6 – 8 p.m. BOARDS & COMMISSIONS ANNUAL MEETING – Treehouse (5757 Wayzata Blvd., SLP)

6:00 p.m. Check-in (*light food/refreshments provided*)
6:10 p.m. Welcome from Mayor Spano
6:15 p.m. Treehouse presentation
6:25 p.m. Performance by Wat Thai
6:50 p.m. Census update

| 7:00 p.m. | Environment & Sustainability Commission: Sustainable SLP |
| 7:05 p.m. | Human Rights Commission |
| 7:10 p.m. | Housing Authority |
| 7:15 p.m. | Community Technology Advisory Commission |
| 7:20 p.m. | Parks & Recreation Advisory Commission |
| 7:25 p.m. | Police Advisory Commission |
| 7:30 p.m. | Board of Zoning Appeals/Planning Commission |

8:00 p.m. Adjourn

CITY COUNCIL STUDY SESSION (*written reports only*)

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<th>Written reports</th>
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<td>1. January 2020 monthly financial report</td>
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<td>2. Application for tax increment financing assistance – Parkway Residences</td>
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<td>3. Annual review of city financial management policies</td>
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<td>4. 2020 Census</td>
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<td>5. Senior Community Services 2019 Annual Report</td>
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St. Louis Park
Boards & Commissions Annual Meeting
February 24, 2020  |  6 – 8 p.m.
Treehouse (5757 Wayzata Blvd., SLP)

6:00 p.m. Check-in (*light food/refreshments provided*)
6:10 p.m. Welcome from Mayor Spano
6:15 p.m. Treehouse presentation
6:25 p.m. Performance by Wat Thai
6:50 p.m. Census update

7:00-7:45 p.m. **B & C Presentations (5 minutes per commission)**
   Environment & Sustainability Commission: Sustainable SLP (7-7:05 p.m.)
   Human Rights Commission (7:05-7:10 p.m.)
   Housing Authority (7:10-7:15 p.m.)
   Community Technology Advisory Commission (7:15-7:20 p.m.)
   Parks & Recreation Advisory Commission (7:20-7:25 p.m.)
   Police Advisory Commission (7:25-7:30 p.m.)
   Board of Zoning Appeals/Planning Commission (7:30-7:40 p.m.)

8:00 p.m. Adjourn
2020 Annual Report

Board or Commission: Environment & Sustainability Commission

I. 2019 Goals and Key Initiatives: Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

ESC accomplishments, aligned by 2019 goals, include:

A. Goal: Advise city council & staff, increasing communication and encouraging possible opportunity areas.
   a. Began a regular (quarterly to start) written memo to council from the commission, sharing our opinions on current initiatives, questions or concerns we have, and suggestions for future consideration or action (August 2019)
   b. Advised and encouraged city council on the purchase of Windsource subscriptions for renewable energy for city operations
   c. Advised and encouraged City Council on the adoption of a Living Streets policy

B. Goal: Support business engagement with the Climate Action Plan, including getting the Climate Champions program up and running.
   a. Worked with the consultant on various materials and messaging (spring 2019)
   b. Began discussing ideas for launching the business track of the Climate Champions program with new sustainability staff (fall 2019)

C. Goal: Support resident engagement with the Climate Action Plan, including developing a Sustainability Champions program, hosting and attending events, and sharing resources.
   a. Hosted and helped plan the electric vehicle and tools event, in partnership with the American Lung Association, at the Rec Center (June 2019)
   b. Tabled at Ecotacular booth at Parktacular (June 2019)
   c. Attended National Night Out to engage residents on the city's CAP (August 2019)
   d. Hosted three Solar Power Hour events for residents at city hall, in partnership with the Midwest Renewable Energy Association and offered bulk buy pricing; eight solar contracts were signed in St. Louis Park (throughout 2019)
   e. Began discussing ideas for launching the residential track of the Climate Champions program with new sustainability staff (fall 2019)

D. Goal: Support tracking of the Climate Action Plan
   a. Advised consultant on CAP tracking tool for city staff (spring 2019)
II. **2020 Goals:** List your board/commission’s most important goals (up to 3) for 2020.

These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year to year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2020 that will help make progress toward that particular goal.

A. Advise City Council and staff on Climate Action Plan (CAP) and sustainability topics; foster regional collaboration to continue being a sustainability leader and more effectively meet CAP goals.
   a. Increase communication between Council and staff and the ESC on CAP and sustainability-related goals and efforts, serving as ambassadors and advisors of the work and supporting CAP progress.
   b. Work with external partners (commissions, etc.) sharing resources and looking for ways to collaborate to meet mutual goals.

B. Support non-residential engagement in the city’s CAP.
   a. Support Climate Champions program – business track, and engage with businesses, school district, etc.
   b. Support and track benchmarking program year two.

C. Support resident engagement in the city’s CAP.
   a. Support Climate Champions program – resident track.
   b. Support and track benchmarking program year two.
   c. Engage with residents by developing community resources to use at events, for door knocking, etc. (e.g., videos, ads, op-eds, radio, earned media); hosting and/or attending local events; sharing information about the city’s existing sustainability efforts; and engaging more stakeholders in this work by forming more community partnerships.
III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

We will strive to engage the greater community in our events and advocacy work, especially those who are not typically involved in sustainability efforts. We would like to form more community partnerships and involve more stakeholders in our workgroups, including underserved residents. Everyone is impacted by sustainability, and everyone should have a voice in the city’s initiatives.

We’d like to explore development opportunities in equity and outreach, opportunities to work with other St Louis Park commissions in this area, and additional outreach tactics and methods.

IV. Strategic Priorities: How is the commission’s work supporting the strategic priorities?

Priority: St. Louis Park is committed to continue to lead in environmental stewardship.

Supporting climate action plan strategies and goals through planning, education, resources, communication and implementation of programs and initiatives.

The ESC’s work supports the strategic priorities by supporting climate action plan strategies and goals through planning, education, resources, communication and implementation of programs and initiatives. Business/resident outreach is aimed at increasing awareness and participation in the Climate Action Plan among various audiences in the community. Advising city council/staff will ensure the ESC is knowledgeable on existing sustainability efforts and identify possible opportunity areas.
2020 Annual Report

Board or Commission: Human Rights Commission

I. 2019 Goals and Key Initiatives: Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

- Host HRC Retreat: HRC hosted a retreat that enable itself to further dig into the work that it will do in the future. The priorities for the future were established throughout the retreat.
- Develop a new mission and purpose statement: The HRC has developed a new mission and purpose statement over the 2019 year. Mission Statement: The mission of the Human Rights Commission is to support community and St. Louis Park’s strategic priority of racial equity and inclusion. Vision Statement: We believe that a just and inclusive community is achievable in St. Louis Park.
- Host events and other forums: We did not host any public events or forums. We have move that to 2020 work plan. We will be hosting our first event Thursday February 27th. The event will focus on racial equity and building partnerships.

II. 2020 Goals: List your board/commission’s most important goals (up to 3) for 2020. These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year-to-year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2020 that will help make progress toward that particular goal.

a. Goal 1 – Host forums to engage community and to hear feedback on what people want to see from HRC.
   - Initiative 1 – Host series of events to discuss new mission statement goals and how it might align with other’s work. Provide beneficial content to the community at large.
   - Initiative 2 – Be responsive to community needs by listening and helping support the work of others already doing the work.

b. Goal 2 – Build new partnerships
   - Initiative 1 – be collaborative and dynamic in our interaction with community and other organizations/groups.
   - Initiative 2 – create partnerships that are mutually beneficial.
2020 Annual Report

Board or Commission: Human Rights Commission

c. Goal 3 – Aid in outreach efforts around the Census and Voting in SLP.
   • Initiative 1 – discuss the Census at various events. Help complete count committee table at events. And provide overall general promotion of the Census.
   • Initiative 2 – discuss the importance of voting and the census and try to help reduce barriers of participating in both of those.

III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

The new mission statement of HRC is to support community and St. Louis Park’s strategic priority of racial equity and inclusion. Therefore, HRC sees incorporating racial equity as fundamental to HRC’s current and future work. With this new reframing the intention is to build partnerships that enable HRC to easily support racial equity in its own actions and support it indirectly via support of others working towards it.

IV. Strategic Priorities: How is the commission’s work supporting the strategic priorities?

The HRC’s work can impact most if not all of the strategic priorities in some way. The ability to advocate for justice and racial equity in all cities plans and policies will have a permeating effect. To be more concrete we see the HRC most immediate work will have the greatest impact on building social capital and uplifting racial equity.
I. **2019 Goals and Key Initiatives:** Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

a. Oversee the administration of the Housing Authority’s core federally funded rental assistance programs including review and approval of program policies, ensuring sound fiscal policies and funding administration, approve the submission of competitive grant applications to secure new and renewal funding and review and approve the 5-year Agency Plan and the capital improvement plan for the Public Housing properties.

i. The HA oversaw the fiscal and administrative integrity of HUD’s federally funded rental assistance programs ensuring maximum utilization and administration at a level to maintain HUD’s High Performer Standard in both the Public Housing and Housing Choice Voucher (HCV) programs. Staff implemented two new rent HCV rental assistance programs, Mainstream for non-elderly disabled individuals and Family Unification Program in partnership with Hennepin County child protection services. The HA also transitioned 32 tenants at Lou Park from project-based vouchers to tenant-based vouchers with minimal impact to the residents. Going forward, these vouchers will be administered by the HA. Combined, these programs provide rental assistance to approximately 500 low-income households in the community.

ii. The HA had a clean financial audit with no findings for FYE 2018.

iii. The HA continued to support staff’s submission of competitive grants applications for HUD renewal funds to ensure continuation of the Family Self-Sufficiency Program and the Resident Service Coordinator at Hamilton House and the application and subsequent award of 32 new tenant-based vouchers for Lou Park. An application was also submitted for an additional 25 Family Unification Vouchers; award decision is still pending.

iv. The HA Board held and presided over the annual HA agency plan public hearing, received and reviewed comments from the tenant advisory committee, reviewed and approved the HA’s capital improvement plans and annual budget for the public housing properties owned and managed by the HA.

v. The HA Board continued to support HA partnerships to create and administer rental assistance opportunities with Hennepin County, Wayside, Vail Place, STEP and the SLP School District and to continue to seek future opportunities to partner.
2020 Annual Report

Board or Commission: Housing Authority

b. Oversee the administration of programs that support/promote a well maintained housing stock through the use of the city’s housing rehab programs including the Move-Up-In-The-Park programs, the Discount Loan Programs, the Emergency Rehab Grants and the HIA designation. Continue to explore opportunities to address unmet housing rehab needs.
   i. The board reviewed and provided input to staff on the proposed annual allocation of the CDBG funds, proposed modifications to existing housing programs, and reviewed and approved initial and renewal contracts related to the administration of various housing programs.

c. Explore/support/provide input on strategies to promote the creation and preservation of affordable rental and homeownership options for low and moderate income households in the community including both new construction and preservation of existing naturally occurring affordable housing.
   i. The board reviewed and provided input to staff and council on new housing initiatives and programs to create and preserve affordable housing including the 4d program, multi-housing rehab loan program, and the Legacy program.
   ii. The board reviewed and provided input on the proposed Housing and Land Use Goals and Strategies of the 2040 Comprehensive Plan.

II. 2020 Goals: List your board/commission’s most important goals (up to 3) for 2020.

These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year-to-year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2020 that will help make progress toward that goal.

a. Oversee the administration of the Housing Authority’s core federally funded rental assistance programs including review and approval of program policies, ensuring sound fiscal policies and funding administration, approving the submission of competitive grant applications to secure new and renewal funding and review and approval of the 5-year capital improvement plan for the Public Housing properties.
   i. Oversee the fiscal and administrative integrity of HUD’s federally funded rental assistance programs ensuring maximize utilization and administration at a level to maintain HUD’s High Performer Standard.
   ii. Apply for additional subsidies/grants to support additional affordable units.
2020 Annual Report

Board or Commission: Housing Authority

b. Support and provide input on staffs continued exploration of strategies to promote the creation and preservation of affordable rental and homeownership options for low-and moderate-income households in the community including both new construction and preservation of existing naturally occurring affordable housing.
   i. Staff will continue to explore and develop programs together with regional partners and housing industry groups to preserve NOAH and to explore the creation of affordable housing opportunities that will be reviewed with the HA board for their input. Staff will continue to convene the Regional NOAH preservation workgroup facilitated by Urban Land Institute (ULI) with representatives from the county, state and regional municipalities and affordable housing industry groups and advocates. The HA Board will review proposed initiatives and provide input to staff and the council.

c. Oversee the administration of programs that support/promote a well-maintained housing stock using the city’s housing rehab programs including the Move-Up-In-The-Park programs, the Discount Loan Programs, the Emergency Rehab Grants and the HIA designation. Continue to explore opportunities to address unmet housing rehab needs.
   i. Continue to oversee administrative contracts and provide review and input on the city’s housing rehab and design programs. Evaluate programs annually to ensure they continue to meet the needs of the community and continue to identify and explore new initiatives to meet unmet needs.

III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

The HA will administer the core housing programs in conformity with the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining programs or proposed programs with a racial equity and inclusion lens, identifying any impediments to fair housing choice within those program. The Board will attend racial equity and inclusion training provided by the city.

In 2019, staff drafted a local Fair Housing Policy that was adopted by council. Staff will be coordinating with regional partners to develop a fair housing training program for city staff and policy makers.
IV. **Strategic Priorities:** How is the commission’s work supporting the strategic priorities?

The work of the HA board and staff supports several of the city’s strategic priorities, but most directly supports the following strategic priority.

*St. Louis Park is committed to providing a broad range of housing and neighborhood-oriented development.*

- Providing more diverse and creative housing choices to meet the needs of current and future residents while preserving existing affordable housing.
- Fostering and facilitating reinvestment and redevelopment of neighborhood-oriented businesses and services.
- Conducting research to further understand what people want and need access to in the community, i.e., food, services, housing options, business opportunities, gathering spaces.
2020 Annual Report

Board or Commission: Community Technology Advisory Commission

I. 2019 Goals and Key Initiatives: Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

- Commission members participated in facilitated work sessions to consider the mission and goals of the commission.
- Based on the work sessions and subsequent meetings with staff and with city council, the mission and goals of the commission changed, as did the name. This required changes to the commission bylaws and ordinance.
- Contact with local schools resulted in recruitment of a new youth member to the commission.

