Dilworth City Hall
2 First Avenue SE
Dilworth, MN 56529

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www.cityofdilworth.com

DILWORTH CITY COUNCIL REGULAR MEETING

MONDAY, OCTOBER 24, 2022

Zoom: https://us06web.zoom.us/j/89935588402 | Phone Only: 312-626-6799, ID: 899 3558 8402

1. **Call to Order**

2. **Roll Call**

3. **Agenda Approval**

4. **Consent Agenda**

   4.A Approve minutes from the October 10, 2022 City Council Meeting

   4.B Approve minutes from the October 10, 2022 City Council Special Meeting

   4.C Receive and file minutes from October 5, 2022 Planning Commission Meeting

   4.D Receive and file the September Lawful Gambling Monthly Tax Return Statement for the Dilworth Lion's Club

   4.E Approve Multi-Family Residential Tax Abatement Agreement with the Rail 10 Apartments

   4.F Approve Amended City of Dilworth Financial Policies

   4.G Receive and file the minutes for the Dilworth Fire Department Business Meeting from October 17, 2022

   4.H Approve Police Department Training Request

5. **Public Comment Period (by Appointment Only)**

6. **Fire Department**

   6.A Public Hearing, Proposed Dilworth Fire Hall Facility at 709 1st Avenue Northwest

7. **Planning & Engineering**

   7.A Public Hearing: Resolution 22-44, 2022 Border City Tax Credit Program

   7.B Consideration, Professional Services Agreement with HKGi for Land Use Evaluation of Highway 10 from County Road 9 to 7th Street Northeast

   7.C Consideration, Resolution 22-45, Extending Property Tax Rebate Program Through December 31, 2024

7.D Update/Consideration, Adoption of Commercial Incentive Guide and Program for 2023

8. Police Department

8.A Resolution 22-43, Accepting a Donation from Helmsley Charitable Trust of Five AED's for the Dilworth Police Department

9. Parks

9.A Consideration, Holiday Event at Whistle Stop Park on November 30, 2022

10. City Hall

10.A Consideration, 2023 Utility Rates

10.B Resolution 22-46, Repealing Order of Secured Vacant Building (11 First Avenue Southeast)

11. Council Member's Concerns and Committee Updates

12. Payment of Bills

12.A Bills to be approved for October 24, 2022

13. Adjournment

AGENDA ITEM NO. 4.A

Approve minutes from the October 10, 2022 City Council Meeting

DESCRIPTION:	N/A
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	10_10_2022_ Minutes.pdf
SUBMITTED BY:	Jessica Malvin, Administrative Assistant
DEPARTMENT:	City Hall

Minutes of the Dilworth City Council Regular Meeting, Clay County, Minnesota, held October 10, 2022, at 6:00 PM, at Dilworth City Hall 2 First Avenue SE Dilworth, MN 56529.

PRESENT: Chad Olson, Jim Aasness, Julie Nash, Kevin Peterson, Steve Jesme

OTHERS: City Administrator Peyton Mastera, Maintenance Supervisor Mike Denis, City Engineer Andrew Aakre, Police Chief Ty Sharpe, Dave Steichen, Dennis Tahran, Kathy Tahran, Ken Parke, Craig Larson, Bee Riepe, Heather Dosh, Matthew Meyer, Michael Bendel-Paulson, Gerald Zimmel, Rev. August Gottoman, JuLienne Rosenfeild, Rebecca Riepe, Heath Knapper, Debra Ferden, John Kuhn, Brandi Bendel-Paulson, Joanne Strandlien, Margie Nelson, Deborah Tiffany, Angela Miller, Becky Tigue, Ken Wirtz, Joyce Brown, Josh Shulstad, Nikki Danielson, Nick Danielson, Gary Haskins, and Administrative Assistant Jessica Malvin.

Zoom: https://us06web.zoom.us/j/86128925354 | Phone Only: 312-626-6799, ID: 861 2892 5354

1. **Call to Order**

The meeting was called to order at 6:01 p.m.

2. **Roll Call**

3. **Agenda Approval**

MOTION: by Julie Nash, seconded by Steve Jesme, to approve the agenda for the October 10, 2022 council meeting. Motion passed by 5 ayes, 0 nays.

4. **Consent Agenda**

MOTION: by Jim Aasness, seconded by Kevin Peterson, to approve al items on the consent agenda. Motion passed by 5 ayes, 0 nays.

