small Cities Development Program funds shall not be used in whole or in part to finance or to satisfy an existing debt.
 - c. Small Cities Development Program funds shall not be used for the payment, in whole or partly for the satisfaction of assessments for public improvements. However SCDP funds can be used to fund improvements that may be a portion of city improvements as long as those improvements are located on or under an eligible applicant's property. Such improvements must be documented as to location of improvement and reason for assessment.
 - d. Additions are generally ineligible unless the work is being undertaken to address overcrowding or accessibility issues. Documentation of such conditions is required in the file.
5. **WAIVER OF PROGRAM REQUIREMENTS:** SWMHP, as the Field Administrator, may request a waiver of program requirements on behalf of an applicant that meets basic SCDP Program eligibility.

Waivers may be requested to address the following housing deficiencies:

- a. Repairs that address code violations that effect health and safety.
- b. Repairs that affect the elimination of Lead Based Paint and Asbestos.
- c. Repairs affecting structural integrity.
- d. Modifications to make the rental unit handicapped accessible in cases where a medically documented need exists.
- e. Modifications to address overcrowding conditions.
- f. SHPO mandated repairs, etc.

Waivers may not be requested that involve the following program areas:

- a. Maximum loan amount may be increased.
- b. Eligibility requirements relating to property tax/assessment payments, etc.

In order to request a waiver of Program Requirements, SWMHP shall present a request in writing containing the following documentation to the governing body:

- a. Identification of necessary repairs and modifications.
- b. Identification of financial, repair cost, or debt carry issues that make the waiver necessary.
- c. Income/ownership eligibility status of applicant.
- d. Submitted bid amounts and selection of approved bid.
- e. Proposed financing package.

A determination shall be made by the approving entity. SWMHP shall inform the applicant of the approving entity's decision.

I. LEAD BASED PAINT

1. **GENERAL CONDITIONS:** The elimination of lead based paint is a priority of this Small Cities Development Program. The following procedures shall apply to the housing rehabilitation activities:
 - a. All housing units built prior to 1978 will have a lead assessment completed.
 - b. The Risk Assessment Report will be part of the rehabilitation project file.
 - c. All applicants shall receive, review and sign, "Renovate Right". Rehabilitation files must indicate that owner has received a copy of the brochure. This document shall be part of the applicant file.
 - d. Applicants must receive the HUD Notice "Summary Risk Assessment Notice" and the file must show receipt of the Notice.
 - e. Work write ups/specifications will incorporate the required lead hazard reduction options from the Risk Assessment Report and include language on required lead safe work practices, site preparation, prohibited practices and clearance.
 - f. Owner-Contractor language will include prohibition of use of lead based paint, requirement for trained workers/supervisors and conducting work in accordance with lead safe work practices.
 - g. Licensed supervisor must be available for lead hazard reduction work.
 - h. A clearance examination where lead hazard reduction was carried out. Trained Sampling Technicians will conduct clearance examinations. Copy of the clearance report will be kept in the project file.
 - i. When an owner is doing their own work they must take the one day Renovator's class and provide a Certificate of Completion for the course.

J. RELOCATION PROCEDURES

In the case of extensive lead hazard abatement, the applicant will be advised that the work will proceed only with temporary relocation of the applicant and all residents in the dwelling. It will be the responsibility of the applicant to voluntarily relocate during the abatement work and the applicant will assume all costs associated with the relocation. The applicant must abide by the Uniform Relocation Act. All expenses must be verified by receipt through a third party and approved by the Field Administrator. Should additional expenses be incurred by the tenant and be deemed reimbursable under the Uniform Relocation Act, the landlord, by law, is obligated to pay those costs.

K. HISTORICAL SOCIETY REVIEW

1. **SHPO REVIEW:** All properties over 45 years old will be reviewed by the Minnesota Historical Society to determine if the structure is historically significant **before** bids are let and any rehabilitation occurs. The file must contain documentation of approval from SHPO to proceed with rehabilitation.
2. **HISTORIC PROCEDURE:** After the Project Manager has completed the initial property inspection; the following will be submitted to the Minnesota Historical Society Officer (SHPO).
 - a. A summary of the work to be done at the property.
 - b. Photographs of the structure.
 - c. Property description.
 - d. Any other information request by the SHPO.

Prior to the issuance of the “Notice to Proceed”, a response from SHPO must be in the file indicating approval of proposed work and/or required amendments to the proposed work. If the project is considered historically significant, any changes in the scope of the project required by the SHPO must be initiated.

L. MARKETING

1. **GENERAL MARKETING:** SWMHP, on behalf of the City of Le Sueur, will conduct outreach in the target area and will solicit applications should the initial pool of pre-applicants become exhausted. The field administrator may find new applicants in the following ways:
 - a. Conduct community meeting(s) to inform City of Le Sueur residents of the availability of and application process for the Program.
 - b. Issue press releases advertising community meetings and/or information on SCDP grant application both to local newspapers and to local radio stations.
 - c. Develop brochures and send them to landlords within the community.
 - d. Develop posters and post them in prominent areas in the communities as well as distributing brochures at commodity distribution sites, where applicable.

2. **FAIR HOUSING/AFFIRMATIVE ACTION:** It is the policy of the City of Le Sueur to work affirmatively to ensure that all persons regardless of race, creed, national origin, sex, marital status, age, handicap or reliance on public assistance shall be treated equally and fairly for purposes of this SCDP Rental Rehabilitation Program.
 - a. Program promotion conducted by SWMHP and/or the City of Le Sueur shall be inclusive and will exercise care to avoid promotion methods that exclude eligible applicants.
 - b. SWMHP will provide all tenants and landlords with printed information on Fair Housing at the time of application.
 - c. A translator will be made available upon request for the public meetings.
 - d. The applicant will be asked to provide a translator in all phases of the rehabilitation process.

M. APPLICATION AND APPLICANT SELECTION PROCEDURES

1. **APPLICATION PROCEDURES:** The application process will be opened to anyone living in the target area. The allocation of funds will be on a first come first serve basis.
 - a. **Applicant:** All applicants must turn in the initial documentation for screening which includes:
 - 1) Complete SCDP Application
 - 2) Proof of ownership
 - 3) Proof of insurance
 - 4) Proof of payment of Real Estate Taxes
 - 5) Tenant self-declared gross Income Statement

The Field Administrator will review all the information provided by the applicant to determine if the applicant meets all the qualifications of the SCDP. If the applicant does not qualify or has not supplied the correct information, a letter will be sent to the applicant explaining why they do not qualify or what additional information is needed. If the applicant does qualify they will be notified and moved to the client phase of the program. At this time no SCDP funds will be reserved for the project.

- b. **Client:** The client will work with the Field Administrator in completing all necessary paperwork and scheduling the inspections to determine if the project is suitable for rehabilitation. The Field Administrator will determine what work is necessary to bring the property into compliance with the Housing Standards. The Project Manager will determine the priority level of the necessary repairs. The Project Manager will then prepare a Bid Package (work write up), which will rectify any violations to the Housing Standards, local codes and other eligible repairs. At this time no SCDP funds will be reserved for the project.

BID PACKAGE: Shall contain the following project and contractual documents:

- 1) Instructions to the bidder.
- 2) Bid Proposal.
- 3) Program Warranties.
- 4) General Conditions.
- 5) Specifications categorized by trade.
- 6) Diagrams and Layouts.

The Bid Package shall be considered a binding contract between the property owner and the contractor performing work at the applicant's property.

The bid package will be sent to approved contractors for review and bidding. When the bids are returned they will be reviewed by the Field Administrator and the Client to determine if the project should move forward in its entirety or if revisions need to be completed. The Client will need to secure all matching funds before they can move to the next phase of Approved Project. At this time no SCDP funds will be reserved for the project.