II. 2020 Goals: List your board/commission’s most important goals (up to 3) for 2020.

These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year-to-year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2020 that will help make progress toward that particular goal.

a. Host a smart cities workshop.
   - Work with city staff to shape the direction of the workshop
   - Use the resulting information to direct the 2020 work of the commission

b. Attract new members who are interested in the mission and goals of the commission and can help move initiatives forward.
   - Target interested residents and invite them to apply.

III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

- Participate in training with the city’s race equity manager to understand more about the city’s race equity initiatives.
- Consider race equity and inclusion when recruiting new members so that the commission is reflective of the community.
- Actively seek to understand how smart cities technologies can help address race equity and inclusion issues.
IV. Strategic Priorities: How is the commission’s work supporting the strategic priorities?

The commission will be using the strategic priorities as framework for its smart cities workshop and any subsequent work. This will ensure the focus is on projects or initiatives that advance the strategic priorities.
2020 Annual Report

Board or Commission: Parks & Recreation Advisory Commission

I. 2019 Goals and Key Initiatives: Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

a. Review and recommend policy for use of the new pickleball courts. The Commission met with a representative from Southwest Metro Pickleball Association to obtain information on the sport and assist in the creation of a policy for pickleball.

b. Inform Youth Associations and other community groups who present to PRAC that one of the city’s five strategic initiatives has to do with Racial Equity and Inclusion & encourage them to make it a priority. Youth Associations and community groups were invited to provide updates to the Commission on their successes and opportunities.

c. Review and recommend changes to the by-laws. The Commission reviewed the by-laws and approved as is.

II. 2020 Goals: List your board/commission’s most important goals (up to 3) for 2020. These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year-to-year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2020 that will help make progress toward that particular goal.

a. Goal 1: Westwood Hills Nature Center grand opening and ribbon cutting
   - Initiative 1: Assist with planning and marketing.
   - Initiative 2: Assist at the event.

b. Goal 2: Review Historical Society’s Master Plan
   - Initiative 1: Invite Historical Society to a meeting present their master plan.
   - Initiative 2: Review and provide feedback on next steps.

c. Goal 3: Review Access to Fun (Scholarship program) guidelines.
   - Initiative 1: Review program and guidelines.
   - Initiative 2: Evaluate first year of program and suggest changes to staff.
III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

- Review Capital Improvement Projects and programs with a race and equity lens.
- Invite Race and Equity coordinator to meet with Commission to discuss opportunities as they arise.
- Review and recommend changes to the scholarship guidelines used for those that cannot afford it.

IV. Strategic Priorities: How is the commission’s work supporting the strategic priorities?

The Parks and Recreation Advisory Commission places a great emphasis on environmental stewardship. They discussed the possibility of purchasing electric blowers and chainsaws for the maintenance crew. They were also involved in talking through the options for the new Westwood Hills Nature Center that would work towards the council’s goal of achieving Zero Energy. PRAC also leads the annual Minnehaha Creek clean up event where several truckloads of garbage are removed from the creek annually.

The Parks and Recreation Advisory Commission meets with the youth associations and other community groups to encourage participation and encourages them to find ways to break down barriers. They have been committed to creating opportunities to build social capital through community engagement for many years before it became a strategic priority.
I. **2019 Goals and Key Initiatives:** Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

a. Provided input into the St. Louis Park Police Department Body-worn Camera policy. Police Department has been keeping PAC informed on the implementation process throughout 2019.

b. Hosted the second annual SLP Trail 5k Run/Walk on April 28th, 2019. Fundraising for Perspectives Inc. Furnishing Hope program and Park Flyers Track and Field. Approximately 100 individuals registered to participate in the 5K and Race a Cop. We raised approximately $2,000; the funds were divided equally and donated to Perspectives Inc. Furnishing Hope Program and Park Flyers Track and Field.

c. Assisted in fundraising and staffing for the 12th annual Crime Prevention Golf Tournament that raised $4,000.

d. Provided recommendations to Lt. Garland to send to City Council in January 2020 regarding the Crime/Drug Free Housing Ordinance.

II. **2020 Goals:** List your board/commission’s most important goals (up to 3) for 2020. These goals should be statements that reflect the board/commission’s highest priorities, which may or may not change from year-to-year. For each goal, list 1-2 key initiatives or activities that the Board/Commission will be working on in 2018 that will help make progress toward that goal.

a. Increase our efforts in Community Outreach: Host Public Forums
   
   I. Review Initial Report from Police Department of Body Worn Cameras
   
   II. TBD

b. Conduct fundraising
   
   i. Host 3rd Annual SLP Trail 5k Run/Walk on April 26, 2020. Fundraising for Perspectives Inc. Furnishing Hope Program and MN Flyers Track and Field.
   
   ii. Assist with golf fundraiser if held
2020 Annual Report

Board or Commission: Police Advisory Commission

c. Partner with City Council on collecting race data on police/citizen contacts.
d. Review department statistics about calls, stops & arrests at every PAC meeting.
e. Learn about Police Department Strategic 3-year plan

III. Race Equity and Inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

a. Engage all parts of the St. Louis Park community, specifically those who may not be personally represented on the commission by hosting public forums on policing topics.
b. Partner with City Council on collecting race data on police/citizen contacts

IV. Strategic Priorities: How is the commission’s work supporting the strategic priorities?

a. The Police Advisory Commission is committed to be a leader in racial equity and inclusion by hosting public forums and participating in community events. By doing so we are encouraging all community members to share their questions, comments and concerns on policing matters. Through reviewing crime statistics; opportunities for improvement may arise to make the city a more safe, comfortable and reliable area.
b. Our input into the Crime Free/Drug Free Housing ordinance supported the Housing and neighborhood-oriented development priority
2020 Annual Report

Board or Commission: Board of Zoning Appeals

I. 2019 Goals and Key Initiatives: The Board of Zoning Appeals (BOZA) is charged with the responsibility of responding to requests from property owners for:

• Variances to the regulations of the zoning ordinance.
• Appeals from any order, decision, or interpretation of the text of the zoning ordinance made by staff.

The BOZA may also act in an advisory capacity on matters referred to it by the city council.

II. 2020 Goals:

Ensure equal application of the judicial process to all cases, which are fairly decided based upon legally relevant factors.

• Commissioners will make every effort to attend each meeting to ensure equal review and application of the process and law for each case.
• Commissioners will familiarize themselves with the city code and the materials delivered to the BOZA in advance of the hearing.

Insure that BOZA procedures and structure best facilitate the expeditious and fair resolution to disputes.

• Commissioners will make every effort to attend each meeting to ensure there is a quorum.
• Prior to the hearing, information pertinent to the application will be made available to the BOZA, applicant, and any others interested in the application. The BOZA will make every effort to deliver the requested information by whatever means needed or preferred by the requestor.

Be sensitive and responsive to the needs of a diverse community.

• The BOZA will make every effort to ensure the services offered by the BOZA are communicated to all residents of the community.
• The BOZA will make every effort to communicate hearing notices to all residents of the community, and make reasonable accommodations at the hearing so everyone can attend.
III. **Race Equity and Inclusion**: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified above?

- Encourage people to be engaged in community decisions.
- Identify diverse individuals to apply to serve on the BOZA when vacancies occur.

IV. **Strategic Priorities**: How is the commission’s work supporting the strategic priorities?

- Receiving input from neighbors or others impacted by applications is important for the BOZA. The BOZA also acknowledges that not all persons are comfortable speaking in a public forum, especially when it is in opposition to a neighbor’s application. Therefore, the BOZA welcomes many forms of communication including speaking before the BOZA, submitting written communication with or without the author present at the meeting, or accepting a proxy authorized to speak for them.

- The BOZA conducts hearings in a manner that is respectful to all in attendance. This includes managing the process and dialogue with neighbors that may be in opposition over a particular application with the goal that they will be able to continue to live as neighbors and friends, or at least with respect for one another after the process is completed.
I. 2019 goals and key initiatives: Provide a progress report on your 2019 goals and list the most significant activities undertaken in 2019.

Key duties:

- Review development projects, and planning studies and zoning amendments.
- Hold public hearings and make recommendations to the city council.

2019 activities: The commission reviewed 22 applications in 2019, including:

- Development review of Bridgewater Bank Headquarters, PLACE Via Luna, Parkway Residences, Benilde-St. Margaret’s, and Holy Family Academy.
- Rezoned over 70 properties to be consistent with the St. Louis Park 2040 comprehensive plan future land use map.
- Reviewed zoning code amendments related to the mixed-use zoning district, C-1 retail and service size requirements, small cell wireless ordinance, home occupations, accessory dwelling units, ground floor window transparency, inclusionary housing, and parking in Historic Walker Lake.
- Reviewed planning studies for the Historic Walker Lake, Texa-Tonka and former Sam’s Club areas.

II. 2020 goals:

Review development applications: Hold study sessions and hearings in order to make informed recommendations to city council.

Long range planning activities: Review and provide input on several studies.

- Texa-Tonka small area plan
- Food access study

Zoning code studies:

- Accessory dwelling unit ordinance
- Historic Walker Lake zoning district
- Transit Oriented Development zoning district
2020 Annual Report

Board or Commission: Planning Commission

- Home occupations ordinance
- Single-family building scale study
- Architectural materials requirements and adopt ordinance revisions

III. Race equity and inclusion: How may you continue to incorporate or promote race equity and inclusion in the key initiatives/activities identified in above?

- Participate in racial equity and inclusion training.
- Identify strategies to broaden participation and reduce barriers to public participation. Review notification methods, online opportunities to submit input, and consider when providing translation services, transportation or childcare may be warranted.

IV. Strategic priorities: How is the commission’s work supporting the strategic priorities?

Much of planning commission’s work deals with development and the built environment. The commission primarily promotes strategic priority #3: St. Louis Park is committed to providing a broad range of housing and neighborhood-oriented development. Through review of development projects and city policies our work also supports strategic priorities #1: St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all; and #5: St. Louis Park is committed to creating opportunities to build social capital through community engagement.
Executive summary

Title: January 2020 monthly financial report

Recommended action: No action required at this time.

Policy consideration: Monthly financial reports are part of our financial management policies.

Summary: The monthly financial report provides an overview of general fund revenues and departmental expenditures and a comparison of budget to actual throughout the year. A budget to actual summary for the four utility funds is also included with this report.

Financial or budget considerations: Expenditures should generally be at approximately 8% of the annual budget at the end of January. General fund expenditures were at 7% of the adopted annual budget.

Strategic priority consideration: Not applicable.

Supporting documents: Summary of revenues and expenditures – general fund
Budget to actual – enterprise funds

Prepared by: Darla Monson, accountant
Reviewed by: Tim Simon, chief financial officer
Approved by: Tom Harmening, city manager
**Summary of Revenues & Expenditures - General Fund**

As of January 31, 2020

<table>
<thead>
<tr>
<th>2018 Budget</th>
<th>2018 Audited</th>
<th>2019 Budget</th>
<th>2019 Unaudited</th>
<th>2020 Budget</th>
<th>2020 YTD Jan</th>
<th>2020 Balance</th>
<th>YTD Budget to Actual %</th>
</tr>
</thead>
</table>

**General Fund Revenues:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Budget 2018</th>
<th>Audited 2018</th>
<th>Unaudited 2019</th>
<th>Budget 2020</th>
<th>YTD Jan 2020</th>
<th>Remaining 2020</th>
<th>Actual %</th>
</tr>
</thead>
</table>

**General Property Taxes:**

|                | 25,705,886  | 26,597,928   | 26,880,004      | 26,983,990   | 28,393,728   | 0.00%          |

**Licenses and Permits:**

|                | 3,924,648   | 4,001,644    | 4,103,424       | 5,515,346    | 4,660,811    | 4,077,771      | 0.0%       |

**Fines & Forfeits:**

|                | 269,200     | 282,146      | 279,700         | 265,509      | 280,000      | 279,475        | 0.0%       |

**Intergovernmental:**

|                | 1,864,877   | 2,006,435    | 1,760,900       | 1,672,651    | 1,760,082    | 1,755,961      | 0.0%       |

**Charges for Services:**

|                | 2,162,410   | 2,180,589    | 2,187,319       | 2,081,341    | 2,273,924    | 2,127,093      | 0.0%       |

**Rents & Other Miscellaneous:**

|                | 1,318,037   | 1,427,744    | 1,367,012       | 1,498,583    | 1,566,102    | 1,212,934      | 0.0%       |

**Transfers In:**

|                | 1,929,090   | 1,929,076    | 1,999,877       | 1,949,877    | 2,038,338    | 1,873,143      | 0.0%       |

**Investment Earnings:**

|                | 160,000     | 200,000      | 180,000         | 200,869      | 210,000      | 0.0%           |

**Other Income:**

|                | 40,950      | 35,802       | 31,300          | 46,919       | 621,280      | 0.0%           |

**Use of Fund Balance:**

|                | 523,835     | 298,156      | 224,466         | 0.0%         |

**General Fund Revenues:**

|                | 38,712,858  | 40,438,650   | 41,694,165      | 40,634,712   | 2.54%        |

**General Fund Expenditures:**

- **General Government:**
  - Administration: 1,341,606
  - Finance: 978,752
  - Assessing: 759,865
  - Human Resources: 796,666
  - Community Development: 1,479,911
  - Facilities Maintenance: 1,162,342
  - Information Resources: 1,589,432
  - Communications & Marketing: 755,940
  - Community Outreach: 27,637

**Total General Government:** 8,900,758

- **Public Safety:**
  - Police: 9,930,681
  - Fire Protection: 4,657,973
  - Building: 2,544,762

**Total Public Safety:** 17,133,416

- **Operations:**
  - Public Works Administration: 230,753
  - Public Works Operations: 3,091,857
  - Vehicle Maintenance: 1,253,367
  - Engineering: 526,834

**Total Operations:** 5,101,811

- **Parks and Recreation:**
  - Organized Recreation: 1,582,490
  - Recreation Center: 1,860,755
  - Park Maintenance: 1,830,530
  - Westwood Nature Center: 622,346
  - Natural Resources: 559,662

**Total Parks and Recreation:** 6,455,783

- **Other Depts and Non-Departmental:**
  - Racial Equity and Inclusion: -
  - Sustainability: 26,283
  - Transfers Out: 1,040,000