4.A. Approve minutes from the September 26, 2022 City Council Meeting

4.B. Approve temporary liquor license for Mills Lounge for an event at the Community Center on October 29, 2022

4.C. Approve the Mechanical/Heating License application of Esser Plumbing & Heating, Inc. DBA Aire Serv, to expire October 9, 2023

4.D. Approve the Mechanical/Heating License application of Quality Heating & Air, to expire October 9, 2023

4.E. Approve the License to Sell Used Cars application of Helmer's Enterprise, to expire October 9, 2023

4.F. Approve Summary Ordinance 22-05, 22-06, 22-07, and 22-08, adopted at the September 26, 2022 City Council meeting

4.G. Approve Planning Commissioner appointments

4.H. Receive and file September Incident Analysis Re

4.I. Receive and file resignation notice from the Fire Department

4.J. Authorize hire of new firefighter

4.K. Approve Telework Policy

4.L. Receive and file September 2022 utility report

4.M. Resolution 22-42, Releasing Monetary Bond/Security for the Ignition Interlock Device Program, Pursuant to Minnesota Statutes 171.306

5. **Public Comment Period (by Appointment Only)**

None received.

6. **Planning & Engineering**

6.A. Public Hearing, Final Assessment Hearing for the Northside Improvement (Mill/Overlay) Project

Public hearing opened at 6:02 p.m.

The Northside Improvement (Mill/Overlay) Project includes the mill and overlay of city streets on the northside of town and the reconstruction of the alley between Highway 10 and 1st Avenue NE and the alley behind the Catholic Church.

The total cost of the mill and overlay project is $3,890,620.68 with $1,869,403.34 being assessed to property owners at $84.45 per linear foot. The total cost of the alley reconstruction between HWY 10 and 1st Avenue NE is $245,574.00 with $122,787.00 being assessed to property owners. Residential property owners abutting the alley will be assessed $500 and commercial property will be assessed $214.24 per linear foot. The total cost of the alley reconstruction behind the Catholic Church is $105,369.32 with $52,684.66 being assessed to the church.

The first payment of special assessments are due with property taxes in May 2023. Property owners can make partial or full payments at City Hall prior to the assessments being certified to the County this fall.

Anyone contesting their specials must do so in writing to the City Administrator or Mayor before or at the City Council meeting on October 10, 2022. Within thirty days from that date they must serve notice to the City of Dilworth that they intend to file in district court. Once this notice is received they must file with the court within ten days. Failure to meet any of these requirements invalidates the ability to contest specials.

The floor was opened for questions, with City Administrator L. Peyton Mastera, City Engineer Andrew Aakre, and Mayor Chad Olson responding.

Margie Nelson – 208 4th Street NE - I filed a written contestation, do I have to take it to court?
Mastera - Yes, if you would like to contest your specials, you would have to complete all three steps in the 429 process.

Rev. August Gothman – 207 Main Street North - Abutting property is anyone that is touching the property? Who decides who is abutting? What about the people that use the alleyway that are not directly touching it?
Aakre - With this not being full reconstruction of the alley only the properties that abut it are being assessed.

Heath Knapper – 111 Center Avenue West - Residential lots that use the church alley are not being assessed, but why am I being (taxed) for a road that I don't use?

Joshua Shulstad – 104 2nd Street NW - The minimum payment is $1,000? To avoid interest you would need to pay in full before it goes to the County? What are the qualifications for a deferment of specials?
Mastera - Yes, the minimum payment is $1,000, when paying at City Hall. Yes, to avoid interest you would need to pay in full before November 15, 2022. Qualifications for a deferment of specials is set and determined by Council on a case by case basis.

Matthew Meyer – 201 3rd Street NW - How was the footage determined per property?
Aakre - It was based off of the Clay County records for each property.
Matthew Meyer – 201 3rd Street NW - Why are there sidewalk approaches but no sidewalks?
Aakre - ADA laws and guidelines require that they are installed with all new roadway projects.