- c. **Approved Project:** The approved project will have met all the requirements of the applicant and client phases of the program along with having the project approved by the governing entity before SCDP funds will be allocated to the project. When the funds have been allocated to the project the Field Administrator will complete the SCDP loan documents for the property owner to sign. The matching funds will be made available by the property owner and placed in an escrow account at SWMHP on the date the SCDP loan documents have been signed. Failure to supply the matching funds on this date will move the project back to the client stage and no SCDP funds will be allocated to the project until the matching funds are secured. The SCDP funds are issued on a first come first serve basis. If a project is moved back to the client stage there is no guarantee that the SCDP funds will be available when the client secures their matching funds.

N. CONTRACTING PROCEDURES

1. **PARTICIPATING CONTRACTORS:** All contractors participating in the Small Cities Development Program must have a Contractor's Application on file at the SWMHP office. The application must contain proof of insurance coverage via a Certificate of Insurance Coverage and builder's license number. The contractors will be responsible for securing insurance of the amounts specified on the application form. All Contractors are required to follow all State and Federal laws.

2. **BID SOLICITATION:** The applicant will be provided a list of contractors recognized by SWMHP by virtue of the contractor's filed application at SWMHP, an applicant is free to solicit bids from any contractor they wish. In order for a contractor who is not on file at the SWMHP office to be awarded a bid, the contractor must furnish SWMHP with a Certificate of Insurance, license number and must complete a Contractor Application. Upon doing so the contractor may be awarded the bid. The SWMHP will mail out bid packages to contractors selected by the applicant.
3. **BIDDING:** Contractors will be allowed to bid on any and all rehabilitation projects. When lead certification is required, contractors must verify such certification in the bidding process.
4. **BID AWARDS:** The Contract shall be awarded to the lowest base bid, unless one of the following circumstances occurs:
 - a. The contractor has failed to follow the procedures as outlined in the Instructions to the Bidders, see Bid Package.
 - b. The contractor fails to bid according to the specifications and it proves impossible to compare that contractor's bid with the other contractors.
 - c. The bid is determined to be unrealistically low by the Project Manager
 - d. The applicant does not want the low contractor to perform the work and agrees to pay the difference between the lowest bid and the preferred contractor's bid.
 - e. All bids in a trade category are determined to be unrealistically high or non-competitive, in which case all bids in the questionable trade category will be thrown out and different contractors solicited for bids.
5. **PROJECT PACKAGING:** Upon acceptance of the bid by the applicant and the Project Manager, the Project Manager will package the project according to the eligibility of the applicant to the various leverage sources and the Small Cities Development Program. The package is then reviewed by the Program and Lending Manager to ensure completeness and accuracy.
6. **PROJECT APPROVAL PROCEDURE:** The Program and Lending Manager will then present the project package to the governing body for review and approval. The following information shall be provided to the governing body on the project approval form:
 - a. Location of rental unit (City, Loan Number) to be rehabilitated.
 - b. Income/ownership eligibility status of applicant.
 - c. Proposed rehabilitation to be completed.
 - d. Proposed Financing Package.
 - e. Miscellaneous information pertinent to the approval and completion of the project.

The governing body will approve or deny the proposed work to be completed and the amount of the SCDP loan. Upon approval by the governing body, the Repayment Agreement is drawn up by SWMHP and returned to the Project Manager for closing with the applicant.

7. **CONTRACTOR NOTIFICATION:** Upon closing the Project Manager issues a **Notice to Proceed** to the accepted contractors. The Notice to Proceed will allow the contractor 90 calendar days in which to complete the awarded contract. Ninety days will be the allotted amount of time except under the following conditions.
 - a. The work is weather dependent and weather conditions have not allowed the completion of the work.
 - b. The Notice to Proceed is issued too late in the building season to allow weather dependent work to be completed on time.
 - c. Unforeseen difficulties develop with the approved work and force a delay.
8. **CONTRACTOR CONTRACT:** Each selected contractor will enter into a contract with the applicant. The contract will outline the terms for completion of the rehabilitation on the rental unit and will include, but is not limited to, the following:
 - a. Project Start Date.
 - b. Project Completion Date.
 - c. General Conditions.
 - d. Warranties.
 - e. Special Conditions.
 - f. Change Order Procedures.
 - g. Termination Procedures.
 - h. Specifies that the contract is between the applicant and the contractor.
9. **FAILURE TO START/COMPLETE PROJECT:** Upon receipt of the Notice to Proceed a contractor will have 90 calendar days in which to complete the contracted work. Failure to begin work within the first 60 calendar days will be grounds to terminate the contract.
10. **INTERIM INSPECTIONS:** After work begins, interim inspections will be scheduled by the Project Manager at a minimum of every 4 weeks to monitor work progress and work quality. If a dispute arises between an applicant and a contractor the Project Manager will attempt to find a means of resolving the conflict, but the Project Manager is not responsible for the final outcome.
11. **PAYMENT PROCEDURES:** All payments to contractors will be restricted as follows:

- a. No pre-payments are allowable for any reason.
- b. Lien Waivers are required for all contractors/sub-contractors before payment will be made.
- c. Partial payments are made proportional with the work completed and all work is completed according to the specifications contained within the Bid Package and when the work meets with the approval of both the applicant and the Project Manager. No payments will be made for work that has not yet been completed.
- d. No retainage will be held for partial payments.
- e. Partial payments are limited to a maximum of 85% of the total due on the completed portions of the project for that contractor.
- f. In order for all contractors to be paid in full, a signed Completion Certificate must be presented at the time of payment. Both the applicant, the Project Manager and the contractor must sign the Completion Certificate.
- g. Payments will be made only upon presentation of the following documents to SWMHP.
 - 1) Cover Form with Instructions.
 - 2) Billing Statement.
 - 3) Lien Waiver.
 - 4) Sworn Contractors Statement.
 - 5) Completion Certificate.

12. **CHANGE ORDERS:** Changes made to the contract require the signature of the applicant, the contractor, and the Project Manager on a Change Order. Change Orders will be allowed only for the following reasons:

- a. Changes made to the contract to rectify hidden deficiencies that are discovered once the work has begun.
- b. To change a specification due to unforeseen difficulties arising after work has begun.
- c. To address a deficiency that was inadvertently dropped from the project during project packaging.
- d. To approve changes in the contract time period.

13. **TERMINATION OF CONTRACT:** A contractor's contract can be terminated under the following procedures:

- a. Poor work performance on the job site and the demonstrated inability to rectify the poor workmanship. The cost of repairing poor workmanship and the higher costs of awarding the bid to the next lowest bidder shall be deducted from any amount owed to the initial contractor for work completed. In all cases a good faith effort will be made to allow the contractor the opportunity to rectify the problem before removal procedures are instituted. The Project Manager shall institute the following procedures when negotiating a workmanship problem:
 - 1) Shall set up a meeting at the job site with the contractor and applicant to attempt to come to a consensus.
 - 2) Shall contact the contractor the second time by certified mail notifying the contractor that the workmanship is still poor and specifying the areas that need to be addressed to satisfy the contract, giving the contractor a fifteen (15) day time limit in which to make the required repairs.
- b. Where collusion or fraud has been determined to exist on the part of the contractor.
- c. Lack of sufficient insurance coverage.
- d. The inability of the contractor to perform the work within the allotted time.
- e. Irreconcilable and irresolvable differences between the contractor and the applicant.
- f. The contractor requests to be removed from the contract. There will be no penalty associated with this request as long as the request is made within sixty days of receiving the Notice to Proceed.
- g. Contractors who are removed from a contract shall at the discretion of the agency maybe removed from the Approved Contractors List and maybe prohibited from being awarded any contract with the owners.