**Total Other Depts and Non-Departmental:** 315,772

**Total General Fund Expenditures:** 38,248,388

*Primarily related to E911 expenditures from restricted fund balance.*
## Budget to Actual - Enterprise Funds
### As of January 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Water</th>
<th>Sewer</th>
<th>Solid Waste</th>
<th>Storm Water</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Jan Year To Date</td>
<td>Budget Variance</td>
<td>% of Budget</td>
</tr>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges</td>
<td>$7,472,931</td>
<td>$244,698</td>
<td>$7,228,233</td>
<td>3.27%</td>
</tr>
<tr>
<td>Other</td>
<td>533,242</td>
<td>6,835</td>
<td>526,407</td>
<td>1.28%</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>8,006,173</td>
<td>251,533</td>
<td>7,754,640</td>
<td>3.14%</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td>1,521,345</td>
<td>127,864</td>
<td>1,393,481</td>
<td>8.40%</td>
</tr>
<tr>
<td>Supplies &amp; non-capital</td>
<td>268,300</td>
<td>5,780</td>
<td>262,520</td>
<td>2.15%</td>
</tr>
<tr>
<td>Services &amp; other charges</td>
<td>2,073,702</td>
<td>41,009</td>
<td>2,032,693</td>
<td>1.98%</td>
</tr>
<tr>
<td>Depreciation *</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>3,863,347</td>
<td>174,653</td>
<td>3,688,694</td>
<td>4.52%</td>
</tr>
<tr>
<td><strong>Operating income (loss):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,142,826</td>
<td>76,880</td>
<td>4,065,946</td>
<td>4.52%</td>
<td></td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>7,450</td>
<td>7,450</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Debt issuance costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense/bank charges</td>
<td>(412,950)</td>
<td>(203,835)</td>
<td>(209,115)</td>
<td>49.36%</td>
</tr>
<tr>
<td>Total nonoperating rev (exp)</td>
<td>(405,500)</td>
<td>(203,835)</td>
<td>(201,665)</td>
<td>50.27%</td>
</tr>
<tr>
<td><strong>Income (loss) before transfers:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,737,326</td>
<td>126,955</td>
<td>3,864,281</td>
<td>-3.40%</td>
<td></td>
</tr>
<tr>
<td><strong>Transfers in:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>638,635</td>
<td>(53,220)</td>
<td>(585,415)</td>
<td>8.33%</td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,098,691</td>
<td>(180,175)</td>
<td>3,278,866</td>
<td>-5.81%</td>
<td></td>
</tr>
<tr>
<td>Items reclassified to bal sht at year end:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>(2,649,356)</td>
<td>(2,649,356)</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues over/(under) expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>449,335</td>
<td>(180,175)</td>
<td>629,510</td>
<td>76,336</td>
<td>(615,199)</td>
</tr>
</tbody>
</table>

*Depreciation is recorded at end of year (non-cash item).
Executive summary

Title: Application for tax increment financing assistance – Parkway Residences

Recommended action: This staff report outlines Sela Investment’s application for tax increment financing (TIF) in connection with its proposed Parkway Residences project. Staff would appreciate input on the policy questions noted below.

Policy consideration: Does the EDA continue to support Sela Investment’s Parkway Residences project proposed along 31st Street West? Is the EDA willing to consider entering into a redevelopment contract to reimburse the Developer for up to $3.35 million in qualified costs through tax increment financing generated by a portion of Phase I to enable the project to achieve financial feasibility?

Summary: St. Louis Park-based Sela Investments (“Developer”) is proposing a new development called Parkway Residences in the Triangle neighborhood along 31st Street West near Glenhurst Avenue South immediately adjacent to its’ recently completed Parkway 25 project. The proposed redevelopment entails the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The project also includes the rehabilitation of three existing apartment buildings that contain 24 units for a project total of 235 residential units. Of these units, 24 are designated as naturally occurring affordable housing (NOAH) units which would be affordable to households at or below 50% Area Median Income (AMI), and 6 units would be affordable to households at or below 60% AMI.

Financial or budget considerations: The total development cost of the three-phase Parkway Residences is approximately $92 million. However, due to there being considerable extraordinary costs associated with preparing the 3-acre project site, the Developer applied to the EDA for tax increment financing (TIF) assistance. These costs are estimated to exceed $8.8 million and preclude the project from becoming financially feasible. Ehlers, the EDA’s financial consultant, reviewed the project’s pro forma (including sources and uses, revenue and cost projections and 15-year operating budget) to determine the appropriate level of assistance the project would require to achieve a market rate of return. After review, Ehlers determined that approximately $3.35 million in TIF assistance is warranted to enable the project to proceed. Such assistance would be provided via one or more pay-as-you-go TIF Notes. Given current estimates of market value, it is projected that the project’s TIF Note(s) would be paid off in approximately 15 years (on a net present value basis).

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, EDA executive director and city manager
**Discussion**

**Background:** The proposed Parkway Residences project includes 15 properties currently consisting of single-family homes and an assortment of smaller apartment buildings along both sides of 31st Street West between Inglewood Avenue South and Glenhurst Avenue South in the Triangle Neighborhood. The buildings range in age from 41 to 113 years old with all but one of the buildings at least 50 years old. Consulting firm LHB has determined that the buildings proposed for removal are structurally obsolete and all but one display noticeable material blight (see TIF District section in this report). The total redevelopment project area is approximately 2.5 acres and is underutilized from a market value perspective given the new multi-story buildings to the north and its half-mile proximity to two planned light rail stations.

**Site information:**

**Site area (acres):**
2.5 acres

**Current use:** Commercial, single-family, duplex, and multi-family residential uses

**Surrounding land uses:**
- North: Multi-family residential and right-of-way
- East: Multi-family residential
- South: Multi-family residential
- West: single-family and multi-family residential uses

**Neighborhood:** Triangle

**Proposed Project:** Sela Investment’s proposed redevelopment would be constructed immediately adjacent to its Parkway 25 project (a 112-unit, mixed-use development with 12,000 square feet of commercial) completed in 2018. The proposed Parkway Residences would entail the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The Developer also plans to rehabilitate three existing apartment buildings along 31st Street that contain 24 units for a total of 235 new or renovated residential units. The redevelopment plan segments the project into four building
sites to be built in phases: west campus, north campus, southwest campus and southeast campus plus the three apartment buildings to be rehabbed. The development properties are not all contiguous, thus the project will be built amongst other existing buildings. The four building sites are described below.

**Site 1** (the north campus— see map below) is toward the center of the site and includes six existing residential buildings north of 31st Street West. The homes will be replaced with a 4-story, 95-unit apartment building called “Parkway Place” with two-levels of underground parking. This apartment building is expected to be the first phase of the project. The total area of this building is 163,000 square feet.

**Site 2** (the southeast campus – see map below) consists of two single-family homes that will be redeveloped as a 6-unit townhome. The townhome will be developed with affordable units as part of the city’s inclusionary housing policy requirement to provide replacement housing for the naturally occurring affordable housing (NOAH) existing in the project area that will be removed as part of the project. It is 7,500 square feet in size.

**Site 3** (the southwest campus – see map below) is at the corner of Inglewood Avenue South and 31st Street West. It includes the removal of three existing single-family homes for the construction of a 4-story, 37-unit apartment building with one level of underground parking. The southwest campus is proposed to be a later phase of the project.

**Site 4** (the west campus – see map below) includes an existing strip center at the southeast corner of Inglewood Avenue South and County Road 25 that will be replaced with an 11-story apartment building. The building will consist of eight-floors of residential units (73 units) with parking and lobby space in the first two floors and the top floor dedicated to amenity space. There is one-level of underground parking.

The three apartment buildings to be renovated lie on the south side of 31st Street West (Buildings 5a, 5b, and 5c in the map below). The apartments include a total of 24 units of which 22 are considered naturally occurring affordable housing (NOAH) and will remain as NOAH designated housing units.
Sela plans to start construction on Building 1 (the 4-story, 95-unit apartment building), Building 2 (the 6-unit townhome), and the renovations of Buildings 5a, 5b, and 5c (the three existing apartment buildings) in the spring of 2020. Construction on Building 3 is planned to commence in the summer of 2021 with construction on Building 4 expected to commence in fall of 2023. Thus, the proposed redevelopment is split between three phases and anticipated to be completed over 5 years as shown in the following table.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Development</th>
<th>Total Units</th>
<th>Commence (approx.)</th>
<th>Complete (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Construction of a 95-unit market rate apt. bldg., 6-unit affordable apartment, and rehabilitation of 24 NOAH units</td>
<td>125</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>II</td>
<td>Construction of a 37-unit market rate apt. bldg.</td>
<td>37</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>III</td>
<td>Construction of a 73-unit market rate apt. bldg.</td>
<td>73</td>
<td>2023</td>
<td>2024</td>
</tr>
</tbody>
</table>
It is expected that market demand will support the proposed project given the success of the adjacent Parkway 25, its proximity to the Lake Street area in Minneapolis and that it will be less than a-half mile from the planned Southwest Light Rail (SWLRT) W Lake Street Station and a half mile from the planned SWLRT Beltline Blvd Station.

**Affordable Housing:** As indicated above, Buildings 5a, 5b, and 5c are existing NOAH buildings that will be rehabilitated by the Developer. These three buildings contain a total of 24 one and two-bedroom units and will be designated to remain affordable to households at 50% AMI by a 25-year covenant. During the rehabilitations, the Developer has committed to assist the current NOAH residents relocate to comparably priced housing of equal or better quality and will provide a financial contribution to those residents to offset their moving and transition costs. Additionally, Building 2 (the new 6-unit townhome) will be designated affordable for households at 60% AMI by a 25-year covenant.

The developer is proposing to comply with the city’s Inclusionary Housing Policy by providing 24 units at 50 percent AMI located in the rehabbed buildings and 6 units at 60% AMI in the new 6-unit building located at Site 2, for a total of 30 affordable housing units. The affordable unit mix would be proportionate to the new unit mix in sizes and number of bedrooms.

**Green Building Compliance:** The new buildings will adhere to the city’s Green Building Policy and will be designed to Green Communities criteria. Notably, Building 2 (the six-unit affordable housing building) will be designed as a Demonstration Building showcasing how affordable housing and environmental sustainability can be combined. Some of the “green” attributes of this building include:

- A net zero energy performance design, with the goal being that the building is neutral in energy consumption,
- High performance insulation, and windows,
- Energy efficient lighting and mechanical systems,
- Solar panels on the roof supplying energy to the building.

Other sustainable features in Buildings 1, 3 and 4 include:

- Solar panels on the roof of Building 1 and solar ready roofs on Buildings 3 and 4,
- White Roofs (to curb the urban heat island effect) and partial Green Roofs,
- Insulated underground parking structures,
- Majority of interior parking spaces will have EV charging outlets,
- LED lighting.

Additionally, the development incorporates a surface water management plan that utilizes a campus wide water infiltration system that will reduce stormwater runoff from both the project as well as 30% - 40% of stormwater received from neighboring properties.

Lastly, the development is located half a mile from both the Beltline LRT Station and West Lake Street LRT Station and has frequent bus service via Metro Transit’s #17 Route. This frequent transit service reduces the need for single-occupancy vehicles and vehicle miles traveled to reduce vehicle emissions.
Additional Community Design Attributes: Additional urban design elements that enhance the neighborhood include:

- Buildings appropriately scaled to blend into the existing neighborhood and feature underground vs surface parking,
- Extensive landscaping and hardscaping,
- A new mid-block sidewalk with pedestrian amenities including benches, shade trees and lighting,
- Extensive bike parking, bike storage and repair stations--including bike facilities that serve the community,
- Pedestrian-scaled and designed to encourage community interactions at the street level,
- A variety of quality, exterior building materials, large windows and artful lighting.

Job Retention and Creation: Sela expects to create approximately 5 to 7 full-time equivalent (FTE) positions upon completion of all phases of the proposed project.

The Developer: Sela Group, LLC is a St. Louis Park-based real estate ownership and property management company. It currently owns and manages approximately 1,500 apartment units in the Twin Cities area many of which are in St. Louis Park. The company recently completed the adjacent Parkway 25 luxury mixed use project which is 100% leased. Sela plans to retain the same design and engineering team that worked on Parkway 25 to work on the Parkway Residences. That design team has completed several comparable projects in St. Louis Park including The Shoreham, The Ellipse, The Elmwood and the new Bridgewater Bank Corporate Center.

Additionally, Mr. Sela owns Sela Roofing and Remodeling which is also headquartered in St. Louis Park and employs over 130 workers.

Application for Tax Increment Financing Assistance: According to the Developer, the extent of extraordinary costs to redevelop the subject site adversely impact the project’s pro forma to the point where it cannot achieve a reasonable market rate of return rendering it financially infeasible. Consequently, the Developer applied for tax increment financing (TIF) assistance to mitigate the project’s financial gap. Tax increment financing uses most of the increased future property taxes generated by a new development to finance certain qualified development costs incurred by that project (such as those noted below) for a limited period of time to enable the redevelopment to move forward.

Overview of Proposed Project’s Sources and Uses: The EDA’s financial consultant, Ehlers, conducted a thorough review of each component of the project based on general industry standards for construction, land, and project costs; rents; operating expenses; fees; underwriting and financing criteria; project cash flow, and investor rate of return (ROR). Based on this detailed analysis, it collaborated with staff to determine to what extent the proposed project exhibits a financial gap justifying the use of TIF.

The estimated total development cost (TDC) to construct the proposed multi-phase housing development is approximately $92 million. The project’s anticipated sources and uses are summarized in the tables below along with their respective percentage of the total
development cost. Please note: The tables below exclude the rehabilitation of the 24 NOAH units since the per unit costs range considerably.

**Project Financing Sources:** Financing sources for the new construction of the proposed project are as follows:

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>AMOUNT ($)</th>
<th>% of TDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Debt</td>
<td>$68,362,442</td>
<td>75%</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$20,015,685</td>
<td>22%</td>
</tr>
<tr>
<td>City of St. Louis Park TIF (proposed)</td>
<td>$3,350,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>TOTAL Project Sources</strong></td>
<td><strong>$91,728,127</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Project Uses:** Uses for the new construction of the proposed project are as follows:

<table>
<thead>
<tr>
<th>USES</th>
<th>AMOUNT ($)</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$5,779,998</td>
<td>$27,393</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$76,243,396</td>
<td>$361,343</td>
</tr>
<tr>
<td>Contractor Fee</td>
<td>$2,333,032</td>
<td>$11,057</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$4,433,400</td>
<td>$21,011</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>$2,136,191</td>
<td>$10,124</td>
</tr>
<tr>
<td>Cash Accounts/Escrows/Reserves</td>
<td>$702,110</td>
<td>$3,328</td>
</tr>
<tr>
<td><strong>TOTAL Project Costs</strong></td>
<td><strong>$91,628,127</strong></td>
<td><strong>$434,256</strong></td>
</tr>
</tbody>
</table>

**Land Cost:** Sela Investments has purchased all 12 parcels that constitute the subject redevelopment site. The land cost for the subject property is $5.8 million which equals approximately $27,000 per unit. According to Ehlers, this per square foot cost is within the typical market range.