Nicholas & Nicole Danielson – 405 Center Avenue West - With over $ 15,000 in specials, where did that number come from, what side of the road? Are we being charged for 5th Street or 4th Street, where does that number come from?
Aakre - If you take the lot size for both 5th Street (92ft) and 4th Street (92ft) by the $84.45 per linear foot, you get the $15,538.80
Nicholas & Nicole Danielson – 405 Center Avenue West - Can we not contest this? Can we contest the roadway?
Mayor Olson - You can contest the specials, the project is complete, you can not contest the project, that is done.
Nicholas & Nicole Danielson – 405 Center Avenue West - 5th Street is unused by our business, why are we apart of that? We don't have sidewalks or ramps?
Mayor Olson - You are based off the entire project, off of your footage of your lot, not just what gets used or not used.
Nicholas & Nicole Danielson – 405 Center Avenue West - Are other businesses and apartments being assessed for this?
Mayor Olson - Yes they are.
Nicholas & Nicole Danielson – 405 Center Avenue West - So is Casey's paying the same as us, they are the same lot size?
Mayor Olson - Yes, they would be assessed the same per linear foot.
Nicholas & Nicole Danielson – 405 Center Avenue West - Its a lot of money to not receive any benefits to our lot at all. We have no sidewalks, no mill and overlay was done, no ADA ramps, basically nothing

was done on our lot. Can we contest this?
Mayor Olson - Yes, we will get you a paper to fill out to formally contest.

Bee & Rebecca Riepe – 301 5th Street NW - I have only been in my house for 18 months. I did not receive notification about this project. A letter was mailed to our house but it was in someone else's name. $1,000 minimum payment?
Mayor Olson - The $1,000 payment is if you are paying it off ahead of the assessment roll being submitted to the County.
Bee & Rebecca Riepe – 301 5th Street NW - If we make a payment does it have to be the $1,000?
Mayor Olson - Only if you are paying it before it goes to the County. If you make your yearly payments with your taxes, it will be what ever the break down is.
Bee & Rebecca Riepe – 301 5th Street NW - A lot of people were late for the meeting due to the online forms staying the meeting was at City Hall and not here. I think that you should consider a lower rate, its too high.
Mayor Olson - The 5.08% is what the City will be paying, based upon the bond received. The City is not trying to make money off the specials.

Debra Ferden – 204 Center Avenue East - Is contesting and different two separate things?
Mayor Olson – Yes.
Debra Ferden – 204 Center Avenue East - How does this work with escrow?
Mayor Olson - You would want to talk to your lending institution to adjust your escrow to include this amount.
Debra Ferden – 204 Center Avenue East - How do we request deferment of specials?
Mayor Olson - If you meet the requirement for deferment from the State, then it will be brought to Council if an appeal is brought forward.
Mastera - The letter that was mailed out has the requirements listed for anyone that is 65 years and older or a member of the active military.

Bee Riepe – 301 5th Street NW - We lived in our house for 18 months and after going to City Hall, we requested a copy and did not get one for us. With all of these letters being mailed out, are new residents getting notified? Is there a plan for that?
Mayor Olson - I am sorry you were missed. People buying a house should be told of this through a disclosure report.

Rev. August Gothman – 207 Main Street North - Is the deferment a percent or a dollar amount?
Mastera - It is case by case. You have to meet policy and statutory requirements to apply.

John Kuhn – 207 Main Street North - What is a definition of financial hardship? We were $700 "in the black" the last year.
Mayor Olson - It is for individuals not for corporations. It does not stop payments, it just delays.

Matthew Meyer – 201 3rd Street NW - If we contest, do we have to do anything more?
Mayor Olson - Yes, you can leave it and do nothing. If you decide to not contest tonight, you can not change your mind tomorrow. If you contest tonight and change your mind tomorrow, then you don't have to do anything.

Bee Riepe – 301 5th Street NW - What determines us paying for a project?
Mayor Olson - It is based off where the project is located and the size of your lot.

Public hearing closed at 7:00 p.m.

MOTION: by Julie Nash, seconded by Jim Aasness, to receive and file eight formal contestations to special assessments on the Northside Improvement (Mill/Overlay) Project. Motion passed by 5 ayes, 0 nays.

6.B. Resolution 22-41, Adoption of Assessments for the Northside Improvement (Mill/Overlay) Project

MOTION: by Kevin Peterson, seconded by Steve Jesme, to approve Resolution 22-41, Adoption of assessments for the Northside Improvement (Mill/Overlay) Project. Motion passed by 5 ayes, 0 nays.

6.C. Consideration, Pay Request #5 for the 7th Street Northeast Reconstruction Project

7:10 p.m. Council took a recess. 7:19 p.m. Council was back in session.

City Engineer Andrew Aakre reviewed and recommends paying pay request #5 for the 7th Street Northeast Reconstruction Project in the amount of $588,691.06. The City will retain one percent for the final wear course that will go on the summer of 2023.

Councilmember Peterson requested for the record that the City should be compensated for the extra days it took to complete the road.

MOTION: by Julie Nash, seconded by Jim Aasness, to approve of pay request #5 for the 7th Street Northeast Reconstruction Project. Motion passed by 5 ayes, 0 nays.