O. LOAN PACKAGES

- 1. **LOAN FILES:** SWMHP, as the Field Administrator, shall maintain files on each applicant throughout the duration of the program. Each applicant's file shall include, but is not limited to, the following:
 - a. **Work Progression Chart:** This form allows easy monitoring of the file and enables those working with it to see at a glance; just what stage the project is at. This form will be attached to the inside cover of the file.
 - b. **SCDP Loan Application:** This form will provide information relative to family size and composition, employment information, household income and assets, applicant affordability, and monthly expenses. The form will also provide data on the property to be improved as well as other pertinent lending data as required by the SWMHP. The Lead Paint Warning and Data Privacy Statement will be included in the file. The

Lead Paint Warning will be signed by the applicant attesting that they have read and understand the dangers associated with lead based paint.

- c. **Proof of Ownership:** Copies of a recorded deed or any other valid proof of ownership.
- d. **Proof of Insurance Coverage:** Copies of an insurance binder or certificate that ensures that proper hazard insurance is binding on the property.
- e. **Verification of Eligible Rent/Utilities:** Statement from the landlord as to the rent charged per unit and the utilities (and type) paid by the tenant.
- f. **Property Inspection Form:** The Inspection Report shall be prepared by the Project Manager. The Inspection Report is designed to include a specific account of the condition of the property and all corrective actions necessary.
- g. **SHPO Response:** A letter from SHPO indicating their approval or requirements for the project, if the property is over 50 years old and a Programmatic Agreement has been sign with SHPO. If a Programmatic Agreement is not in place, photos of all properties will have to be sent to SHPO for review and comment.
- h. **Bid Package:** The Bid Package is the contract between the applicant and contractor and specifies the exact work, which will be performed at the eligible household's property.
- i. **Repayment Agreement:** This form is the legal mechanism by which a Lien is placed against the improved property until the loan is repaid, with no interest, at the time of property ownership transfer.
- j. **Close-Out Packet:** A letter is sent to the applicant informing them of completion and contains copies of the Repayment Agreement and Completion Certificates.
- k. **Other Pertinent Information:** Other information important to the approval and completion of the project.

P. LOAN REPAYMENT & PROGRAM INCOME

- 1. **LOAN REPAYMENT:** The City of Le Sueur Small Cities Development Program consists of repayment terms for renter occupied projects. Deferred loan funds secured by repayment agreement will be repaid under the following terms:
 - a. **City of Le Sueur Small Cities Development Program Deferred Loan:** A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed, ceases to be occupied by qualified low to moderate income tenants, or fails to maintain its contract rents at the county Fair Market Rent. This loan is forgiven 20% per full year and is fully forgiven after 5 years of the date of the document. The Deferred Loan must only be used for SCDP eligible repairs as determined by the Field Administrator and SCDP Rental Rehabilitation Program. The

Deferred Loan will only be applied **toward 70%** of SCDP eligible repairs. The Deferred Loan is Non-Assumable.

2. PROGRAM INCOME:

- a. **Definition:** Program Income is defined as any funds in excess of \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Local Funds are defined as less than \$35,000 during the Federal Fiscal Year returned from deferred loans through loan repayments, interest earned on the fund themselves in an account, or fines assessed on SCDP funded contracts. DEED may determine other methods of generating Program Income and must be consulted.

Program Income includes not only funds generated by SCDP grants, but also by the Small Cities Economic Development Set Aside Program, also administered by DEED. These include:

- 1) loan repayments (with interest, if applicable),
- 2) proceeds from the sale of property purchased with SCDP funds,
- 3) interest earned on the Program Income itself, once back under the control of the grantee, and/or
- 4) Fines assessed on SCDP funded contracts, among other things.

- b. **Reporting:** The City of Le Sueur is responsible for reporting to DEED annually on all Program Income.

- c. **Earnings:** All earnings of Program Income must follow SCDP Federal Requirements, similar to an open grant.

- d. **Open Grant:** Program Income earned while the grant is open must be used to fund approved activities and reduce current draws through the first 365 days of the open period. Beginning 120 days from the end of the open grant period (October 1, 2018), the Program Income/Local Funds earned will be set aside for use in post-grant projects.

- e. **Closed Grant:** Program Income must be utilized only on activities approved in the grant when the project was open. The Program Income must be used within two federal fiscal years after the reporting period in which it was collected. Unspent funds will be returned to DEED.

Q. LOAN SUBORDINATION AND SATISFACTION PROCEDURE

1. **AUTHORIZED LOAN SUBORDINATION:** Without further approval, the City of Le Sueur will authorize the subordination of its SCDP deferred loan under the following circumstances:

- a. The Borrower wishes to borrow funds for housing debt only (i.e. unit repair) or straight mortgage refinance, as evidenced by loan documents from a lender. No cash back to the borrower will be allowed.
 - b. The applicant will be charged a Processing Fee of \$100 by the City of Le Sueur. The applicant is responsible for the cost of all filing fees associated with the recording of subordination documents.
2. **AUTHORIZED DEFERRED LOAN SATISFACTIONS:** Without further approval, the City of Le Sueur will authorize the satisfaction of its SCDP deferred loan under the following circumstances:
- a. Upon the fulfillment of the full term of the SCDP loan.
 - b. Upon payment of the remaining debt on SCDP loan.
 - c. As otherwise determined satisfied by the City of Le Sueur.

The City of Le Sueur will prepare and provide to the applicant a Satisfaction of Mortgage. The applicant is responsible for the recording fees associated with the recording of satisfaction documents.

R. APPEALS PROCEDURES

- 1. **APPLICANT DENIAL PROCEDURE:** If an applicant is denied for any reason, the Field Administrator will send a letter of denial to the applicant owner within 20 working days of the determination that the applicant or client does not qualify. The denial letter will clearly outline the reason for denial and inform the applicant that an appeals procedure is available.
- 2. **APPLICANT APPEAL PROCEDURE:** If an applicant is dissatisfied with the level of assistance they have received, and where an applicant complaint cannot be resolved with the conduct of the administration, SWMHP will notify the applicant in writing that a written procedure for appeal is available. The appeals procedure is as follows:
 - a. The applicant who wishes to make an appeal must submit such an appeal **in writing** to the City of Le Sueur. The appeal must specifically state the complaint and how the applicant wishes the complaint to be resolved. The applicant will need to notify the City of Le Sueur in writing within 30 days of the date of their notification of denial of financing.
 - b. The complaint will be presented to the Le Sueur City Council at a regularly scheduled meeting within 30 days of the receipt of the written complaint.
 - c. The Le Sueur City Council will review the complaint and will make a determination concerning the complaint. The SWMHP will notify the applicant of Le Sueur City Council's decision regarding the appeal. Notification will be in writing and must be made within 10 working days of the decision.

d. After an appeal action has been initiated, SWMHP will send the following information to the Minnesota Department of Employment and Economic Development and the City of Le Sueur:

- 1) A copy of the written complaint and request for satisfaction under the appeals process.
- 2) A copy of all correspondence between SWMHP and the appealing client concerning the appeal disposition.
- 3) The final appeal disposition.

S. AMENDMENTS, DIRECTIVES

These procedural guidelines may be amended or supplemented by SWMHP in coordination with the City of Le Sueur. Amendments or changes must be approved by the Department of Employment and Economic Development.

T. ADOPTION

These procedural guidelines governing the administration of the City of Le Sueur Rental Rehabilitation Program have been adopted by action of the Le Sueur City Council.

Attest: _____

Witnessed: _____

Date: _____

**CITY OF LE SUEUR
CONTRACT FOR ADMINISTRATIVE SERVICES WITH THE
SOUTHWEST MINNESOTA HOUSING PARTNERSHIP**

THIS CONTRACT, for Administrative Services is entered into this ___ day of _____, 2016 by and between the City of Le Sueur hereinafter referred to as the "Grantee", and the Southwest Minnesota Housing Partnership, hereinafter referred to as the "SWMHP".