**Construction/Extraordinary Costs**: The construction costs were found to be very high for the multifamily housing developments due to the lower density and higher quality of standards placed on the new construction by the Developer. Whereas, the site preparation costs are on the higher end of the spectrum due to considerable soil correction, excavation, shoring and grading work, stormwater management for the neighborhood, as well as underground parking. It is estimated that the development will incur about $7.3 million in extraordinary site preparation costs* as shown below.

<table>
<thead>
<tr>
<th>Affordability &amp; Extraordinary Cost Estimates</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building demolition and disposal</td>
<td>$190,000</td>
</tr>
<tr>
<td>Soil mitigation and earthwork</td>
<td>$1,668,022</td>
</tr>
<tr>
<td>Radon Mitigation</td>
<td>$166,578</td>
</tr>
<tr>
<td>Earth Retention, excavation, shoring and site grading</td>
<td>$711,200</td>
</tr>
<tr>
<td>Stormwater Management</td>
<td>$500,000</td>
</tr>
<tr>
<td>Structured parking</td>
<td>$4,064,824</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$7,300,624</strong></td>
</tr>
</tbody>
</table>
*Extraordinary costs are expenses encountered over and above those which a developer would typically expect to incur in a suburban development (e.g. asbestos removal, building demolition, contaminated soil removal and disposal, storage tank removal and disposal, excavating, shoring, utility replacement, specialized stormwater management, etc.). Under the MN TIF statute these types of costs are eligible for reimbursement through tax increment originating from officially established Redevelopment TIF Districts.

**Developer Fee:** The Developer has chosen to forego taking a Development Fee for the project.

**Total Development Cost (TDC):** The TDC for the new construction is nearly $92 million or approximately $434,000 per unit which is very high for industry standards.

**Project Cash Flow Projections**

1. **Rental Rates:** The projected rental rates ranged from $1,613/unit for a studio to $2,777/unit for a 2-bedroom apartment. Such rates are on the higher end of the market ranges for the area.

2. **Financing Structure:** The Developer anticipates using a conventional 30-year mortgage at a 4% interest rate and private equity. The financing terms are typical and reasonable for the product type.

3. **Vacancy Rate:** The proforma factors a 5% vacancy rate which is standard and reasonable for residential building.

4. **Returns/Cash Flow:** Based on the anticipated development costs, financing terms, and potential rental income, the project’s estimated cash-on-cost does not unduly enrich the Developer during the term of TIF assistance. Moreover, once the TIF assistance concludes, the Developer maintains a reasonable cash-on-cost of 6% which is within the expectations for industry standards.

**Proposed Level of Assistance:** Due to the nature and timing of the proposed project, the recommended level of assistance was determined by analyzing the affordability impact over 25 years and forecasting the return on investment to ensure the Developer is not unduly enriched during the term of TIF assistance. According to Ehlers, the industry standard for cash-on-cost returns for similar projects is 6 to 6.25 percent in order to attract the necessary investment and underwrite the project. Thus, the proposed project is not financially viable but for the provision of tax increment assistance over an anticipated 15-year term.

In order for the proposed project to attain a 6% cash-on-cost return, it is estimated that a total of $3.35 million in tax increment assistance would be necessary. Such assistance would be provided via one or more TIF Notes (to be further determined). This level of assistance would offset enough of the extraordinary site costs described above and allow the proposed project to achieve a rate of return sufficient, from the Developer’s perspective, to proceed. Statutorily, the proposed tax increment assistance could only be applied toward the project’s qualified costs and would begin to be disbursed only after verification that the qualified costs had been incurred.
Consistent with previous EDA redevelopment agreements, a "look back" provision would be incorporated into the proposed redevelopment contract with the Developer. Per the contract, the Developer would be required to submit final project costs and reports detailing the actual financial performance of the project. The look back provision ensures that if the project’s total development costs are lower than the estimates provided, the EDA shares economically in the success of the project by reducing the amount of TIF assistance provided.

**TIF Note:** It will take approximately five years to construct all phases of the Parkway Residences project. It is anticipated that the first increment would be paid in 2022. Given current estimates of market value, it is projected that the TIF Note(s), totaling $3.35 million would be paid off in approximately 15 years (on a net present value basis). The Note(s) would likely terminate with final payment on February 1, 2037. The proposed project would be financed on a "pay-as-you-go" basis, which is the preferred financing method under the city’s TIF Policy. The Note(s) would bear interest at the lesser of 4%, or the Developer’s actual rate of financing. The size of the TIF Notes would be based upon no inflationary value in the project (as with all projects). This is more conservative estimating and thus it is anticipated that the pay-as-you-go notes would be paid off earlier than estimated. As with most EDA redevelopment contracts, the Developer would be required to execute a Minimum Assessment Agreement for the value utilized for projecting the amount of TIF assistance available.

**TIF District:** The entire redevelopment site is within the City’s Redevelopment Project Area which is the portion of the city where the EDA may statutorily establish TIF districts. In order to provide the Developer with the proposed tax increment, a new Redevelopment TIF District would need to be established. In this case, it was determined that the entirety of the tax increment could be derived from the Building 1 site.

Consulting firm LHB conducted a TIF district feasibility analysis to determine if Site 1 qualified as a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10.* After inspecting the 6 subject properties, LHB evaluated each against current statutory criteria and concluded in its report that the proposed TIF district qualifies as a Redevelopment District based on the following findings:

- The proposed TIF District has a coverage calculation of 100 percent which exceeds the 70 percent requirement.
- 100 percent of the buildings are structurally substandard, which exceeds the 50 percent requirement.
- The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

The proposed Redevelopment TIF District would include the following six parcels:

- 4000 W. 31st Street
- 4008 W. 31ST Street
- 4012 W. 31st Street
- 4020 W. 31st Street
- 4100 W. 31st Street
- 4108 W. 31st Street
Such a TIF district would allow for up to 26 years of tax increment by state statute.

**Property Value and Taxes:** The current combined assessed market value of the 6 parcels is just over $3 million. This is the proposed TIF District’s Base Value. The estimated market value of the development contained within the TIF district (Site 1) upon completion (for TIF estimation purposes) is approximately $25,650,000. Most of this value would be captured as tax increment and used to make payments on the various TIF Note(s) until they are paid off and the TIF district is terminated. Upon completion and occupancy of Site 1, it is estimated to annually generate nearly $432,000 in total property taxes. The city, county and school district would continue to receive the property taxes collected on the subject site’s Base Value.

Building Sites 2, 3, 4 and 5 will not be included in the proposed TIF District and therefore will make an immediate positive impact on the tax base upon their completion. These developments will have a combined estimated market value of $33,310,000, and annually generate an estimated $549,000 in total property taxes.

Once the TIF Note(s) are retired and the TIF district is decertified, the additional property taxes generated by the project would accrue to the local taxing jurisdictions. Based on current estimates, the proposed Parkway Residences project will generate approximately $980,000 in total property taxes annually.

It should be noted that the project could achieve a higher total market value once it is assessed for tax purposes. This was a conservative value utilized only for estimating the amount of TIF the project would generate. Should the value of the project at the time of completion be higher than the estimated amount, the principal amount of the TIF Note would be paid back sooner than the projected 15 years and local taxing jurisdictions would receive the benefit of having the full value for tax purposes sooner than anticipated.

**Conformance and Analysis under the City’s TIF Policy:** The proposed Parkway Residences project meets the following Minimum Qualifications as outlined in the City’s TIF Policy:

- Promotes neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock.
- Provides a balanced and sustainable housing stock to meet diverse needs both today and in the future.
- The project is consistent with the City’s Comprehensive Plan and Zoning Ordinances.
- The Developer has demonstrated that the proposed project is not financially feasible “but-for” the use of tax increment financing.
- The Developer has a proven track record of successful real estate development performance and has demonstrated the capability to fully complete the multi-phase project as proposed.

The proposed project meets the following “Desired Qualifications” as outlined in the TIF Policy:

- Creates a substantially higher ratio of property taxes paid before and after redevelopment and provides a significant increase in taxable market value.
• Facilitates new construction on a site which would not likely be redeveloped to its optimal use without such assistance.
• Redevelops underutilized property.
• Creates four high quality buildings (e.g. sound architectural design, quality construction and materials) with public features and rehabilitates three existing residential buildings.
• Creates new employment opportunities.

In addition to the above, the proposed project would have the following additional benefits:
• Intensifies the subject site and makes optimal use of the property.
• Creates a cohesive and attractive multi-family development that is human-scale, walkable and connects the 31st Street West neighborhood.
• Complements, integrates with, and invigorates the surrounding neighborhood.
• Helps stabilize the commercial businesses in the area by increasing the potential customer base.
• Incorporates numerous Green Building design and features.
• Lies within proximity to two planned light rail stations.
• Incorporates Livable Communities and Transit Oriented Design principles.
• Provides convenient pedestrian and bicycle access to two planned SWLRT transit stations located within a half mile.

Grading under Project Report Card: Sela Investment’s TIF application for its proposed multi-family residential development was graded according to the Project Report Card provided within the City’s TIF Policy. The application was graded as follows:

• **Promotes housing for large families.**
  No 3-bedroom or larger units are proposed to be included in the project’s unit mix. Since 0% of the units will accommodate large families a grade of “F” was provided.

• **Provides economic integration of rental or ownership projects.**
  The proposed project includes the preservation and rehabilitation of 24 NOAH units at 50% AMI and construction of 6 new affordable housing units at 60% AMI; this translated to a grade of “B” on the scale.

• **Level of affordable housing provided**
  The proposed project includes units at both 50% and 60 AMI; this garnered a grade of “B” on the scale.

• **Ratio of soft costs to Total Project Costs.**
  Soft costs of the total project were estimated at approximately $6.5 million or 7% of the total development costs, which corresponded to a grade of “A” on the scale.

• **Ratio of private to public (TIF) financing.**
  $88.3 million in private development costs to $3.35 million in TIF equals a $26.38 private / $1 public ratio which garnered an “A” on the scale.
• **The value of the site before and after redevelopment**
  The total current taxable market value of the entire project area is just over $7.2 million. The projected market value upon redevelopment is: $58.9 million. This is a ratio of $1: $8.17 which represented an “A” on the scale.

The proposed project received bonus points for:

• assembling all the properties required for the redevelopment,
• redeveloping blighted/environmentally challenging property,
• incorporating New Urbanism principles,
• incorporating energy efficient components,
• optimizing use of the property,
• incorporating livable communities design principles,
• likely stimulating further investment in the surrounding neighborhood,
• being located in proximity to one of the city’s Priority Redevelopment Study Areas or light rail,
• having a significant positive community impact.

Upon calculation of all applicable factors and bonus points, the Parkway Residences project received a final grade of “B” according to the Project Report Card within the TIF Policy.

**Conformance with the City’s Business Subsidy Policy:** Any TIF assistance provided to Sela Investments for the proposed redevelopment would be exempt from state business subsidy requirements as it relates to housing, pollution control/abatement, and redevelopment (Section 116J.993, Subdivision 3). Therefore, no public subsidy hearing will be required; however, the EDA will still be subject a modified reporting requirements.

**Summary and Recommendation:** The estimated total cost to construct the Parkway Residences is approximately $92 million. Upon completion, the project’s total taxable market value is estimated at $58.9 million. Based upon its analysis of the project’s proforma, Ehlers determined that the proposed multi-family housing development has a verified financial gap and is not economically feasible but/for the provision of tax increment financing. To offset this gap, it is proposed that the EDA consider reimbursing the Developer up to $3.35 million in pay-as-you-go tax increment generated by Site 1 of the project for a term of approximately 15 years.

Providing tax increment financing assistance to the proposed redevelopment makes it possible to construct four high quality multi-family apartment buildings and rehabilitate three existing apartment buildings consistent with the Comprehensive Plan, to bring the subject properties to optimal market value, and provide the community with additional market rate and affordable housing units with numerous energy efficient features. The proposed amount of TIF assistance is in-line with other developments the EDA has previously assisted. As a reminder, the tax increment would be generated by Site 1 exclusively and would only be provided to the Developer once construction was satisfactorily completed and the Developer supplies statements verifying that it had incurred the specified qualified costs. The EDA would be obligated to provide assistance for the project only to the extent Site 1 generates enough tax increment to make the bi-annual payments.
Sela Investment’s proposed Parkway Residences development meets the city’s objectives for the provision of Tax Increment Financing as specified in the city’s TIF Policy. As noted above, the project meets all the Minimum and Desired Qualifications for providing TIF assistance and received a final grade of “B” according to the Project Report Card within the TIF Policy. Furthermore, it has been demonstrated that the proposed project is not financially feasible but for the provision of tax increment financing. Given these findings, staff supports reimbursing the Developer for qualified site preparation costs up to a total of $3.35 million in pay-as-you-go tax increment generated by Site 1 of the project so as to enable the proposed redevelopment to proceed.

**Next steps:** As with all such TIF applications, it is at the EDA’s discretion as to whether it wishes to provide the proposed project financial assistance at the recommended level. Provided the EDA supports providing financial assistance to the Parkway Residences project as proposed, the EDA will be asked to begin the formal process of establishing the proposed Parkway Residences TIF District; the vehicle through which the assistance would be provided. The first step of which is to call for a public hearing date. A resolution calling for a public hearing for the establishment of the proposed TIF district is tentatively scheduled for March 16, 2020. Subsequently the next steps in the TIF approval process would be as follows:

1. Negotiation of business terms for the provision of financial assistance
2. Review of proposed business terms of Redevelopment Contract
3. Approval of TIF Plan by Planning Commission
4. Approval of Redevelopment Contract & TIF District Public Hearing & Plan approval – EDA and City Council
Executive summary

Title: Annual review of city financial management policies

Recommended action: Staff is providing this report in advance of requesting council approval of updates to the city's financial management policies. Please inform us of any questions you might have.