6.D. Consideration, Change Order #3 for the 7th Street Northeast Reconstruction Project

City Engineer Andrew Aakre has reviewed and recommends Change Order #3 for the 7th Street Northeast Reconstruction Project in the amount of $21,890.75. This is for three gate valves and the additional time for the work.

MOTION: by Julie Nash, seconded by Steve Jesme, to approve Change Order #3 for the 7th Street Northeast Reconstruction Project. Motion passed by 5 ayes, 0 nays.

6.E. Consideration, Change Order #4 for the 7th Street Northeast Reconstruction Project

City Engineer Andrew Aakre has reviewed and recommends Change Order #4 for the 7th Street Northeast Reconstruction Project in the amount of ($5,856.79). This is for a proposed route for the 16" waterline, the line was shorter that expected, resulting in a reduction.

MOTION: by Jim Aasness, seconded by Kevin Peterson, to approve Change order #4 for the 7th Street Northeast Reconstruction Project. Motion passed by 5 ayes, 0 nays.

6.F. Consideration, Change Order #5 for the 7th Street Northeast Reconstruction Project

City Engineer Andrew Aakre has reviewed and recommends Change Order #5 for the 7th Street Northeast Reconstruction Project in the amount of $5,035.90. This is for additional drainage and moving two sump pump lines.

MOTION: by Steve Jesme, seconded by Julie Nash, to approve Change Order #5 for the 7th Street Northeast Reconstruction Project. Motion passed by 0 ayes, 0 nays.

6.G. Consideration, Change Order #6 for the 7th Street Northeast Reconstruction Project

City Engineer Andrew Aakre has reviewed and recommends Change Order #6 for the 7th Street Northeast Reconstruction Project in the amount of $12,102.86. This is for the work done on inlet alignment and area drain installation. This change order increase will be reduced on the next Moore Engineering invoice due to being their error.

MOTION: by Jim Aasness, seconded by Julie Nash, to approve Change Order #6 for the 7th Street Northeast Reconstruction Project. Motion passed by 5 ayes, 0 nays.

6.H. Consideration, Change Order #7 for the 7th Street Northeast Reconstruction Project

City Engineer Andrew Aakre has reviewed and recommends Change Order #7 for the 7th Street Northeast Reconstruction Project in the amount of $3,157.50. This is for fixing a leak on the 8th Avenue NE lift station.

MOTION: by Kevin Peterson, seconded by Steve Jesme, to approve Change Order #7 for the 7th Street Northeast Reconstruction Project. Motion passed by 5 ayes, 0 nays.

7. **Police Department**

7. A. Resolution 22-40, Accepting a Donation from West Central MN EMS for the Dilworth Police Department

This donation from West Central MN EMS will fully cover the cost of Narcan, allowing for each officer to have it in the patrol vehicles.

MOTION: by Steve Jesme, seconded by Julie Nash, to approve Resolution 22-40, accepting a donation form West Central MN EMS to the Police Department for the purchase of Narcan. Motion passed by 5 ayes, 0 nays.

8. **City Hall**

8. A. Consideration, Purchase of AMI (Advanced Metering Infrastructure) Water Meter Monitoring System

Deputy Clerk Becky Tigue presented the request for the Advanced Metering Infrastructure (AMI) Water Meter Monitoring System.

The AMI system will improve water reading services by giving daily water reports instead of one report each month. An antenna would be installed on the top of the water tower and will have a wide range capable of accommodating any future city expansion. The AMI system is compatible with our current meter equipment, software, and billing system.

Initial set up of the AMI system is $54,200.25. This includes software, maintenance, base station, antenna, set up fees, and training. Beginning year two will be an ongoing software and maintenance cost of $16,010.32 and increase approximately 3% each year thereafter. Black Mountain Software charges a one-time Vendor/File change of $1,500 and an annual AMR Dual Interface of $675.00.

MOTION: by Steve Jesme, seconded by Julie Nash, to approve the purchase of the AMI Water Metering system. Motion passed by 5 ayes, 0 nays.

9. **Council Member's Concerns and Committee Updates**

Nash: Today staff had a meeting about the HWY 10 corridor study. Right after staff met with Metro COG on the preliminary findings of the metro housing study.

Mastera: Rural Cities meeting in Sabin on Thursday, October 13 at 4:00 p.m. November 30th Park Board will be hosting a lighting of the train or similar event.