WHEREAS, the Grantee has been awarded a Grant from the Minnesota Department of Employment and Economic Development ("DEED") Small Cities Development Program, hereinafter referred to as "SCDP" under a Grant Agreement between the Grantee and the DEED herein after referred to as the "Grant Agreement"; and,

WHEREAS, the "Project" is hereinafter described as the rehabilitation of units further described in Exhibit B in the community of Le Sueur, and,

WHEREAS, the Grantee desires to contract with the SWMHP for Administrative Services; and,

WITNESSED: In consideration of the mutual covenants and agreements contained herein, the Grantee and the SWMHP agree as follows:

1. The term of this Contract commences on the date first written above and terminates on December 31, 2018, unless otherwise terminated herein.
2. The SCDP Work Program, **Exhibit A**, attached to this Contract, is acceptable to the Grantee and is hereby made a part of this Contract.
3. The SCDP Budget, **Exhibit B**, attached to this Contract, is acceptable to the Grantee and is hereby made a part of this Contract. Grantee agrees to advance funds from its resources as shown on **Exhibit B**.
4. For the purposes of this Contract, the SWMHP shall be deemed an independent contractor and not an employee of the Grantee. Any and all employees of the SWMHP or other persons while engaged in the performance of any work or services required by the SWMHP under this Contract, shall not be considered employees of the Grantee; and any and all claims that may or might arise on behalf of said employees or other persons as consequence of any act or omission on the part of said employees or the SWMHP shall in no way be the obligation or responsibility of the Grantee.
5. It is further agreed that the SWMHP shall defend and save the Grantee harmless from any claims, demands, actions, or causes of action arising out of any act or omission on the part of the SWMHP, its agents, servants or employees in performance of, or with relation to any of the work or services provided to be performed or furnished by the SWMHP under the terms of this Contract; unless, such claims, demands, actions or causes of action arise out of the actions, in whole or in part, of the Grantee.
6. Except as provided herein, the SWMHP shall not assign any interest in this Contract to any third-party, and shall not transfer any interest in the same, whether by assignment, subcontract or notation, without the prior written consent of the Grantee.

7. The SWMHP specifically agrees to comply with the requirements of 24 CFR 135.20 and to provide such copies of said regulations as may be necessary for the information of parties to Contracts required to contain the Section 3 clause set forth in 24 CFR 135.20.
8. Any alteration, variation, modification, or waiver of the provisions of this Contract shall be valid only after it has been reduced to writing, duly signed by both parties, and attached to the original of this document.
9. The waiver of any of the rights and/or remedies arising under the terms of this Contract on any one occasion by either party hereto shall not constitute a waiver of any rights and/or remedies in respect to any subsequent breach or default of the terms of this Contract. The rights and remedies provided or referred to under the terms of this Contract are cumulative and not mutually exclusive.
10. This Contract shall constitute the entire agreement between the parties and shall supersede all prior oral or written negotiations.
11. The Grantee shall have full access to all records relating to the performance of this Contract and will have all files related to this work under the Small Cities Development Program in its possession within 90 days of the expiration of this Contract.
12. In performing the provisions of this Contract, the SWMHP and the Grantee agree to comply with the Grant Agreement and with all Federal, State, or local laws, and applicable rules, regulations, or standards established by any agency of such governmental units, which are not now or hereafter promulgated.
13. In consideration of the prompt and efficient carrying out of the services described in this Contract, the Grantee agrees to reimburse the SWMHP for its administrative duties identified on **Exhibit A** in amounts shown in the Administration line of the SCDP Budget on **Exhibit B**.

For the purpose of this Contract, administrative costs are defined as follows:

- a. Salary costs actually incurred by the SWMHP for time expended in all phases of the project.
 - b. Mileage, supplies, and publication expense.
 - c. Proportionate share of allowable overhead expenses figured on a time extended basis, according to the SWMHP's approved indirect cost allocation plan.
 - d. Administrative costs directly related to the record keeping and reporting functions as required by the Federal Government, DEED and as requested by the Grantee.
14. In addition to administration related costs set forth above the SWMHP shall be reimbursed for contactor certification, relocation and rehabilitation costs shown in the SCDP Budget from such sources and in such amounts as are shown on **Exhibit B**. Accurate records of administrative costs and other costs shall be kept by the SWMHP, and billing shall be made at such times as are convenient to implement the SWMHP's requisition of funds for the project from DEED and other sources shown in the SCDP budget on **Exhibit B**.
 15. Should any of the above provisions be subsequently determined by a court of competent jurisdiction to be in violation of any federal or state law or to be otherwise invalid, both parties agree that only those provisions so adjudged shall be invalid and that the remainder of this Contract shall remain in full force and effect.

16. The SWMHP hereby assigns to DEED any and all claims for overcharges as to goods and/or services provided in connection with this Contract resulting from antitrust laws of the DEED through the term of this Contract.
17. The Grantee reserves the right to terminate this Contract if the SWMHP inexcusably fails to perform any of the provisions thereof. Such termination shall occur thirty (30) days after the receipt by the SWMHP of written notice specifying the grounds thereof, unless prior to the date, the SWMHP has cured the alleged nonperformance of the providers of this Contract. The SWMHP shall be entitled to compensation and reimbursement for services rendered and costs advanced up to the termination date. Any such termination is subject to the terms of the Grant Agreement.
18. The Grantee shall be held responsible for the administration of the Project in relation to the following:
 - a. Provide information and data as necessary and assist the SWMHP in arranging meetings with elected officials or individuals to benefit the delivery of the Project.
 - b. Market the Project, as necessary, to potential applicants within the target area, when the pre-application list is expired.
 - c. Provide written materials (i.e.; handouts) to applicants within the community, as needed.
 - d. Communicate administrative information about applicants or the community back to the SWMHP in a timely fashion.
 - e. Support the SCDP program through the Grantee's activities and publications.
 - f. Participate in any monitoring requirements set by DEED.
 - g. Participate in any public notice requirements or programs set by DEED.
19. Payment for this Contract is to be made from funds made available by DEED and other sources of funds as set out in Section 14 above. If at any time such funds are no longer available, this Contract shall be terminated immediately upon notice of such fact by the DEED or any other funding source. In the event of such termination the SWMHP shall be entitled to payment of services performed to such date.
20. This Contract may be canceled by the Grantee or SWMHP at any time, with or without cause, upon thirty (30) days written notice to other party. In the event of such a cancellation, the SWMHP shall be entitled to payment for work or services performed to the date of notice of cancellation. Any such cancellation is subject to the terms of the Grant Agreement.
21. The book, records, documents, and accounting procedures and practices of the SWMHP, relevant to this Contract, may be subject to examination by the Grantee's auditors. The SWMHP will receive a copy of the Grantee's audit.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed as of the date first mentioned above.

**SOUTHWEST MINNESOTA
HOUSING PARTNERSHIP**

CITY OF LE SUEUR

Chairperson

Mayor

Chief Executive Officer

City Administrator

EXHIBIT A

SCDP WORK PROGRAM

The following Work Program is attached to the Administration Services Contract dated _____, 2016 and is a part thereof.

1. Staffing

- A. The SWMHP shall provide a sufficient supply of competent, trained staff to meet the needs of the Project and complete the assigned tasks identified in the Work Program, in the time frame set forth in the Contract. Staff shall include, but is not limited to, administrative staff, rehabilitation specialists/inspectors, clerical support, etc.
- B. The SWMHP is responsible for providing adequate office space, telephone, copying, postage, and other office expenses to provide administration services.
- C. Staff shall be trained by the SWMHP to ensure that they can perform the duties identified in the Work Program within the Contract.
- D. The SWMHP shall provide the Grantee with a clear communication chain that the Grantee would require for daily requests, problems/concerns/etc. The contact for daily information will be responsible for routing information within the SWMHP and its other staff.
- E. The SWMHP shall ensure that the location of their staff is structured such that they are geographically accessible to the applicants of the program for reasonable periods at a time during the Contract period.