Policy consideration: Does the City Council desire to update the financial management policies to current best practices, City Charter and State Statutes?

Summary: The City financial management policies are one of the most important aspects of long-term financial planning and continued financial management planning. Financial management policies play a vital role in the cities credit rating. We continually get the highest management scores for our comprehensive financial management policies from Standard and Poor’s. Department Directors, our Municipal Advisor (Ehlers), City Auditor, and the City attorney have reviewed the updated policies.

With this update only a few recommendations are summarized in the discussion section of this report.

Later this year, we are implementing an electronic accounts payable system which will significantly reduce and, in many cases, eliminate paper in addition to many process improvements. Upon that implementation, staff may come back later this summer for approval of the adjustments in the purchasing policy section if necessary.

Here is a summary of the recommended policies from the Government Financial Officers Association (GFOA).

| Relative Importance of Financial Policy Types (GFOA, financial policies pg 29) |
|-----------------------------------------------|-----------------------------------------------|
| Essential policies | Highly advisable policies |
| Fund balance and reserves | Accounting and financial reporting |
| Operating budget | Revenues |
| Capital budgeting and planning | Internal Controls |
| Debt management | Expenditures |
| Long-range financial planning | Purchasing |
| Investment | Risk Management |
| | Economic Development |

Financial or budget considerations: Not applicable.

Strategic priority consideration: Not applicable.

Supporting documents: Discussion
Updated financial management polices

Prepared by: Tim Simon, chief financial officer
Approved by: Tom Harmening, city manager
Discussion

**Background:** Similar to a “Personnel Policy” Manual, having all our financial policies included in a single source document allows for ease of reference and updating. All changes are updates from best practices/state statutes/city charter that work into the city’s operating practices. Our Municipal Advisor, Investment Advisor, City Attorney and staff have reviewed the financial management policies. Staff at least annually reviews our financial management policies.

The changes to the policy are noted in red and are contained in pages 20-28.

**Summary of proposed financial management policy changes:**

*Capital Improvements* - Capitalization thresholds are for financial reporting purposes; staff recommends moving the “other assets” from $5,000 to $10,000. We have very few items classified here so increasing the limit will not materially change anything. For accounting purposes, the city uses the *modified approach* for street and trail system capital assets, so just adding the related language in our policy.

*Accounting, Auditing, and Financial Reporting* - The audit covers all funds, so “and account groups” can be eliminated as not applicable.

*Purchasing* - Added clarification around price quotes and how long to maintain on file. Conflict of interest section was added to reference the city charter related sections. Also included per best practice that disciplinary action may be necessary.

Staff recently completed a federal grant review and a few recommended changes to our policies have been incorporated to match federal rules and regulations under Federal purchases.

**Next Steps:** Council action at the next regular meeting.
Financial Management Policies

St. Louis Park
MINNESOTA

Experience LIFE in the Park
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Purpose
The City of Saint Louis Park is responsible to its citizens to manage its resources wisely and adopting financial policies is an important step to ensure that resources are managed responsibly. The policies provide the framework for the overall fiscal management of the city and guide the decision-making process.

Most of the policies represent long standing principles, traditions and practices which have guided the city in the past and have helped maintain financial stability over the past years. These financial policies will be reviewed periodically to determine if changes are necessary.

Objectives
- Providing sound principles to guide the decisions of the City Council and management.
- To provide both short-term and long-term financial stability to city government by ensuring adequate funding for providing and protecting infrastructure needed by the community today and for years to come.
- Protecting and enhancing the city’s credit rating and prevent default on any municipal obligations.
- To protect the City Council’s policy-making ability by ensuring that important policy decisions are not constrained by financial problems or emergencies.
- To create a document that staff and Councilmembers can refer to during financial planning, budget preparation and other financial management issues.

Revenue and Expenditure
- The city will provide long-term financial stability through sound short and long term financial planning.
- The city will estimate its annual revenues and expenditures in a conservative manner so as to reduce exposure to unforeseen circumstances.
- The city will project revenues and expenditures for the next ten years and will update these projections each budget process.
- Whenever user charges and fees are determined to be appropriate and the direct benefits are identifiable, the city will establish user charges and fees at a level related to the cost of providing the service (operating, direct, indirect, and capital). Fees will be reviewed annually.
- To the extent feasible, one-time revenues will be applied toward one-time expenditures or placed into reserves.
Cash Management

- It is the policy of the city to pool cash balances from all funds to maximize investment earnings. Exceptions include legal and specific practical requirements that demand segregation of funds.
- Funds received are to be deposited into an interest-bearing account with the city’s currently designated official depository by the next business day.
- Cash on hand is to be kept to the minimum required to meet daily operational needs.

Investments

It is the policy of the City of St. Louis Park to establish guidelines for the investment of all public funds. This policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed and providing the highest investment return with maximum security and minimum risk.

I. SCOPE

This policy applies to all financial assets of the City of St. Louis Park. While separate investment funds are created to accommodate reporting on certain bonded indebtedness, individual investments are purchased using a pooled approach for efficiency and maximum investment opportunity. The City’s funds are defined in the City’s Comprehensive Annual Financial Report and include:

- General Fund;
- Special Revenue Funds;
- Debt Service Funds;
- Capital Project Funds;
- Proprietary Funds;
- Internal Service Funds.

II. OBJECTIVES

The primary objectives in priority order of the City’s investment activities will be:

A. Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The objective will be to mitigate credit risk by purchasing only highly rated securities with adequate collateral and interest rate risk by matching maturities to cash flow needs.

B. Liquidity

The investment portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements that might reasonably be anticipated. A
portion of the portfolio may be placed in money market mutual funds or local
government investment pools which offer same-day liquidity.

C. Yield
The investment portfolio shall be designed with the objective of attaining a market
rate of return throughout budgetary and economic cycles, taking into account
investment risk constraints and liquidity needs. Yield is of secondary importance
compared to the safety and liquidity objectives described above.

III. STANDARDS OF CARE

The prudent person standard shall be applied to the management of the portfolio. This
standard states: “Investments shall be made with judgment and care, under
circumstances then prevailing, which persons of prudence, discretion, and intelligence
exercise in the management of their own affairs, not for speculation, but for investment,
considering the probable safety of their capital as well as the expected income to be
derived.”

Investment officers acting in accordance with written procedures and this investment
policy and exercising due diligence shall be relieved of personal responsibility for an
individual security’s credit risk or market price changes, provided deviations from
expectations are reported in a timely fashion and the liquidity and the sale of securities
are carried out in accordance with the terms of this policy.

IV. INVESTMENT AUTHORIZATION

The City Treasurer is designated as the Investment Officer of the City and is responsible
for investment management decisions and activities. The Treasurer shall carryout
established written procedures and internal controls for the operation of the investment
program consistent with this investment policy. The Treasurer is authorized, as allowed
under the State Statute, to designate depositories and broker-dealers for City Funds.

V. CONFLICT OF INTEREST

Any city official involved in the investment process shall refrain from personal business
activity that could conflict with proper execution of the investment program or which
could impair his/her ability to make impartial investment decisions. Employees shall
disclose any material interests in financial institutions with which they conduct business.
Employees and officers shall refrain from undertaking personal investment transactions
with the same individual with which business is conducted on behalf of the City.
VI.  AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City Treasurer will maintain a list of financial institutions authorized to provide investment services to the City. All broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with:

- Audited financial statements and proof of National Association of Security Dealers (NASD) certification;
- Proof of Minnesota Registration Broker Notification and Certification form required by Minnesota Statutes 118A prior to any investment transactions with the City. The Broker Notification must be updated annually.
- The Official Broker/Dealer Questionnaire must be on file for each broker the City is currently doing business with.
- Certification of having read the City’s investment policy and agreement to conduct investment transactions in accordance with the policy and objectives, as well as state statutes.
- Written agreement to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the City.

VII.  AUTHORIZED INVESTMENTS

The City will be permitted by this policy to invest funds in those security types that are permitted by Minnesota Statute 118A. Further investment parameters can be found in section X.

VIII.  COLLATERALIZATION

Full collateralization will be required on non-negotiable certificates of deposit. All deposits will be insured or collateralized in accordance with Minnesota Statutes Chapter 118A.

IX.  SAFEKEEPING

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City of St. Louis Park’s safekeeping institution prior to the release of funds.

If investments are held in safekeeping at a broker/dealer, they shall be kept at the broker/dealer in the City’s name. Certificates will be held at the financial institution in the City’s name. All securities should be a risk category one according to the Government Accounting Standard No.3

Investments may be held in safekeeping with:

1. Any Federal Reserve Bank;
2. Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;
3. A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
4. A securities broker-dealer or an affiliate of it, that is registered as a broker-dealer under chapter 80A or is exempt from the registration requirements; is registered by the securities and exchange commission; and maintains insurance through the Security Investor Protection Corporation (SIPC) or excess insurance coverage in an amount equal to or greater than the value of the securities held.

X. INVESTMENT PARAMETERS

The City’s investments shall be diversified as to specific maturity, issuer and institution in order to minimize the risk to the portfolio. Investments should be purchased to match expected cash flow needs, minimizing the market risk associated with the early sale of the investments.

The following diversification parameters have been established and will be reviewed periodically by the City Treasurer for all funds:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sector Maximum (%)</th>
<th>Per Issuer Maximum (%)</th>
<th>Minimum Ratings Requirement</th>
<th>Maximum Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>100%</td>
<td>100%</td>
<td>N/A</td>
<td>7 Years (7 year avg. life for GNMA)</td>
</tr>
<tr>
<td>GNMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other U.S. Government Guaranteed (e.g. AID, GTC)</td>
<td>10%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB</td>
<td>75%</td>
<td>40%4</td>
<td>N/A</td>
<td>7 Years</td>
</tr>
<tr>
<td>Federal Agency/GSE other than those above</td>
<td></td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipals (Revenue)</td>
<td>25%</td>
<td>5%</td>
<td>Highest ST or Two Highest LT Rating Categories (SP-1/MIG 1, AA-/Aa3, or equivalent)</td>
<td>7 Years</td>
</tr>
<tr>
<td>Municipals (General Obligations)</td>
<td></td>
<td></td>
<td>Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)</td>
<td></td>
</tr>
<tr>
<td>Collateralized Bank Deposits</td>
<td>50%</td>
<td>None, if fully collateralized</td>
<td>None, if fully collateralized</td>
<td>7 Years</td>
</tr>
<tr>
<td>FDIC-Insured Bank Deposits</td>
<td>100%</td>
<td>FDIC limit for insurance</td>
<td>None, if fully FDIC-insured</td>
<td>7 Years</td>
</tr>
<tr>
<td>Commercial Paper (CP)</td>
<td>25%</td>
<td>5%3</td>
<td>Highest ST Rating Category by two NRSROs (A-1/P-1, or equivalent)</td>
<td>270 Days</td>
</tr>
<tr>
<td>Bankers Acceptances (BA)</td>
<td>15%</td>
<td>5%3</td>
<td>Highest ST Rating Category by two NRSROs (A-1/P-1, or equivalent)</td>
<td>270 Days</td>
</tr>
<tr>
<td>Intergovernmental Pools (LGIPs)</td>
<td>100%</td>
<td>100%</td>
<td>Highest Fund Quality and Volatility Rating Categories by all NRSROs, if rated</td>
<td>N/A</td>
</tr>
</tbody>
</table>
XI. REPORTING AND REVIEW

A. The investment portfolio will be managed in accordance with the parameters outlined in this policy. The portfolio will be designed with the objective of obtaining a rate of return throughout budgeting and economic cycles, commensurate with the investment risk constraints and cash flow needs.

B. The City’s investment policy shall be adopted by resolution by the City Council. The City’s investments shall be reported to the City Council quarterly. The information reported to the City Council should include:
   1. A listing of individual securities held at end of reporting period.
   2. A listing of investments by maturity date.
   3. The percentage of the total portfolio in each type of investment.
   4. Rate of return for quarter.
   5. Market to market analysis.

C. Interest earned on investments shall be allocated to various funds based on each fund’s average monthly cash balance.

XII. STATUTORY AUTHORITY

Specific investment parameters for the investment of public funds by the City are found in Minnesota Statutes Chapters 118A.

XIII. POLICY CONSIDERATIONS

A. Interest Allocation
   The general fund shall be allocated a management fee equal to three percent of the total net investment earnings of the investment pool, excluding investments related to the Economic Development Authority.

B. Amendments
   Any changes must be approved by City Council.
Fund Balance

The purpose of the fund balance policies is to establish appropriate fund balance levels for each fund that is primarily supported by property tax revenues or user fees. These policies will ensure that adequate resources are available to meet cash flow needs for carrying out the regular operations of the City, as well as to meet the fund balance requirements identified in the City’s Long Range financial Management Plan.

The City Council authorizes the Chief Financial Officer and/or City Manager to assign fund balance that reflects the City’s intended use of those funds. When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City’s policy to use resources in the following order: 1) committed 2) assigned 3) unassigned. These fund balance classifications apply only to Governmental Funds, not Enterprise Funds.

A. Classification of Fund Balance/Procedures

1. Nonspendable
   Amounts that cannot be spent because they are not in a spendable form or are legally or contractually required to be maintained intact. Examples are inventory or prepaid items.

2. Restricted
   Amounts subject to externally enforceable legal restrictions. Examples include grants, tax increment and bond proceeds.