Olson: Thank you Andrew and Moore Engineering for preparing for the meeting, handling the change orders, and making the hard decisions. Jerry good luck on your new adventure.

10. **Payment of Bills**

10.A. Bills to be approved for October 10, 2022

MOTION: by Jim Aasness, seconded by Julie Nash, to approve payment of the claims, bills, and addendum items dated October 10, 2022. Motion passed by 5 ayes, 0 nays.

11. **Adjournment**

The meeting adjourned at 8:13 p.m.

Mayor: ______________________________ ATTEST: ______________________________

Chad Olson L. Peyton Mastera, City Administrator

Approved by the Dilworth City Council on: October 10, 2022

AGENDA ITEM NO. 4.B

Approve minutes from the October 10, 2022 City Council Special Meeting

DESCRIPTION:	N/A
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	10_10_2022_Closed Minutes.pdf
SUBMITTED BY:	Jessica Malvin, Administrative Assistant
DEPARTMENT:	City Hall

Minutes of the Dilworth Council Special Meeting, Clay County, Minnesota, held October 10, 2022, at 5:15 PM, at Dilworth Community Center 709 1st Avenue Northwest Dilworth, MN 56529.

PRESENT: Chad Olson, Jim Aasness, Julie Nash, Kevin Peterson, Steve Jesme

OTHERS: City Administrator Peyton Mastera

Call to Order

The meeting was called to order at 5:17 p.m.

Roll Call

Closed Session

Council went in to closed session at 5:18 p.m.

Council came back at of closed session at 5:26 p.m.

Pursuant to Minnesota Statutes 13D.03, subd. 3(c) to Discuss Labor Negotiation Strategy with the Operating Engineers Local 49 and Law Enforcement Labor Services

General

Consideration, 2023 - 2025 Labor Contract with the International Union of Operating Engineers, Local No. 49

MOTION: by Steve Jesme, seconded by Julie Nash, to approve the 2023 - 2025 labor contract with the International Union of Operating Engineers, Local No. 49. Motion passed by 5 ayes, 0 nays.

Adjournment

The meeting adjourned at 5:27 p.m.

Mayor: ______________________________ ATTEST: ______________________________
Chad Olson L. Peyton Mastera, City Administrator

Approved by the Dilworth City Council on: October 10, 2022

AGENDA ITEM NO. 4.C

Receive and file minutes from October 5, 2022 Planning Commission Meeting

DESCRIPTION:	N/A
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	10_05_22_Minutes.docx
SUBMITTED BY:	Angela Miller, Administrative Assistant
DEPARTMENT:	City Hall

Minutes of the Dilworth Planning Commission Regular Meeting, Clay County, Minnesota, held October 5, 2022, at 5:30 PM, at Dilworth City Hall 2 First Avenue SE Dilworth, MN 56529..

PRESENT: Lisa Kilde, Chad Olson, Brian Graftaas, David Steichen, Crystal Jamerson, Tammy Stebleton

ABSENT: Steve Astrup

OTHERS: City Administrator Peyton Mastera, Deputy Clerk Becky Tigue, Brent Muscha, Michael Maddox, and Kassondra Baird.

Zoom: https://us06web.zoom.us/j/88039174783 | Phone Only: 312-626-6799, ID 880 3917 4783

1. **Call to Order and Welcome Guests**

Kilde called the meeting to order at 5:30 p.m.

2. **Roll Call**

3. **Agenda Approval**

MOTION: by Brian Graftaas, seconded by Crystal Jamerson, to approve the October 5, 2022 meeting agenda. Motion passed by 6 ayes, 0 nays.

4. **Approval of Minutes**

4.a. Approve minutes from August 3, 2022 Planning Commission Meeting

MOTION: by David Steichen, seconded by Brian Graftaas, to approve the minutes from August 3, 2022. Motion passed by 6 ayes, 0 nays.

5. **Update**

5.a. Highway 10 Corridor Study

The goals of the Highway 10 study are to evaluate current and future needs, gather public input, and develop alternative options for upcoming projects. The study includes all of Highway 10 from 34th Street to 60th Street and is split into three zones. The first zone is located between 34th Street and County Road 9, the second zone is from County Road 9 to 7th Street, and zone three is from 7th Street to 60th Street.

An evaluation and analysis of the corridor included sidewalks, parking, access points, traffic conditions, safety concerns, crash analysis, travel patterns, and future traffic growth. Evaluation of the corridor shows there is poor connectivity, limited parking, and too many access points, especially in zone two.