2. Program Regulations

- A. The SWMHP staff will attend DEED trainings and informational sessions as provided by DEED to ensure that updates on the SCDP are utilized in the program.
- B. The SWMHP will receive and review regularly DEED updates on changes to the SCDP and incorporate them into the program.
- C. The SWMHP will rely on and communicate regularly with DEED staff to consult with them on programming issues.

3. Program Development

- A. The SWMHP will review the Grant Agreement for accuracy against the application.
- B. The SWMHP will revise as necessary Cooperative Agreements.
- C. The SWMHP will request from the Grantee documentation on special conditions.
- D. The SWMHP will prepare submissions on the special conditions required in the Grant Agreement to obtain the release of funding by DEED in an expeditious manner.
- E. The SWMHP will prepare all repayment agreements to be used in securing the SCDP funds for the Grantee. The SWMHP will send the documents to the Grantee for review and approval prior to use.
- F. The SWMHP will prepare a fact sheet customized to the Grantee's program for the Field Administrator to use.
- G. The SWMHP will meet with the Grantee's SCDP contact staff to better familiarize them with the program after the orientation with DEED.
- H. The SWMHP will prepare the Grantee's SCDP policies and procedures. The SWMHP will first present a draft copy for Grantee approval prior to use.

4. Documents and Reporting

- A. The SWMHP will assemble files, execute proper documentation within the files, maintain complete records, document methodology on eligibility, and provide information to DEED for all file reviews.
- B. The SWMHP will maintain the files for the review by the Grantee upon request.
- C. The SWMHP will prepare all reports to DEED (i.e.; quarterly, annual) required during the Contract period.
- D. The SWMHP will provide monthly tracking reports to the Grantee by the 10th of each month during the Contract period.
- E. The SWMHP will provide completed files to the Grantee within 90 days past the end of the last day of the end of the scheduled contract term of the Project with DEED, which shall include a loan summary spreadsheet. The spreadsheet shall identify the borrower name, rehabbed property address, SCDP loan amount, date of the repayment agreement and loan termination date.

5. Program Management

- A. The SWMHP will attend to regular reviews of program goals in relation to the Contract end date and performance.
- B. The SWMHP will oversee involvement in:
 - 1. Lead Assessment
 - 2. Uniform Relocation
 - 3. Davis Bacon Act
 - 4. Fair Housing Act
- C. The SWMHP staff will hold semi-annual meetings with the Field Administrator's staff to manage a review function on projects.
- D. The SWMHP staff will review key documents within individual borrower files during rehabilitation process.
- E. The SWMHP will prepare the Closeout Report for the Grantee's public meeting.

6. Funding and Budgeting

- A. The SWMHP will coordinate budgets for individual activities from the total budgets provided in the Grant Agreement with DEED.
- B. The SWMHP will coordinate with the Field Administrator's staff to determine their fiscal activity needs.
- C. The SWMHP will prepare the draws to DEED when proper documentation is submitted.
- D. The SWMHP will oversee payments to contractors in conjunction with the Grantee.
- E. The SWMHP will reconcile the accounting of the program with DEED and the Field Administrator.

7. Outcomes

- A. The SWMHP is responsible for meeting the goals set under the Project.
- B. The SWMHP is responsible for ensuring that participant's needs are met within a reasonable, friendly, professional manner within the confines of the SCDP

8. Federal Requirements

The SWMHP is required to ensure that the Project and the Grantee meet the Federal Requirements outlined in the Grant Agreement. Those include, but are not limited to:

- A. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity in receiving Federal financial assistance.
- B. Title VIII of the Civil Rights Act of 1968 (P.O. 90-284), known as the Fair Housing Act of 1968, which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any person from discrimination in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex or national origin.
- C. Executive Order 11063, as amended by Executive Order 12259, which prohibits discrimination because of race, color, religion (creed), sex or national origin, in the sale, leasing, rental, or other disposition of residential property and related facilities (including land to be development for residential use), or in the use of occupancy thereof, if such property and related facilities are among other things, provided in whole or in part with the aid of loans, advances, grants and contributions agreed to be made by the Federal Government.
- D. Section 109 of the Housing and Community Development Act of 1974, as amended, which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under the Act. The Act does not allow any discrimination on the basis of age under the Age Discrimination Act of 1975.
- E. Title 11 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations (24 CFR Part 41 and 24 CFR 570.602(a).
- F. Davis-Bacon Act, as amended, requiring payment of wages at prevailing rates, and the Contract Work Hours and Safety Standards Act.
- G. The National Environmental Policy Act of 1969.
- H. Section 3 of the Housing and Urban Development Act of 1968 which requires that to the greatest extent feasible, opportunities for training and employment be given to lower income persons residing within the unit of local government in which the project is located; and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing within the unit of local government.
- I. Title IV of the Lead-Based Paint Poisoning Prevention Act, as amended (41 U. S.C. Section 483 1).
- J. All parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable state and federal laws.

- K. The regulations, policies, guidelines, and requirements of Common Rule or Uniform Administrative Requirements and OMB Circular A-87 as they relate to the application, acceptance, and use of federal funds under this part.
- L. The Minnesota Government Practices Act, Chapter 13, including but not limited to Section 13.3 1.
- M. The regulations, reporting, and record keeping requirements as stated in the "Program Manual", as supplemented, provided by the DEED.
- N. Section 504 of the Federal Rehabilitation Act of 1973, Chapter 55 of the Minnesota State Building Code and the Minnesota Human Rights Act.
- O. All other applicable federal rules and regulations identified in the DEED Grant Agreement.