3. Unrestricted
   The total of committed fund balance, assigned fund balance, and unassigned fund balance:
   - **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
   - **Assigned fund balance** – amounts intended to be used for a specific purpose; intent can be expressed by the government body or by an official or body to which the governing body delegates the authority.
   - **Unassigned fund balance** – residual amounts that are available for any purpose in the general fund. The General fund should be the only fund that reports a positive unassigned fund balance amount. This classification is also used to account for deficit fund balances in other governmental funds.
A. General Fund

- The city will maintain an unassigned General fund balance of not less than 40-50% of subsequent year’s budgeted expenditures with a target of 45%; however, this need could fluctuate with each year’s budget objectives.
- Annual proposed General fund budgets shall include this benchmark policy. Council shall review the amounts in fund balance in conjunction with the annual budget approval, and make adjustments as necessary to meet expected cash-flow needs.
- In the event the unassigned General fund balance will be calculated to be less than the minimum requirement at the completion of any fiscal year, the city shall plan to adjust budget resources in the subsequent fiscal years to bring the fund balance into compliance with this policy.
- The City Council may consider appropriating (for authorized purposes) year-end fund balance in excess of the policy level or increasing the minimum fund balance. An example of preferred use of excess fund balance would be for one-time expenditures, such as:
  1. to fund one-time capital items
  2. to fund a one-time (non-recurring) expenditure or grant match opportunity
  3. to provide catch-up funding or long-term obligations not previously recognized
  4. to fund a one-time unplanned revenue shortfall
  5. to fund an unplanned expenditure due to an emergency or disaster
  6. to retire existing debt
  7. to fund policy shifts by other governmental entities having a negative impact on the city
- Appropriation from the minimum fund balance shall require the approval of the City Council and shall be used only for non-recurring expenditures, unforeseen emergencies or immediate capital needs that cannot be accommodated through current year savings. Replenishment recommendations will accompany the decision to utilize fund balance.
- At the discretion of the City Council, fund balance may be committed for specific purposes by resolution designating the specific use of fund balance and the amount. The resolution would need to be approved no later than the close of the reporting period and will remain binding unless removed in the same manner.
B. Enterprise Funds

These funds were established to account for the operation of Water, Sewer, Solid Waste, and Storm Water operations which are designed to be self-supporting from user charges.

1) Water Utility

This fund is used to account for the provision of water services to the customers of the City related to administration, operations, maintenance, billing and collection. This fund is financed predominantly through user charges.

The City will strive to maintain an unrestricted net position in the Water Utility Fund in the range of 35-50% of the subsequent year’s budgeted expenditures. Since a significant source of revenue in the Water Utility Fund comes from user charges, maintaining an unrestricted net position that is equal to at least 35-50% of the subsequent year’s expenditures ensures that sufficient resources are available to fund basic City functions between receipts of user charges. In addition, due to the mature water infrastructure within the City, a higher percentage of fund balance is prudent to address any potential issues.

2) Sewer Utility

This fund is used to account for the provisions of sewer services to the customers of the City. All activities necessary to provide this utility to the customers are administration, operations, maintenance, billing and collection. This fund is financed predominantly through user charges.

The City will strive to maintain an unrestricted net position in the Sewer Utility Fund in the range of 35-50% of the subsequent year’s budgeted expenditures. Since a significant source of revenue in the Sewer Utility Fund comes from user charges, maintaining an unrestricted net position that is equal to at least 35-50% of the subsequent year’s expenditures ensures that sufficient resources are available to fund basic City functions between receipts of user charges. In addition, due to the age of sewer infrastructure within the City, a higher percentage of fund balance is prudent to address any potential issues.

3) Solid Waste Utility

This fund is used to account for the provisions of solid waste services to the customers of the City related to collection, disposal and recycling of solid waste. This fund is financed predominantly through user charges and investment income.

The City will strive to maintain an unrestricted net position in the Solid Waste Utility Fund in the range of 25-40% of the subsequent year’s budgeted expenditures. Due to
less volatility, an unrestricted net position percentage is justifiable. This will ensure that sufficient resources are available to fund basic Solid Waste activities.

4) Storm Water Utility

This fund is used to account for the provision of storm water to the customers of the City related to administration, operations, maintenance, billing and collection. This fund is financed predominantly through user charges and investment income.

The City will strive to maintain an unrestricted net position in the Storm Water Utility Fund in the range of 25-40% of the subsequent year’s budgeted expenditures. Due to less volatility, an unrestricted net position percentage is justifiable. This will ensure that sufficient resources are available to fund basic Storm Water activities.

C. Special Revenue Funds

The city will maintain reserves in the Special Revenue funds at levels sufficient to provide working capital for current expenditure needs plus an amount that is estimated to be needed to meet legal restrictions, requirements by external funding sources and/or pay for future capital projects. Future capital projects must be identified and quantified in a written plan for the fund, which shall be included in the city’s annual CIP and in congruence with the long range financial management plan.

D. Debt Service Funds

The city will maintain reserves in the Debt Service funds at levels sufficient to provide working capital for current debt service expenditure needs plus an amount that is estimated to be needed to meet legal restrictions and requirements by external funding sources.

E. Capital Project Funds

The city will maintain reserves in the Capital Project funds at levels sufficient to provide working capital for current expenditure needs plus an amount that is estimated to be needed to meet legal restrictions, requirements by external funding sources and/or pay for future capital projects. Future capital projects must be identified and quantified in a written finance plan for the fund, which shall be included in the city’s annual CIP and in congruence with the long range financial management plan.
Debt
It is the policy of the City of St. Louis Park to establish guidelines for the use of debt in financing capital acquisitions, repayment of debt, and management of the overall level of debt in the city.

A. Credit Ratings: The City of St. Louis Park seeks to maintain the highest possible credit ratings for all categories of short- and long-term General Obligation debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.

The City recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Nevertheless, the Mayor and City Council are committed to ensuring that actions within their control are prudent and consistent with the highest standards of public financial management, and supportive of the creditworthiness objectives defined herein.

B. Financial Disclosure: The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting disclosure requirements on a timely and comprehensive basis.

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuing disclosure statements will meet (at a minimum) the standards articulated by the Municipal Standards Rulemaking Board (MSRB), the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Finance Department shall be responsible for ongoing disclosure to established national information repositories (NRMSRs) and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

C. Debt Capacity: The City will keep outstanding debt within the limits prescribed by State statute and at levels consistent with its creditworthiness objectives.

D. Purposes and Uses of Debt
The City will normally rely on existing funds, project revenues, and grants from other governments to finance capital projects such as major maintenance, equipment acquisition, and small development projects. Debt may be used for capital projects only when a project generates revenues over time that are used to retire the debt, when debt is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries.

   a. Asset Life: The City will consider the use of debt for the acquisition, development, replacement, maintenance, or expansion of an asset only if it has a
useful life of at least five years. Debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

b. **Project Financing:** In general, the City expects to make a cash contribution to any project with an expected useful life of less than 10 years, rather than relying on 100% debt financing.

c. **Debt Standards and Structure**
Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. Debt will be structured to achieve the lowest possible net cost to the City given market conditions, the urgency of the capital project, net revenues expected from the project (if any), and the nature and type of security provided. Moreover, to the extent possible, the City will design the repayment of its overall debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay at least 50 percent within ten years.

d. **Backloading:** The City will seek to structure debt with level principal and interest costs over the life of the debt. "Backloading" of costs will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive, when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

E. **Refundings:**

a. Advance refunding bonds shall not be utilized unless present value savings of 4% to 5% of refunded principal is achieved and unless the call date is within 3 years. The state law minimum is 3% of refunded principal. Bonds shall not be advance refunded if there is a reasonable chance that revenues will be sufficient to pre-pay the debt at the call date.

b. Current refunding bonds shall be utilized when present value savings of 3% of refunded principal is achieved or in concert with other bond issues to save costs of issuance.

c. Special assessment or revenue debt will not be refunded unless the Chief Financial Officer determines that special assessments or other sufficient revenues will not be collected soon enough to pay off the debt fully at that call date.
F. Debt Administration and Practices

In general, City debt will be issued through a competitive bidding process. Bids will be awarded on a true interest cost basis (TIC), providing other bidding requirements are satisfied. In the event that the City receives more than one bid with identical TICs, the tie may be broken by a flip of a coin.

a. Municipal Advisor: The City will retain an external municipal advisor, selected by the City’s Finance Division of the Administrative Services Department. The utilization of the municipal advisor for particular bond sales will be at the discretion of the Chief Financial Officer on a case by case basis and pursuant to the municipal advisory services contract. The municipal advisors will have comprehensive municipal debt issuance experience with diverse financial structuring requirements and pricing of municipal securities.

b. Bond Counsel: The City will retain external bond counsel for all debt issues. No debt will be issued by the City without a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the debt’s federal income tax status.

c. Fiscal Agents: The Finance Division will utilize a fiscal agent on all City indebtedness. Fiscal agent fees for outstanding bonds will be paid from the Bond Interest and Redemption Fund, unless specified otherwise by the Chief Financial Officer.

d. Disclosure: The city shall comply with SEC rule 15(c)2(12) on primary and continuing disclosure. Continuing disclosure reports shall be filed no later than 180 days after receipt of the city’s annual financial report.

e. Arbitrage: The city shall complete an arbitrage rebate report for each issue no less than every five years after its date of issuance.

f. Communication: The city will maintain frequent and regular communications with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The city will comply with Securities Exchange Commission (SEC) reporting requirements.

g. Reporting: The City will report at least annually the outstanding bonds to the City Council.
G. Post Issuance Debt Compliance Policy

The City of St. Louis Park, Minnesota (the “Issuer”) issues tax-exempt governmental bonds (“TEBs”) to finance various public projects. As an issuer of TEBs, the Issuer is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), to take certain actions after the issuance of TEBs to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the Issuer with respect to its TEBs. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the Issuer to ensure that the Issuer complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

1. Effective Date and Term. The effective date of this Policy is the date of approval by the City Council of the Issuer (November 5, 2012) and this Policy shall remain in effect until superseded or terminated by action of the City Council of the Issuer.

2. Responsible Parties. The City’s Chief Financial Officer of the Issuer (the “Compliance Officer”) shall be the party primarily responsible for ensuring that the Issuer successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Compliance Officer will be assisted by the staff of the Issuer and other officials when appropriate. The Compliance Officer of the Issuer will also be assisted in carrying out post-issuance compliance requirements by the following organizations:

   (a) Bond Counsel (as of the date of approval of this Policy, bond counsel for the Issuer is Kennedy & Graven, Chartered);

   (b) Municipal Advisor (as of the date of approval of this Policy, the municipal advisor of the Issuer is Ehlers & Associates, Inc.);

   (c) Paying Agent (the person, organization, or officer of the Issuer primarily responsible for providing paying agent services for the Issuer); and

   (d) Rebate Analyst (the organization primarily responsible for providing rebate analyst services for the Issuer).

The Compliance Officer shall be responsible for assigning post-issuance compliance responsibilities to members of the Finance Department and other staff of the Issuer, Bond Counsel, Paying Agent, and Rebate Analyst. The Compliance Officer shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of the Issuer. The Compliance Officer shall provide training and educational resources to Issuer staff responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.
3. **Post-Issuance Compliance Actions.** The Compliance Officer shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the Issuer with respect to each issue of TEBs:

(a) The Compliance Officer shall prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel).

(b) The Compliance Officer shall file with the Internal Revenue Service (the “IRS”), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (this action will be the primary responsibility of Bond Counsel).

(c) The Compliance Officer shall prepare an “allocation memorandum” for each issue of TEBs in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds to expenditures not later than the earlier of:

(i) eighteen (18) months after the later of (A) the date the expenditure is paid, or (B) the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or

(ii) the date sixty (60) days after the earlier of (A) the fifth anniversary of the issue date of the tax-exempt bond issue, or (B) the date sixty (60) days after the retirement of the tax-exempt bond issue.

Preparation of the allocation memorandum will be the primary responsibility of the Compliance Officer (in consultation with the Municipal Advisor and Bond Counsel).

(d) The Compliance Officer, in consultation with Bond Counsel, shall identify proceeds of TEBs that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted.

(e) In consultation with Bond Counsel, the Compliance Officer shall determine whether the Issuer is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of TEBs. In consultation with Bond Counsel, the Compliance Officer shall determine, with respect to each issue of TEBs of the Issuer, whether the Issuer is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Compliance Officer shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of TEBs of the Issuer and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such TEBs.
If a rebate payment is required to be paid by the Issuer, the Compliance Officer shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the Issuer is authorized to recover a rebate payment previously paid, the Compliance Officer shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

4. Procedures for Monitoring, Verification, and Inspections. The Compliance Officer shall institute such procedures as the Compliance Officer shall deem necessary and appropriate to monitor the use of the proceeds of TEBs issued by the Issuer, to verify that certain post-issuance compliance actions have been taken by the Issuer, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Compliance Officer shall establish the following procedures:

(a) The Compliance Officer shall monitor the use of the proceeds of TEBs to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.

(b) The Compliance Officer shall monitor the use of all bond-financed facilities in order to: (i) determine whether private business uses of bond-financed facilities have exceeded the de minimis limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and (ii) determine whether private security or payments that exceed the de minimis limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities. The Compliance Officer shall provide training and educational resources to any Issuer staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities.

(c) The Compliance Officer shall undertake the following with respect to each outstanding issue of TEBs of the Issuer: (i) an annual review of the books and records maintained by the Issuer with respect to such bonds; and (ii) an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by the Compliance
Officer with the assistance with any Issuer staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

5. **Record Retention Requirements.** The Compliance Officer shall collect and retain the following records with respect to each issue of TEBs of the Issuer and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the Issuer; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications, brochures, and newspaper articles related to the bond financing; (iv) trustee or paying agent statements; (v) records of all investments and the gains (or losses) from such investments; (vi) paying agent or trustee statements regarding investments and investment earnings; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue; (xviii) copies of all Form 8038-Ts and Form 8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such TEBs.

The records collected by the Issuer shall be stored in any format deemed appropriate by the Compliance Officer and shall be retained for a period equal to the life of the TEBs with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such TEBs or to refund any refunding bonds) plus three (3) years.

6. **Remedies.** In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the *de minimis* limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to
be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.

7. **Continuing Disclosure Obligations.** In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the Issuer has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the Issuer that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the Issuer to assist the underwriters of the Issuer’s bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the Issuer are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Compliance Officer is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.

8. **Other Post-Issuance Actions.** If, in consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, or the City Council, the Compliance Officer determines that any additional action not identified in this Policy must be taken by the Compliance Officer to ensure the continuing tax-exempt status of any issue of governmental bonds of the Issuer, the Compliance Officer shall take such action if the Compliance Officer has the authority to do so. If, after consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, or the City Council, the Compliance Officer determines that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the Issuer, the Compliance Officer shall recommend to the City Council that this Policy be so amended or supplemented.