There was a public input meeting in July and an interactive website to get public input. Concerns reported include intersection improvements, vehicle speed, and pedestrian and bike connectivity. One concern Planning members brought up was frequency that semi trucks drive through Dilworth to avoid the weigh station on I-94.

The next step is creating options and concepts for development and getting public input on these options. By spring a final study report and presentations will be available.

6. **General**

6.a. Consideration, 2022 Border City Tax Credit Program

The applicants for the 2022 Border City Tax Credits are DQ for $15,000, Butcher Block for $7,500, Roasted Rail Coffeehouse for $6,000, and Mix Picks for $4,500. Allocations are based on the number of people employed by the business and its impact on the community. The Border City Tax Credit Program is a benefit that attracts potential new businesses to Dilworth.

MOTION: by David Steichen, seconded by Tammy Stebleton, to recommend for approval to the Dilworth City Council to hold a public hearing and approve the 2022 Border City Tax Credits to Dairy Queen ($15,000), Butcher Block ($7,500), Mix Picks ($4,500), and Roasted Rail Coffee House ($6,000). Motion passed by 6 ayes, 0 nays.

7. **Receive and File Building Permits**

7.a. Receive and File Building Permits for August 2022

MOTION: by Brian Graftaas, seconded by Crystal Jamerson, to receive and file the building permits for August 2022. Motion passed by 6 ayes, 0 nays.

8. **Project Updates**

The Planning Commission will be involved in land use planning of "zone 2" as a stand alone project.

9. **Member Concerns, Questions, and Updates**

Jamerson: Glad to see sidewalks and pedestrian traffic are being considered with the Highway 10 Corridor Study.

Stebleton: Asked about the status of Tractor Supply Company moving to Dilworth and the Fire Hall. Tigue replied that we are still waiting for TSC to pull permits and Mastera replied that the State did not pass the bonding bill but the City still plans to move forward with the planning stage of the Fire Hall project. Asked about the apartment projects and Mastera replied that the one to be funded through Minnesota Housing was denied funding and the one owned by Dilton LLC never submitted building plans or requested building permits.

Steichen: Would like to see a charging station by the Rail District.

Kilde: Looking forward to the Highway 10 corridor study and future improvements.

Graftaas: Inquired about the park land acquisition and Mastera replied that the north section has been purchased.

10. **Adjournment**

The meeting was adjourned at 7:02 p.m.

Chair: ________________________________ ATTEST: ____________________________

Lisa Kilde L. Peyton Mastera, City Administrator

Approved by the Dilworth City Council on: November 2, 2022

AGENDA ITEM NO. 4.D

Receive and file the September Lawful Gambling Monthly Tax Return Statement for the Dilworth Lion's Club

DESCRIPTION: N/A

SUGGESTED ACTION: Consent agenda approval

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Lions Lawful Gambling Monthly Tax Return - September 2022.pdf

SUBMITTED BY: Angela Miller, Administrative Assistant

DEPARTMENT: City Hall

MINNESOTA - REVENUE

Lawful Gambling Monthly Tax Return

G1

Print or Type

Organization name	Federal ID number (FEIN)	Minnesota tax ID number	License number
Dilworth Lions Club	41-6052007	1460323	01877

Address ☐ Check if organization changed	Email address	Month/year reported
PO Box 116		9/2022

City	State	Zip code	Number of Sites
Dilworth	MN	56529	3

Number of pull-tab (paper and electronic), tipboard, sports themed tipboard and paddleticket games reported on schedule B2's for the month : 10

Check all that apply: ☐ Amended return ☐ Filing under extension (see Instructions) ☐ No gaming activity this month ☐ Final Return (see Instructions)

This return includes (check all that apply): ☐ Schedule B2 ☐ Schedule NRL ☐ Schedule ER ☐ Form G7430 (February only)

Gross Profit

			A Gross receipts	B Prizes paid	C Net receipts
1	Non-linked bingo	1	0.00	0.00	0.00
2	Raffles (if tax-exempt raffles were conducted,complete Schedule ER)	2	0.00	0.00	0.00
3	Paddle tickets 0 games	3	0.00	0.00	0.00
4	Add lines 1 through 3	4	0.00	0.00	0.00
5	Interest and other income (including advertising or sponsorship income; see instructions)	5	0.00		0.00
6	Electronic linked bingo	6	2675.75	2274.38	401.37
7	Tipboard 0 games	7	0.00	0.00	0.00
8	Paper pull-tabs 10 games	8	21768.00	18331.00	3437.00
9	Electronic pull-tabs 0 games	9	164998.50	144412.50	20586.00
10	Sports-themed tipboards 0 games	10	0.00	0.00	0.00
11	Add lines 4 through 10. Line 11C is your gross profits for the month	11	189442.25	165017.88	24424.37