EXHIBIT B

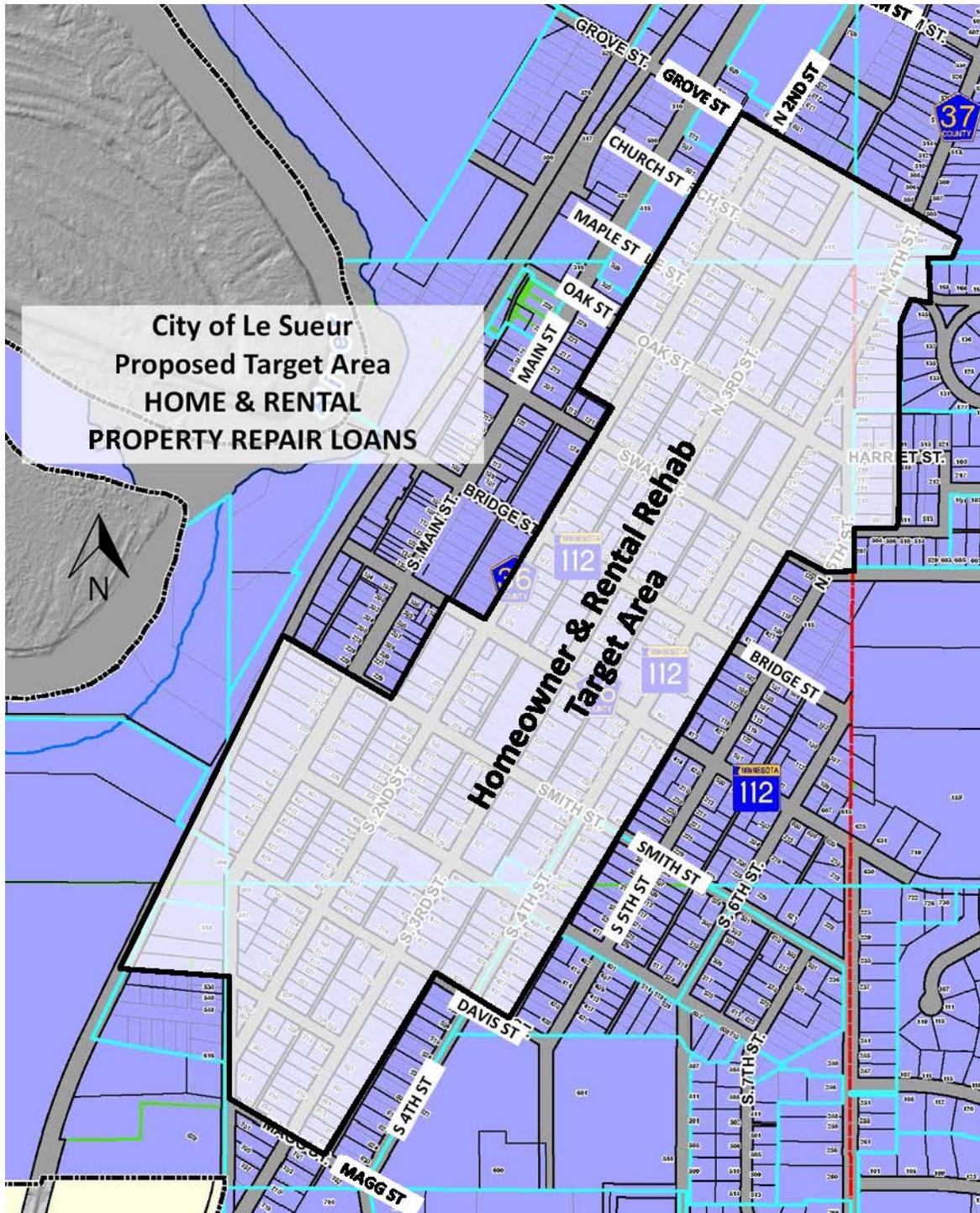
GRANTEE'S SCDP BUDGET

ACTIVITY	UNIT GOAL	SCDP FUNDS	OTHER FUNDS	TOTAL
OWNER HSG REHAB	15	\$273,000	\$117,000	\$390,000
SF RENTAL REHAB	3	54,600	23,400	78,000
DUPLEX RENTAL REHAB	2	36,400	15,600	52,000
MULTI-FAMILY RENTAL REHAB	4	42,000	18,000	60,000
ADMINISTRATION		56,840	0	56,840
TOTAL UNITS REHABBED	24	\$462,840	\$174,000	\$636,840

*The rehabilitation activities will be allocated in the following manner.

- City of Le Sueur Target Area
 - 15 Owner Occupied Units (Target Area)
 - 3 SF Rental Units (Target Area)
 - 2 Duplex Rental Units (Target Area)
 - 4 MF Rental Units (Target Area)

See Target Area Map on next page



The City of Le Sueur has received a Small Cities Development Program Grant #CDAP-15-0045-O-FY16 SC111476 to provide loans to homeowners and rental property owners. The City of Le Sueur authorizes Southwest Minnesota Housing Partnership or their assignee to act on the City's behalf for the following activities:

_____ To approve each applicant as per the program policies which have been approved by the City of Le Sueur

_____ To sign the Reimbursement Payment request form as the Grantee's Authorized Signature

The City of Le Sueur has approved the above request on _____.

Title: _____

Title: _____



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Review Electric On Demand Rate
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED
Review Electric On Demand Rate.

SUMMARY

As the Council will recall, staff requested the Council increase the summer on demand rate from \$11.15 per KW to \$11.75 per KW because of an increase from the City's wholesale provider. The City Council declined to increase the rate and asked that staff return with a report in July that informs them of the effect of that decision in terms of revenue.

The 2016 first quarter financial report the Council received at their last meeting (pertinent pages from that report attached) reflects a cash balance in the electric fund down nearly \$644,000 from 3/31/15 to 3/31/16. The decrease in cash is due to the transfer to the sewer fund of \$500,000 authorized by the Council in late 2015 and debt service payments made in January 2016 that are offset by the property tax payment.

If the Council wishes to have an in-depth discussion of overall fund balances in the utility funds in order to review where rates are set, we can do that. That discussion will provide overall budget information as well as capital equipment and improvement information. To set a rate for one component of the utility without that bigger picture information is not advisable or recommended.

In order to provide the Council with details of the on demand rate I offer the following:

The summer demand rate is in effect from June through September each year and is applied to Industrial and Large General Service accounts only.

The City paid \$10 per KW hour to the wholesaler previously. With the increase, the City is paying \$10.60 per KW hour. Rates have traditionally been set \$1.15 per KW over the wholesale cost.

13,505 hours of on demand service were purchased by the City in June for \$143,153. Those same hours were purchased previously for \$135,050, for a reduction in overall revenue of \$8,103 for the month of June.

Using June's numbers we can estimate a total reduction in revenue for June through September of \$32,412.

Industrial accounts consume over 500 KW on a monthly basis, and the City has three Industrial accounts. Those accounts were billed \$16,400, \$237,396 and \$192,009 respectively for June electric use.

In June those three Industrial accounts consumed 10,221 KW hours of on demand service. At \$11.15 per KW the City generated \$113,964.15. At \$11.75 per KW, the City would have generated \$120,096.75 for a difference of \$6,132.

Those Industrial accounts would have seen an increase of \$202.80, \$3,087 and \$2,842.80 respectively to their June billing for the increased on demand rate.

Large General Service accounts consume 25 to 500 KW hours on average monthly and the City has 34 Large General Service accounts. Those accounts were billed between \$251.80 (low end) and \$12,062.50 (high end) for June electric use.

In June those accounts consumed 3,284 KW hours of on demand service. At \$11.15 per KW the City generated \$36,616. At \$11.75 per KW the City would have generated \$38,587 for a difference of \$1,971.

Those Large General Service accounts would have seen an increase of \$4.20 (low end) and \$417 (high end) to their June billing for the increased on demand rate.

As the Council has seen previously, if adequate revenues aren't achieved in the enterprise funds from steady rate increases that reflect increased costs to the City, we eventually face significant rate increases which are difficult to manage for consumers.

RECOMMENDATION

Staff recommends the Council increase the on demand rate from \$11.15 per KW to \$11.75 per KW hour effective July 1, 2016.