9. **Taxable Governmental Bonds.** Most of the provisions of this Policy, other than the provisions of Section 7, are not applicable to governmental bonds the interest on which is includable in gross income for federal income tax purposes. On the other hand, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of TEBs, then for purposes of this Policy, the Compliance Officer shall treat the issue of taxable governmental bonds as if such issue were an issue of TEBs and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Compliance Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing TEBs to refund an issue of taxable governmental bonds.
10. **Qualified 501(c)(3) Bonds.** If the City issues bonds to finance a facility to be owned by the City but which may be used, in whole or in substantial part, by a nongovernmental organization that is exempt from federal income taxation under Section 501(a) of the Code as a result of the application of Section 501(c)(3) of the Code (a “501(c)(3) Organization”), the City may elect to issue the bonds as “qualified 501(c)(3) bonds” the interest on which is exempt from federal income taxation under Sections 103 and 145 of the Code and applicable Treasury Regulations. Although such qualified 501(c)(3) bonds are not governmental bonds, at the election of the Compliance Officer, for purposes of this Policy, the Compliance Officer shall treat such issue of qualified 501(c)(3) bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such qualified 501(c)(3) bonds. Alternatively, in cases where compliance activities are reasonably within the control of the relevant 501(c)(3) Organization, the Compliance Officer may determine that all or some portion of compliance responsibilities described in this Policy shall be assigned to the relevant organization.
**Capital Improvements**

The city will maintain buildings, infrastructure, utilities, parks, facilities, and other assets in a manner that protects the investment and minimizes future maintenance and replacement costs.

The Chief Financial Officer will annually prepare and submit to the City Council a Capital Improvements Plan (CIP) for the next ten fiscal years and in congruence with the Long Range Financial Management Plan.

At a minimum, the CIP will include a description of the proposed improvement, the estimated cost, timing and potential sources of funding. If applicable, the CIP will identify implications for the operating budget created by the proposed improvement.

The city will maintain a system of capital charges for sanitary sewer, storm water, and water services. The charges will be collected when undeveloped land is platted and when new users connect to the system. Revenues from the capital charges will be accumulated and used to pay for the capital investment related to the maintenance and expansion of the utility systems. The city will strive to maximize the revenues collected from capital charges in order to protect existing utility users from bearing the costs associated with growth.

The city will maintain an equipment acquisition and replacement program. The city will annually update the plan to provide funding for all equipment purchases over $25,000 to be made in the next ten fiscal years. The city shall attempt to fund the program without the use of debt. It is recognized that State imposed levy limits may create the need to incur debt for equipment acquisition.

The city will prepare an on-going plan for the reconstruction of all city streets. The city will provide a sustainable source of funding for the street reconstruction program. The city will annually prepare cash flow projections for street reconstruction projects to ensure adequate and ongoing funding.

**Capital Assets and Capitalization Thresholds**

A capital asset is a tangible asset that has a life expectancy of more than one year. For financial statement reporting purposes, the city reports capital assets using the modified approach for street and trail system capital assets in the following categories and has established a capitalization threshold for each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>All</td>
</tr>
<tr>
<td>Buildings</td>
<td>$5,000</td>
</tr>
<tr>
<td>Other Improvements</td>
<td>$25,000</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>$10,000</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
### Infrastructure
- **Construction in progress**: 
  - Accumulate all costs and capitalize if over $100,000 when completed

### Other assets
- **$10,000**
- **$5,000**

Another criterion for recording capital assets is capital-related debt. Capital assets purchased with debt proceeds should be capitalized and depreciated over their estimated useful life.

The amount to record for a capital asset is any cost incurred to put the asset into its usable condition. Donated capital assets should be reported at fair value at the time of acquisition.

### Risk Management
1. The city will maintain a Risk Management Program that will minimize the impact of legal liabilities, natural disasters or other emergencies through the following activities:
   - **Loss Prevention**: Prevent negative occurrences.
   - **Loss Control**: Reduce or mitigate expenses of a negative occurrence.
   - **Loss Financing**: Provide a means to finance losses.
   - **Loss Information Management**: Collect and analyze relevant data to make prudent loss prevention, loss control and loss financing decisions.
2. The city will maintain an active Safety Committee comprised of city employees.
3. The city will periodically conduct educational safety and risk avoidance programs, through its Safety Committee and with the participation of its insurers, within its various departments.
4. The city will maintain the highest deductible amount, considering the relationship between cost and the city's ability to sustain the loss.

### Accounting, Auditing, and Financial Reporting
- The city will establish and maintain the highest standard of accounting practices, in conformity with Generally Accepted Accounting Principles (GAAP).
- The city will attempt to maintain the GFOA Certificate of Excellence in Financial Reporting.
- The city will arrange for an annual audit of all funds and account groups by independent certified public accountants or by the State Auditor’s Office.
- Regular monthly reports present a summary of financial activity by major type of funds as compared to budget. Department directors will review monthly reports comparing actual revenues and expenditures to the budgeted amounts. Any negative variance in any revenue or spending category (Personal Services, Supplies, Other Charges and Services, Capital Outlay) for their department as a whole projected to exceed $10,000 by year-end will be reported in writing to the Chief Financial Officer and the City Manager.
Operating Budget

- The City Manager, when submitting the proposed budget to the City Council, will submit a balanced budget in which appropriations will not exceed the total of the estimated General fund revenue and the fund balance available after applying the General Fund Reserve Policy.
- The city may annually appropriate a contingency appropriation in the General fund budget to provide for unanticipated expenditures of a non-recurring nature.
- In the event there is an unanticipated shortfall of revenues in a current year budget, the Chief Financial Officer may recommend the use of a portion of the General fund balance, not to exceed the amount of available cash or reserved for working capital or already appropriated to the General fund current budget.
- The budget will provide for adequate maintenance of buildings and equipment, and for their orderly replacement.
- The Chief Financial Officer will prepare regular monthly reports comparing actual revenues and expenditures to the budgeted amount. All significant variances will be summarized in a written report to the City Manager and City Council.
- The operating budget will describe the major goals to be achieved and the services and programs to be delivered for the level of funding provided.
- Before adding a new program or service, the city will consider the cost benefit analysis of using outside contractors versus in-house provided services.
- The city will not sell assets or use one-time accounting principle changes to balance the budget for any fund.
- The city will provide ample time and opportunity for public input into its budget setting deliberations each year, including any required public hearings.
- Directors will be responsible for administration of their departmental operating budget. Requests for budget adjustments must be submitted and approved before any program incurs cost overruns for the annual budget period.
- The budget shall be adjusted as needed to recognize significant deviations from original budget expectations. The council shall consider budget amendments each December. Budget amendments are intended to recognize changes made by the council during the year, to reflect major revenue and expenditure deviations from budgeted amounts, and to consider year-end budget requests. Budget amendments are not intended to create a budget that matches budgeted revenues and expenditures to actual revenue and expenditures.
- Administrative budget amendments may be made throughout the year by department directors to adjust line item budgets within their department as long as the total departmental budget does not change. These line item budget changes exclude personal service and capital outlay categories. Administrative budget amendments must be requested in writing and approved by the City Manager and Chief Financial Officer.
Purchasing

Purpose
To provide a guide for general purchasing, contracts and professional services. Purchasing for the City of St. Louis Park is established by the City Council under the City Charter, the City Code and State Statute. This is intended as a guide; questions regarding this document should be directed to the Chief Financial Officer or City Manager.

Policy
To ensure that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity.

I. Responsibility
a. The City Manager is the chief purchasing agent of the City and has the authority to approve purchases up to $175,000 per the City Charter and State Statute. The City Manager has delegated the authority to approve purchases up to $50,000 to the Chief Financial Officer and Directors. Purchases in excess of $175,000 typically require Council approval and usually require competitive bid letting.

b. The City Manager shall identify Directors or other staff who shall be responsible for each fund or department in the annual budget. These individuals shall be responsible for compliance with the annual budget and for all expenditures for their departments and funds. The responsibility lies with each department to keep the City Manager and Chief Financial Officer informed of purchases.

c. Directors or their designee are responsible to follow purchasing regulations and procedures such as, but not limited to: obtaining bids or quotes, maintain records of bids or quotes in accordance with records retention requirements, place actual orders, receive and verify deliveries, and approve invoices for payment.
<table>
<thead>
<tr>
<th>Contract or purchase amount</th>
<th>Documentation</th>
<th>Director</th>
<th>Chief Financial Officer</th>
<th>City Manager</th>
<th>Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000</td>
<td>Open Market Or Designee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25,000</td>
<td>2 or more quotes if practical</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25,000-$50,000</td>
<td>2 or more quotes or sealed bids – competitive bidding is allowed but not required.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50,000-$175,000</td>
<td>2 or more quotes or sealed bids – competitive bidding is allowed but not required.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>$175,000+</td>
<td>Competitive bids required</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

II. General purchasing

a. Under City Charter and Ordinance, it has been determined purchasing will follow the Uniform Municipal Contracting Law, Minnesota Statutes Chapter 471.345. This allows the City Manager the authority to incorporate changes to our purchasing limitations in accordance with MN Statutes. City Manager may develop a process which may be more restrictive than State Law, but may not be less restrictive. A "contract" (general purchasing) means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

b. Capital item purchases that have been authorized by the City Council through either the budget process or the Capital Improvement Plan approval may be made using these guidelines. If an item has not been specifically approved during these annual processes, then they must be taken back for explicit approval.

c. When purchasing use the Environmentally Preferable Purchasing Policy. The policy can be found at the following link: O:\CITYWIDE\SHARE\EP3 Environmentally Preferable Purchasing Policy.
When purchasing, reference resolution 10-060 supporting minority-owned business, women’s business enterprises and small business in contracting, professional services and purchasing. The resolution can be found at the following link: O:\CITY\WIDE\RECORDS\LIBRARY\Resolution Council\2010\10-060.pdf.

III. Purchases less than $5,000.
If the amount is below $5,000, the purchase may be made in the open market. Department Directors may authorize any person in their department to make purchases at this level.

IV. Purchases less than $25,000.
If the amount is estimated to be greater than $5,000 up to $25,000, the contract may be made by quotation or in the open market. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations. Where it is recommended to purchase from other than the low quote, the justification must be clearly presented. The documentation presented must be kept on file for at least one year. Where it is deemed impossible to obtain more than one quotation, the reason therefore will be documented and kept on file for one year.

V. Purchases from $25,000-$175,000.
If the amount is estimated to exceed $25,000 but not to exceed $175,000, the contract may be made either by upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible and without advertising for bids or otherwise complying with the requirements of competitive bidding.

VI. Purchases in excess of $175,000.
Sealed bids shall be obtained by public notice for major purchases with final award by the City Council. Bids must be advertised in the city’s legal newspaper, publicly opened and approved by Council resolution. There are some exceptions to this law, including contracts that are funded in part by special assessments as set forth in M.S, 429.041, subd.1. Questions about this process or thresholds should be directed to the City’s Chief Financial Officer.
Exceptions to Competitive Bidding
The following are some of the more common exceptions to the competitive bidding requirements:

- Contracts less than $175,000
- Cooperative purchasing organizations
- Intergovernmental contracts
- Noncompetitive supplies and equipment
- Real estate purchases
- Professional services including:
  - Architectural
  - Auditing
  - Engineering
  - Legal
  - Group Insurance
  - Banking Services
  - Investment Services
  - Financial Service Providers
  - Construction Management
  - Surveying
  - Emergency Purchases

Contractor’s Bond
The city is required to obtain both a payment and performance bond for all public work contracts over $175,000. Payment and performance bonds protect the city as well as subcontractors and persons providing labor and materials. When the public work contract is let, the amount of the bond needs to be equal to the contract price. If the contract price increases due to change orders, unforeseen conditions, cost overruns or any other reason after the contract is signed, the city has the option of increasing the amount of the contractor’s bond. Consideration may be given for the percentage of the contract that is complete in relation to the contractor’s bond and the increase in the contract price.

VII. Professional Services
Contracts for professional services in excess of $175,000 shall be submitted to the City Council for approval. The term “Professional Services” applies to all advisory services such as, but not limited to: auditing, engineering, financial, legal, personnel, technical, training, or other services. Contracts for professional services shall be made only with responsible consultants who have the capability to successfully fulfill the contractual requirements. Consideration shall be given to their past performance and experience, their financial capacity to complete the project, the availability of personnel, and other appropriate criteria. The nature of the professional service is typically written as a request for proposals (RFP).
### VIII. Emergency Purchases

Minnesota Statute §12.37 gives the City the ability to declare an emergency situation for a limited period of time. During such an emergency, the City is not required to use the typically mandated procedures for purchasing and contracts. Emergency purchases require approval by the City Manager, Chief Financial Officer and, when necessary because of the dollar amount, formal City Council action. An emergency purchase is defined as one where an immediate response is required to protect the health, welfare or safety of the public or public property.

### IX. Conflicts of Interest

Minnesota State Statutes §471.87 and §471.88 prohibit the purchase of goods and services wherever a conflict of interest may exist. City of St. Louis Park Personnel Rules require employees to disclose to their immediate supervisor any personal financial interest in the selling or buying of goods or services for the City of St. Louis Park. No purchase orders, contracts or service agreements shall be given to an employee of the City or to a partnership or corporation of which an employee is a major stockholder or principal. No employee shall enter into the relationship with a vendor where the employee's actions are, or could reasonably be viewed as, not in the best interests of the City. If any employee becomes involved in a possible conflict situation, the employee shall disclose the nature of the possible conflict to his or her supervisor and to the City Manager. The City Manager shall promptly notify the individual in writing of an approval or disapproval of the activity. If disapproved, the employee shall remove himself or herself from the conflict situation. In addition, any disciplinary actions may be considered.

In addition, City Charter section 12.18. “Personal financial conflicts of public officials and section 12.19. Financial conflicts of association of public officials; contract and transaction voidable” must be followed.

### X. Federal purchases

Under uniform grant guidance (2 CFR 200.317–326) there are additional procurement requirements that need to be considered when making purchases related to a federal program. Five procurement methods are identified including: micro-purchase (<$10,000), small purchase procedures (<$25,000), sealed bid (>175k), competitive proposal (>175k), and noncompetitive proposal (>3,500). The

<table>
<thead>
<tr>
<th>Professional service</th>
<th>Documentation</th>
<th>Director</th>
<th>City Manager</th>
<th>Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $50,000</td>
<td>2 or more quotes if possible</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50,000-$175,000</td>
<td>Multiple quotes recommended</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>$175,000+</td>
<td>Multiple quotes recommended</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tbody>
</table>
general purchasing policy addresses many of these requirements and the City will also consider the full requirements in relation to each method as described in 2 CFR. The micro-purchase threshold which is set by Federal Acquisition Regulation at 48 CFR Subpart 2.1 is subject to change with inflation. The City will follow changes to thresholds as modifications occur. When practicable, micro-purchasing will be distributed among qualified suppliers.