Tax and Fees

12	Net receipts tax (multiply line 4C by 8.5% [0.085]. If negative, enter zero)	12	0.00
13	Combined net receipts tax (from Worksheet E, line 11)	13	2198.00
14	Total tax before credits (add lines 12 and 13)	14	2198.00
15	Net receipts tax credit used (from Schedule NRL, column E)	15	0.00
16	Exempt raffle tax credit (from Schedule ER, line 4)	16	0.00
17	Total nonrefundable credit (add lines 15 and 16)	17	0.00
18	Subtract line 17 from line 14. If negative, enter zero	18	2198.00
19	Combined net receipts tax credit (from Worksheet E, line 11; if negative)	19	0.00
20	Monthly regulatory fee (multiply line 11a by 0.125% (.00125)	20	236.80
21	TOTAL TAX DUE OR REFUND (add lines 18, 19 and 20)	21	2434.80

Expenditures /Expenses

22	Lawful purpose expenditures (from LG100C) less MN DOR gaming taxes paid	22	2675.00
23	Total lawful purpose expenditures (add lines 21 and 22)	23	5109.80
24	Allowable expenses (total of all Schedule A's)	24	10291.83

Start Bank

25	a	Starting cash banks per books (total of all Schedule A's)	25 a	8000.00	
	b	Unreimbursed starting cash banks (total of all Schedule A's)	25 b	0.00	
		End-of-month cash balance in starting banks (subtract line 24b from 24a)	25		8000.00

Organization Net Profit Less Combined Receipt Tax and Regulatory Fees Paid in the Month 11891.54

Sign Here

I declare that all information on this summary and tax return is true, correct and complete.

Chief executive officer (print)	Chief executive officer signature	Date	Daytime Phone
[illegible]	Darrell Vasvick	10/5/22	
Gambling manager	**Gambling manager signature**	**Date**	**Daytime Phone**
Brent Kangas	Brent Kangas	10/14/22	(701) 367-5818
Preparer (print) / **Name of firm**	**Preparer signature**	**Date**	**Daytime Phone**
B. Johnson & Assoc. Ltd.			(218) 829-3501

Mail Form G1, schedules and any required attachments to:
Minnesota Revenue, Mail Station 3350, St. Paul, MN 55146-3350

AGENDA ITEM NO. 4.E

Approve Multi-Family Residential Tax Abatement Agreement with the Rail 10 Apartments

DESCRIPTION: The City Council approved a five year tax abatement for the Rail 10 Apartments the summer of 2021. This tax abatement set up the foundation of later adopted policy which grants a five-year abatement based upon the following schedule:

Year 1: 100% abatement (city, county, and school district taxes)
Year 2: 100% abatement (city, county, and school district taxes)
Year 3: 75% abatement (city taxes)
Year 4: 50% abatement (city taxes)
Year 5: 25% abatement (city taxes)

A formal agreement is to be executed by both parties to effectuate.

SUGGESTED ACTION: Consent agenda approval

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Rail 10 Tax Abatement Agreement 9-28-22.pdf

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: City Hall

10/13/22

PROPERTY TAX ABATEMENT AGREEMENT

By and Between

CITY OF DILWORTH, MINNESOTA

and

Rail 10 Apartments LLP

Dated: ____________________

This document was drafted by:
City of Dilworth
2 First Avenue SE
Dilworth, MN 56529
Telephone: (218) 287-2313

THIS PROPERTY TAX ABATEMENT AGREEMENT (the "Agreement") is made and entered into as of this **____** day of **_______**, 2022 (the "Effective Date"), by and between the City of Dilworth, Minnesota, a municipal corporation and political subdivision under the laws of Minnesota (the "City"), and Rail 10 Apartments LLP, a North Dakota Company (the "Developer").