CITY OF LE SUEUR, MINNESOTA
 UNAUDITED CASH BALANCES BY FUND
 MARCH 31 2015, DECEMBER 31, 2015 AND MARCH 31, 2016

Attachment B

Fund	Balance 03/31/2015	Balance 12/31/2015	Balance 03/31/2016	YTD Change From 12/31/2015	Change From 03/31/2015	
101	General fund	\$ 612,277	\$ 1,181,933	\$ 828,147	\$ (353,786) (1)	\$ 215,870
225	Fire service fund	(49,166)	(22,937)	(52,538)	(29,601)	(3,372)
226	Ambulance service fund	107,743	152,655	147,307	(5,348)	39,564
227	Para-transit fund	(10,192)	(10,208)	(54,289)	(44,081)	(44,097)
228	Revolving loan fund	605,237	647,881	647,881	-	(2,644)
229	Cable TV fund	(2,314)	(14,136)	(16,623)	(2,487)	(14,309)
231	Revolving loan fund - State	627,412	627,412	627,412	-	-
235	Airport fund	(90,960)	(82,119)	(83,665)	(1,546)	7,295
240	HRA fund	(9,938)	(5,719)	(5,448)	271	4,490
250	LSH Health, Communities fund	(6,121)	(3,708)	(2,104)	1,604	4,017
301	GO oblig cert of indebt-2000	222,512	157,401	199,882	42,481	(22,630)
303	1995 Medical Revenue Bond	-	1	1	-	-
305	1993 EDA installment contrac	-	-	-	-	-
306	1995 lease purchase agreem	77,507	64,626	73,965	9,339	(3,542)
307	1999 recreational rev bond	2,277	2,277	2,277	-	-
309	GO oblig library bonds 2002	15,022	20,722	20,547	(175)	5,525
310	GO fire station bonds/2002	87,186	65,331	88,522	23,191	1,336
312	2004 equipment lease purchase	63,296	51,540	63,296	11,756	-
316	Johnson control facility imp	(85,224)	10,671	(56,718)	(67,389) (2)	28,506
318	G.O. Tax Abatement Bonds Of 2008	-	-	(3,100)	(3,100)	(3,100)
319	G.O. equipment cert of indebt 2010	25,595	22,732	27,697	4,965	2,102
320	Police cap bond 2010	3,956	6,771	3,671	(3,100)	(285)
321	Medical facility bond 2010	117,339	224,510	81,615	(142,895) (3)	(35,724)
322	EDA lease revenue bond 2010	16,270	48,910	97,620	48,810	81,350
323	LS powerhouse abatement	(6,705)	(4,413)	(4,413)	-	2,292
376	EDA lease revenue bond 2010	56,034	41,134	(55,116)	(96,250) (4)	(111,150)
380	EDA general fund	135,449	139,867	114,276	(25,591)	(21,173)
381	Knollview East subdivision	(46,114)	(47,512)	(48,197)	(685)	(2,083)
382	Hwy 169 Industrial Park	(98,184)	8,020	(520)	(8,540)	97,664
392	TIF District #13	(402)	18,166	(402)	(18,568)	-
394	TIF District #14	184	10,540	(391)	(10,931)	(575)
396	2004 TIF Fund	555	22,189	22,916	727	22,361
397	2005 TIF Fund	-	-	-	-	-
398	TIF District #18	(5,500)	(1,961)	(5,323)	(3,362)	177
410	Equipment acquisition	262,235	281,589	282,839	1,250	20,604
415	Sidewalk reconstruction	160,000	253,579	253,760	181	93,760
420	Capital improvement fund	(208,385)	(717,493)	(727,543)	(10,050)	(519,158)
435	Community roof project 2011	193,149	1,549	1,549	-	(191,600)
477	No Hwy 169 Frontage Rd	113,929	261,048	260,048	(1,000)	146,119
478	Lesueur Hill improvement fund	61,393	75,481	75,481	-	14,088
479	2008 N 2Nd St reconstruct	117,587	117,572	117,572	-	(15)
501	Special assess imp fund	86,754	89,939	89,939	-	3,185
502	GO improvement bond of 2001	6,395	(33,905)	(34,080)	(175)	(40,475)
505	GO imp Bonds 2002-Second St	75,975	65,536	62,436	(3,100)	(15,539)
507	2005C G.O. improvement bonds	129,147	71,932	71,232	(700)	(57,915)
508	2006C G.O. improvement bonds	2,047	(38,040)	(29,436)	8,604	(51,483)
510	2011 bond, 2nd St reconstruction	12,583	17,453	16,753	(700)	4,170
501	Water utility fund	948,435	498,053	468,195	(29,358)	(480,240)
602	Sewer utility fund	(612,977)	(200,077)	(80,326)	119,751 (5)	532,651
603	Sewer pretreatment fund	32,970	32,971	32,971	-	1
604	Electric utility fund	919,794	277,133	276,239	(894)	(643,555)
605	Storm water	(12,172)	(12,172)	(12,172)	-	-
606	Joint PUC-Henderson	(89,290)	(111,639)	(21,568)	90,071 (6)	67,722
615	Community center fund	(135,123)	(174,979)	(243,790)	(68,811) (7)	(58,667)
999	Pooled Cash Fund	126,687	(51,367)	(114,246)	(62,879) (8)	(240,933)
Total		\$ 4,506,165	\$ 4,036,639	\$ 3,404,038	\$ (632,601)	\$ (1,102,127)

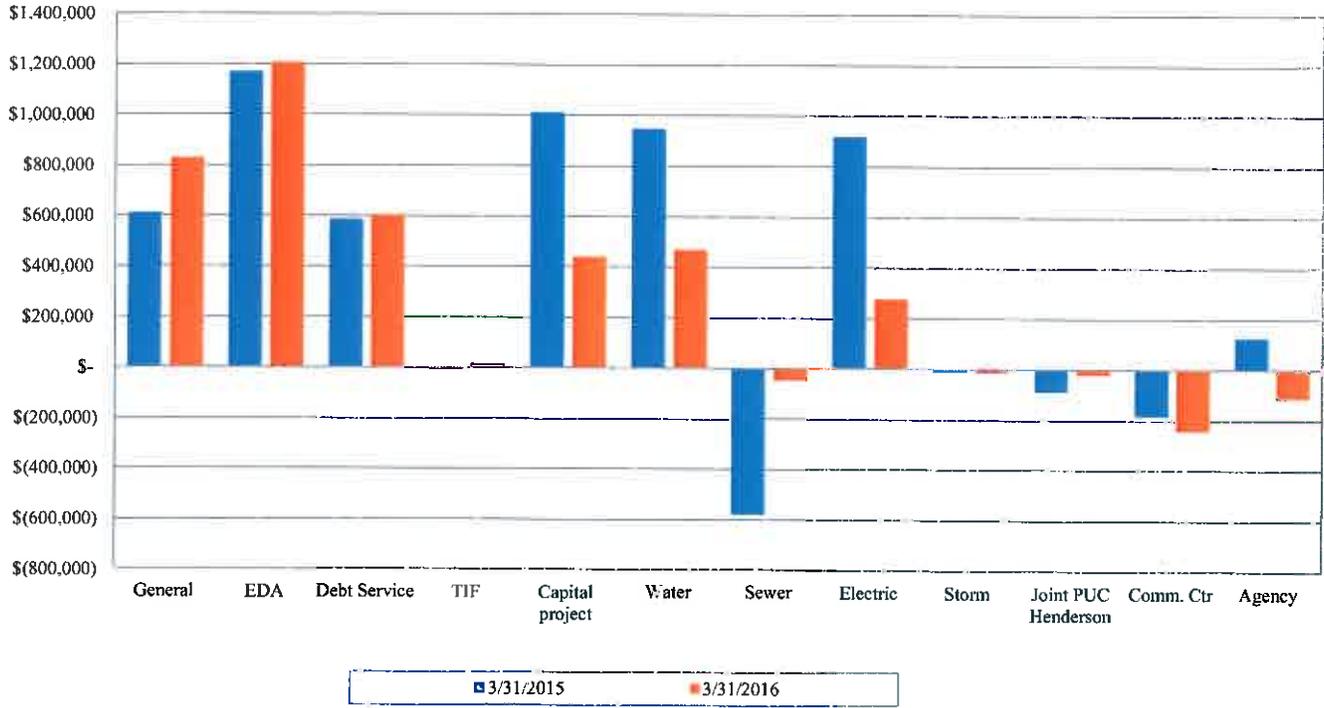
Item Explanation of changes greater than \$50,000.

- (1) Normal operating expenditures, however no revenue received from taxes or state grant dollars received through March 2016 causing a decrease in cash.
- (2) Bond payment of \$128,360.10 in March 2016. Offset by payments received from Johnson Controls.
- (3) Bond payment of \$214,342.21 in March 2016. Offset by payments received from medical facility.
- (4) Bond payment of \$96,250 occurred in March 2016.
- (5) Positive cash flow from increase in rates again in 2016.
- (6) Payment received from Henderson for Grant Revenue of \$92,256.
- (7) Repair and maintenance costs increased in 2016 and did not receive payment for Community Education services from school district until April.
- (8) Decrease in overall cash, see explanations above.