The city will review the excluded parties list (https://www.sam.gov), to ensure that no tentative parties, suspended and/or debarred contractors are contract with using federal dollars. When using federal funding and making purchases in excess of $2,000 for construction dollars are subject to the Davis-Bacon Act. Also, the city will avoid unnecessary/duplicate purchases, encourage use of excess Federal surplus property, documenting rationale for procurement method used for purchases, and documentation of selection of contract type maintained in the files. In addition, the city will consider intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

XI. Other
This document is not intended to cover all purchasing situations and regulations. For instance, purchases needed for emergency operations should follow procedures set out in the Emergency Plan and other regulations as approved by the City Manager or designee. If there are questions regarding purchasing, they should be directed to your Director or the Chief Financial Officer.
Executive summary

Title: 2020 Census

Recommended action: Provide feedback to city staff/complete count committee on the information in this report and help promote the 2020 Census through your networks!

Policy consideration: None.

Summary: April 1, 2020, is Census Day! The city has been busy preparing for the 2020 Census with various efforts that have been underway for over a year. There will be a short presentation about the Census at the city council’s March 2, 2020 meeting to help promote the Census to others and motivate more people to self-respond to the Census questionnaire.

The city formed a local complete count committee (CCC) that has been meeting monthly since June 2019. It includes 16 residents that have volunteered to be Census ambassadors in the community. They provide feedback to city staff, they have volunteered their time to promote the census at several local events and in their circles of influence in the community, and several received training from the State Demographer’s office. An example of their efforts includes being set up near the entrances of the middle school and high school during parent communication nights.

Staff from multiple departments have lent their talents to the effort, as well. Staff from the community development, information resources and administration departments have all been working collaboratively and have been deeply involved. A summary of those efforts is shared in the discussion section of the report.

The city has partnered with other metro cities, Hennepin County, Ramsey County, State Demographers office and the Census Bureau to keep up on the latest news, strategies and opportunities to collaborate on our outreach efforts.

One recent success is that the Census Bureau reached its target for job applicants in Hennepin County. The Census Bureau continues to accept applications and hire census takers. The pay rate in Hennepin County for the part-time, temporary Census taker jobs is $27.50 per hour.

Financial or budget considerations: None. This item was a budgeted activity.

Strategic priority consideration: St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.

Supporting documents: Discussion

Prepared by:  Sean Walther, planning and zoning supervisor
Reviewed by:  Karen Barton, community development director
Approved by:  Tom Harmening, city manager
Discussion

Background:

**What is the Census?** It is a full count of the population and it is required by the Constitution of the United States. The Census Bureau has counted every resident in the U.S. every ten years, beginning in 1790.

In previous censuses, most households returned their census forms by mail; census workers walking neighborhoods throughout the United States counted the remaining households. The upcoming Census adds an online response form to use modern and cost-efficient methods to count everyone once and in the right place.

**Why is the Census Important?** The data that will be collected by the 2020 census are critical for states, counties, and communities.

<table>
<thead>
<tr>
<th>Representation</th>
<th>Funding</th>
<th>Data</th>
</tr>
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<tbody>
<tr>
<td>Census data determines the number of seats each state has in the U.S. House of Representatives and districts for state government.</td>
<td>Census data guides federal spending allocation of approximately $589 billion to local communities every year.</td>
<td>Census data helps make informed decisions. Helps us plan roads, schools, programs and emergency services to best serve changing populations.</td>
</tr>
<tr>
<td><strong>Minnesota is at risk of losing a seat in the U.S. House of Representatives.</strong></td>
<td><strong>Even one missed person could mean a forfeited $15,000 in funding over ten years.</strong></td>
<td><strong>This data helps us understand changes in demographics and shifting needs.</strong></td>
</tr>
</tbody>
</table>

**General Timeline for the 2020 Census**

- July 2017 – April 2018 → local update of census addresses
- Fall 2018 → form complete count committees to begin local census organizing work
- April 2018 → census questions delivered to congress
- September 2018 → recruitment for census taker and census office positions began
- April 1, 2019 → census promotional kickoff events
- July 2019 → communications and advertising campaign began
- August 2019 → area Census Bureau offices opened in Minnesota
- August 2019 → In-field address canvassing and group quarters operation began
- March 2020 → door-to-door enumeration and enumeration at transitory locations begins
- **April 1, 2020 → 2020 census day**
- April 2020 → non-response follow-up begins for households that did not submit a Census form
**What are the roles of the Census Bureau, state demographic center and cities?** The U.S. Census Bureau is ultimately responsible for all aspects of the 2020 Census. The state demographic center helps recruit, train, organize and support local governments and organizations as they promote the 2020 Census. A city’s primary role is to provide accurate boundary and address lists and implement local strategies to promote the 2020 Census.

**What are the predicted non-response rates in St. Louis Park?** The U.S. Census Bureau predicts somewhat higher than normal non-response rates in several census tracts in St. Louis Park. Low self-response rates could result in undercounts of the city’s population and certainly more expensive and less efficient data collection. The map below shows the predicted non-response rates, which is the percentage of the people that will not submit the census forms on their own.

**Predicted non-response rates map.**

These estimates are based on the demographics of the areas and past response rates to the decennial Census and the American Communities Survey. These areas have more people that are historically undercounted, including renters, babies, people of color and indigenous, senior
citizens, veterans, foreign born, migrant workers, language constrained, people with disabilities, snowbirds, college students, people living in poverty and people experiencing homelessness.

**What have been some of City of St. Louis Park efforts?** Below is a list of many, but not all, of the activities that have been underway. Also, some activities are highlighted at the end of the list that the racial equity and inclusion team lead.

- We have had a presence at many community events (information tables), including Children First Ice Cream Social, State of the Community, National Night Out neighborhood gatherings, Community Link and others. Our next events will be the parent communication nights at the middle and high schools, and perhaps the elementary school carnivals.
- We have presented to several community organizations, including St. Louis Park Area Rental Coalition, League of Women Voters, Sunrise Rotary, St. Louis Park Business Council, Family Services Collaborative, Parkshores Campus, neighborhood organization annual meetings and other gatherings, as well as some places of worship.
- We have had articles published in the Park Perspective, Sun Sailor, Community Education Spring Catalog, Newscaster, ECHO, and SPARC newsletter.
- We are posting regularly and with increasing frequency in social media and ParkTV.
- We have had inserts in the utility bills beginning in January and through the end of April.
- We are sending a direct letter to “snowbirds” that notified utility billing they will be out of town for an extended period over the winter months.
- We are including flyers and articles in Peach Jar (electronic backpack newsletter) to students and families of students in grades pre-K through grade 8.
- We have promoted Census job opportunities at the high school and other events.

**Other notable activities:** Staff have built partnerships with organizations and other engagement practitioners across region and via formal and informal meetings shared information about the census. For example, staff have built relationships with Latinx organizations in Minneapolis, including HACER, to help us bolster our engagement efforts with the St. Louis Park Latinx population. We have also reached out to the West African Collaborative complete count committee that is based in St. Louis Park and serves the metro area.

Staff facilitated visits to classrooms and parent teacher organizations meetings throughout schools. We worked with a high school art class to create art around the census. This art will be put up throughout the high school and possibly the middle school.

Renters are one of our target audiences, so staff are recruiting assistance from landlords and property managers to post census information in their properties and communications with their tenants. We have also communicated to landlords and property managers their unique responsibilities to cooperate with official census takers to provide access to the common areas of their buildings (not individual units) and to provide information...
about their tenants if requested by the U.S. Census Bureau solely for the purposes of generating statistical data for the census.

Next steps:

- Presentation to the city council on March 2, 2020.
- Staff requests city council help in delivering the message about the importance of the 2020 Census to your constituents through your networks and communications and help motivate people to self-respond.
- Questionnaire assistance center (QAC). Staff are working through logistics to set up QACs in the community. QACs would assist people that want to respond to the census online, but do not have internet access at home or at work.
  - All Ramsey County libraries will likely be QACs.
  - We are exploring hosting a QAC at city hall or other city buildings.
  - We are exploring the possibility of the Community Education computer lab at Lenox as a resource.
  - We are exploring having pop-up events and using the community engagement vehicle as a mobile QAC during the census to areas with low response rates, especially near rental communities in parts of town that are showing low self-response rates.
- Census response challenge?
  - We will be increasing outreach to neighborhood associations regarding the census.
  - We may organize a friendly competition among all of our organized neighborhoods to see who can improve their response rates the most over the 2010 Census response rates.
- The human rights commission has included engagement around the census in their work plan. We look forward to seeing how that takes shape!
- We will also participate in the U.S. Census Bureau’s new construction program to stay on top of any new residential addresses that have been added in the last year.
- Use our city’s media tools to amplify messages about the upcoming census, including a broad email blast through Gov Delivery in mid-March.
Executive summary

Title: Senior Community Services Annual Report

Recommended action: None; for information only.

Policy consideration: Does the council support the services that Senior Community Services (SCS) is providing to seniors in St. Louis Park? Does the council wish to continue to provide an annual financial contribution to assist in funding SCS?

Summary: SCS is a nonprofit organization with a mission to develop, coordinate and provide services that help meet the needs of older adults and support their caregivers. Services provided help with the upkeep of homes, townhouses, and apartments on a sliding fee scale to seniors 60+. Services are provided through a combination of paid staff and volunteers.

In 2019, SCS served 64 senior residents in St. Louis Park throughout the year, completing 595 jobs and providing 1,268 hours of service. Funding from St. Louis Park helped to fund the sliding-fee scale so SCS could provide the following services:

- Housekeeping
- Outdoor maintenance
- Handy person
- Home maintenance
- Painting

The city’s $10,000 contribution in 2019 equated to a contribution of $7.89 per hour of service which assisted in subsidizing the sliding-fee scale for low-and-moderate income seniors.

Financial or budget considerations:
The city provided SCS with a $10,000 funding contribution in 2019 and approved a $10,000 funding contribution from the city for 2020 to assist in funding SCS services provided to St. Louis Park seniors. Funds have been allocated in the 2020 Housing Rehab Fund.

Strategic priority consideration:
St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.

Attachment: Senior Community Services 2019 annual report

Prepared by: Michele Schnitker, cd deputy director & housing supervisor
Reviewed By: Karen Barton, community development director
Approved by: Tom Harmening, city manager
February 7, 2020

Michele Schnitker
Housing Supervisor/Deputy Community Development Director
City of St. Louis Park
5005 Minnetonka Boulevard, St. Louis Park, MN 55416

Dear Michele,

Thank you for prioritizing older adults in the city of St. Louis Park! The funding of $10,000 in 2019 that you provided Senior Community Services made a positive impact in the lives of many older adults in our shared community.

The HOME program also helped to ensure that the property values of the homes of older adults in St. Louis Park remains steady and, in turn, protected the property values of their neighbors.

We know that we all do better when we can all age successfully.

Please let me know if you have any questions or if you would like any additional information. Thank you for your partnership!

Sincerely,

Deb Taylor
Chief Executive Officer
952-767-7897
1. **What needs did the HOME program address in St. Louis Park?**

   Senior Community Services HOME program provides services to help with the upkeep of a home, townhouse, and apartment in St. Louis Park and we provide these services on a sliding-fee scale to seniors, age 60+.

   The HOME program provided low-income older adults with high-quality chore and home maintenance services delivered by trusted professionals and community volunteers. As the largest senior chore program in Minnesota, we provided these essential services on a sliding-fee scale at an affordable cost. Funding from St. Louis Park helped to fund the sliding-fee scale so we could provide the following services to low-income seniors in St. Louis Park:

   1) **Housekeeping:** performs housework that is often difficult for older adults to safely perform such as cleaning, laundry and grocery shopping.
   2) **Outdoor:** provides snow shoveling and de-icing, grass cutting and leaf raking, preventing winter senior falls.
   3) **Handyperson:** changes furnace filters, install winter weatherization, and make plumbing, carpentry and electrical repairs.
   4) **Home Safety:** conducts safety assessments and make improvements, such as grab bars and improved lighting, and reduce tripping hazards.
   5) **Painting:** provides interior and exterior painting. Paid staff provided housecleaning, minor home maintenance and interior/exterior painting.

2. **What were the economic benefits to providing HOME services to low- to moderate- income seniors?**

   We saw more seniors on fixed incomes. For these seniors that own their modest homes, it is most affordable place to live. For those seniors on fixed incomes renting an apartment, it is still a more affordable option than the alternatives. But, without the HOME services provided on a sliding-fee scale based on income, many seniors’ inability to pay market rates for upkeep of their modest homes or apartments can result in homelessness or they become segregated into senior housing.

   If a senior on a fixed income can afford to stay in their own homes with the help of subsidized services, then they can stay off public assistance. If they move into assisted living, the annual cost is $50,000 a year. Even after a senior sells their modest home for $150,000 and moves into assisted living, they only have money for three years before that have to go on public assistance and then we all pay the price.

3. **What were the social and emotional benefits to providing HOME services to low-to moderate- income seniors?**

   As we think about growing older, nine out of 10 of us want to remain in our own homes and connected to our communities. It is the most affordable place to live for many of us as we age. HOME services helps people stay in their homes, out of segregated senior housing and off public assistance. Isn’t that what we all want? We all do better when all of us can age successfully in our own homes and connected to our community.
4. The cost and sustainability of HOME Services

Our true cost to provide home maintenance, snow removal, lawn mowing and housekeeping services range from $30 - $38/Hour. We provide these services on a sliding fee scale, so that seniors on a fixed income can afford the upkeep of their homes, remain safely in their own homes and stay connected to their city.

When we take $10,000 and divide it by 1,268 hours of services, the cost to St. Louis Park was $7.89/Hour. The $7.89/Hour helped to subsidize the sliding-fee scale for 64 low- to moderate-income seniors.

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<thead>
<tr>
<th>St. Louis Park</th>
<th>2019 Projected</th>
<th>2019 Actual</th>
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</thead>
<tbody>
<tr>
<td>Clients</td>
<td>65</td>
<td>64</td>
</tr>
<tr>
<td>Jobs</td>
<td>590</td>
<td>595</td>
</tr>
<tr>
<td>Hours</td>
<td>1,450</td>
<td>1,268</td>
</tr>
</tbody>
</table>

Senior Community Services will sustain the HOME program using a blend of government, philanthropic support, fee for service, and contracts with healthcare. Since most of the older adults served are low-income, the program is not sustainable without community support – like the City of St. Louis Park.