CITY OF LE SUEUR, MINNESOTA
 UNAUDITED CASH BALANCES BY FUND - CONTINUED
 MARCH 31, 2015, DECEMBER 31, 2015 AND MARCH 31, 2016

Attachment B

Cash Balance by Fund Compared to Prior Year



Fund		Key
↑ General	↓ Electric	↑↑ Varies more than 10% than prior year positively
↑ EDA	↓ Storm	↓ Balance decreased more than 10% over prior year
↑ Debt Service	↑ Joint PUC Henderson	↑ Balance within 10% of prior year
↑ TIF	↓ Comm. Ctr	
↓ Capital project	↓ Agency	
↓ Water		
↑ Sewer		



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Consider the First Reading of an Ordinance Opting Out of the Requirements of Minnesota Statutes, Section 462.3593
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED

Consider the first reading of an ordinance opting out of the requirements of Minnesota Statutes, Section 462.3593.

SUMMARY

New requirements signed into law this past May provide for transitional housing for seniors. For example, if a family wanted to keep a close eye on their grandmother while she recuperates from surgery, they could have grandma stay in a temporary family health care dwelling unit in the yard or driveway.

The law has a broader effect than that, however, with anyone who needs assistance with two or more "instrumental activities of daily life" for mental or physical reason eligible to be housed in this manner.

Local governments may opt out of this program if they determine that this type of expedited land use permitting for temporary dwellings is not well-suited to their community, or there is adequate access to health care facilities that offer rehabilitative services.

RECOMMENDATION

Staff recommends the Council approve the first reading of the ordinance opting out of the requirements of Minnesota Statutes 462.3593.

ORDINANCE NO. _____
CITY OF LE SUEUR, LE SUEUR COUNTY, MINNESOTA
AN ORDINANCE OPTING-OUT OF THE REQUIREMENTS OF
MINNESOTA STATUES, SECTION 462.3593

WHEREAS, on May 12, 2016, Governor Mark Dayton signed into law regulations pertaining to the creation and regulation of temporary family care dwellings, codified at Minn.Stat.§462.3593, which permit and regulate temporary family health care dwellings;

WHEREAS, subdivision 9 of Minn.Stat.§462.3953 allows cities to “opt out” of those regulations; and

THE CITY COUNCIL OF THE CITY OF LE SUEUR, LE SUEUR COUNTY, MINNESOTA, does hereby and herein ordain as follows:

That it is in the best interest of the City of Le Sueur that the City of Le Sueur opt out of Minn.Stat.§462.3593; and

SECTION 1: Pursuant to the authority granted by Minn.Stat.§462.3593, Subd.9, the City of Le Sueur herein opts out of the requirements of Minn.Stat.§462.3593, which defines and regulates Temporary Family Health Care Dwellings.

SECTION 2: This ordinance shall be effective immediately upon its passage and publication.

ADOPTED this _____ day of _____, 2016, by the City Council of the City of Le Sueur.

CITY OF LE SUEUR

By: _____

Mayor Robert Broeder

ATTEST:

Stacy Lawrence, City Clerk



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider the Second and Final Reading of an Ordinance Amending the City Charter that Eliminates the Ward System within the City

DATE: For the City Council Meeting of Monday July 11, 2016

PURPOSE/ACTION REQUESTED

Consider the second and final reading of an ordinance amending the City Charter that eliminates the ward system within the City.

SUMMARY

Subsequent to the appointment of the City's Charter Commission, the Commission members met five times in order to review the Charter and make a recommendation to the City Council for amendments.

The Council held the required public hearing at the June 27 meeting and approved the first reading.

As required by state law, the ordinance must be approved by a 4/5ths vote of its members. If it receives that 4/5ths support, it is submitted to the voters.

RECOMMENDATION

Staff recommends the City Council consider the second and final reading of the ordinance eliminating the ward system. If the ordinance is approved by a 4/5th's vote, staff will submit the ballot question to the County Auditor for inclusion on the ballot of the general election this November.

ORDINANCE NO. _____

BEING AN ORDINANCE SETTING FORTH AMENDMENTS TO THE CITY CHARTER

THE CITY COUNCIL OF LE SUEUR DOES ORDAIN:

The City's Charter is amended.

Section 1. The City Council of the City of Le Sueur does hereby ordain as follows:

SEC. 2.03 ELECTIVE OFFICERS.

The council shall be composed of six council members and a mayor, all of whom shall be qualified electors. The council members and mayor shall be elected at large. The council may by ordinance increase the number of council members. Each council member and the mayor shall serve for a period of four years and until their successor is elected and qualifies.

SEC. 2.05 VACANCIES IN THE COUNCIL.

A vacancy in the council shall be deemed to exist for any reason stated in State Statutes, and for continuous absence from the city for more than three months, or by reason of the failure of any council member without good cause to perform any of the duties of membership in the council for a period of three months. These provisions do not pertain to the provisions for recall as outlined in chapter 5 of this Charter. In each such case the council shall by resolution declare such vacancy to exist and shall forthwith appoint an eligible person to fill the same until the next regular municipal election, when the office shall be filled for the unexpired term.

SEC. 2.09 AT-LARGE ELECTIONS.

All Council Members and the Mayor shall be elected at-large. Candidates shall be elected by plurality-at-large vote. An individual casting a vote may only vote for a candidate once, and shall vote for as many candidates as there are council member seats up for election. The candidate receiving the most votes shall be elected to the first open seat. In the event there are more than one open seat, the candidates receiving the next most votes shall be elected to office and so on until all the seats are filled.

SEC. 5.15 FILING OF PETITION.

Within thirty (30) days after the filing of the original certificate, the committee shall file the completed petition in the office of the city clerk. The number of signers required shall be thirty per cent (30%) of the total number of electors qualified to vote for the office designated in the petition who cast their vote in the last preceding presidential year general election. The city clerk shall examine the petition within the next five (5) days and if the clerk finds it insufficient or irregular in any way, they shall so notify one or more members of the committee. The committee shall then be given ten days in which to file additional signature papers and to correct the petition in all other respects, but they may not change the statement of the grounds upon which the recall is sought. If at the end of that time the city clerk finds the petition still insufficient or irregular, the clerk shall notify all the members of the committee to that effect and shall file the petition in the clerk's office. No further action shall be taken thereon.

SECTION 2. This Ordinance becomes effective from and after its passage and ninety (90) days after its publication.

This Ordinance was passed by the City Council on the 11th day of July, 2016.

ATTEST: Robert Broeder, Mayor

Stacy Lawrence, Interim City Clerk



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Ron Sinell, Streets Superintendent
SUBJECT: Award 2016 Seal Coat Project
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED
Award 2016 Seal Coat Project.

SUMMARY

Three bids were received for the purpose of supplying CRS II sealcoat oil and applying sealcoating materials on city streets and parking lots.

Bids received were from:

1. Allied Blacktop, Co \$29,967.39
2. Caldwell Asphalt, Inc. \$30,721.40
3. Astech Corporation \$43,249.22.

2015 sealcoating costs were \$1.04 per square yard, this year's cost is \$1.013 per square yard.

Areas to be seal coated in this year's project are:

Slack Drive
Minnesota Avenue
Barlow's Knoll
Culps Hill
Little Round top
Big round Top
Plum Run
Coventry Road

Parking Lots
Fire Hall
Mayo Park
Dunn Lot (lower lot at city hall)

RECOMMENDATION

Staff recommends the bid for 2016 seal coating operations be awarded to the low bidder, Allied Blacktop Co. This is well within the \$45,000 budgeted for seal coating in 2016.



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Consider Temporarily Appointing the City Administrator to Alternate Position to MMPA Board
DATE: For the City Council meeting of Monday, July 11, 2016

PURPOSE/ACTION REQUESTED

Consider temporarily appointing the City Administrator to the Alternate position to the MMPA Board.

SUMMARY

Following the departure of Greg Drent, Public Services Director who was the alternate position appointed by the City to the MMPA Board, the City Council should appoint the City Administrator to the position until the position of Public Services Director is filled.

RECOMMENDATION

Staff recommends the Council approve the temporary appointment of the City Administrator to the alternate position representing the City to the MMPA Board.