RECITALS

WHEREAS, the City intends to provide a property tax abatement pursuant to Minnesota Statutes Sections 469.1812 through 469.1815 (the "Tax Abatement Act") for certain real property (the "Development Property") located in the City and described on the attached Exhibit A; and

WHEREAS, the Developer will construct a 72-unit Apartment Complex on the Development Property (the "Project") as more fully provided in this Agreement; and

WHEREAS, pursuant to the Tax Abatement Act, the City is authorized to provide financial assistance in order to increase tax base of the City and to create employment opportunities in the City; and

WHEREAS, the City believes that the development of the Project, the property tax abatement contemplated herein, and the fulfillment of this Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of the Tax Abatement Act and other applicable State and local laws and requirements under which the Agreement is made; and

WHEREAS, the requirements of Minnesota Statutes Sections 116J.993 through 116J.995 (the "Business Subsidy Act"), apply to this Agreement; and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Act, after public hearings for which notice was published; and

WHEREAS, in connection with the assistance provided under this Agreement, this Agreement constitutes a business subsidy under the Business Subsidy Act.

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

ARTICLE I

<u>Definitions</u>

Section 1.1. <u>Definitions</u>. In this Agreement, unless a different meaning clearly appears from the context:

"Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Benefit Date” means the date on which a Certificate of Completion for the Project is issued by the City.

“Business Day” means any day except a Saturday, Sunday, or a legal State holiday or a day on which banking institutions in the City are authorized by law or executive order to close.

“Business Subsidy Act” means Minnesota Statutes Sections 116J.993 through 116J.995, as may be amended from time to time.

“Business Subsidy” has the meaning set forth in Section 3.2(a) hereof.

“Certificate of Completion” means the certification provided to the Developer in accordance with Section 4.5.

“City” means the City of Dilworth, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota.

“City Resolution” means the resolution adopted by the City on September 13, 2021, authorizing the City Tax Abatement and approving this Agreement.

“City Assistance” means the financial assistance to be provided by the City to the Developer as provided in Section 3.1 of this Agreement.

“City Tax Abatement” means the real property taxes abated annually per the Schedule of Abatement included in Exhibit B that are calculated by multiplying the Net Tax Capacity for the Development Property for Year 1 by the percentage included in Exhibit B for the applicable year, which may not be less than zero (0) and is limited by the amount which is actually received by the City from the County.

“Construction Plans” means the plans, specifications, drawings, and related documents for the construction work to be performed on the Development Property, including for the Project, which (a) shall be as detailed as the plans, specifications, drawings, and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means Clay County, Minnesota.

“Developer” means Rail 10 Apartments LLP.

“Development Property” means the real property described as such in Exhibit A of this Agreement. After construction of the Project, the term means the Development Property as improved by the Project.

"Effective Date" means the date identified in the introductory paragraph to this Agreement.

"Event of Default" means an action by the Developer listed in Article VIII of this Agreement.

"Goals" means the goals identified in Section 3.2(a)(iii) hereof.

"Hazardous Substances" means any toxic or hazardous substances or wastes, pollutants, or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-9657).

"Net Tax Capacity" has the meaning provided in Minnesota Statutes Section 273.13, subd. 21b, as may be amended from time to time.

"Party" means either the City or the Developer, as the context requires, and its respective successors and assigns.

"Petition" has the meaning set forth in Section 6.3(d) hereof.

"Project" means the construction of an approximately 68,824 square foot Apartment Building and a
19,008 square foot Accessory Building on the Development Property, all in accordance with the approved Construction Plans.

"Reimbursable Costs" means the costs incurred by the Developer in connection with the development of the Project to be reimbursed by the City with the City Assistance pursuant to Section 3.1 of this Agreement.

"State" means the State of Minnesota.

"Tax Abatement Act" means Minnesota Statutes Sections 469.1812 through 469.1815, as may be amended from time to time.

"Tax Official" means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

"Termination Date" means the earliest of: (i) the date that this Agreement has been terminated pursuant to its terms; (ii) the date on which the City has made Five (5) years of City Tax Abatement payments to the Developer; or (iii) when the Developer has received aggregate City Tax Abatement payments of $106,400.00 as reimbursement for the Reimbursable Costs.

"Unavoidable Delays" means delays caused by strikes, lockouts, work stoppage or other labor disputes, system-wide power failures, restrictive governmental laws or regulations not in effect as of the date of this Agreement, condemnations, riots, bankruptcy of the general contractor for the construction of the Project, insurrections, acts of terrorism, war, extreme and/or unusual weather conditions, unforeseen and/or previously-unknown subsurface conditions, delays in or failure of delivery of any materials required for which no substitutes are available, fire or other casualty, or acts of God.

"Year 1" means the first calendar year in which the Developer receives City Assistance, which the Parties anticipate will be 2024.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the City are undertaken for the purposes of increasing the tax base of the City, providing access to necessary services for the City's residents, promoting economic development, and creating employment opportunities.

(c) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a North Dakota Limited Liability Partnership and is qualified to transact business in the State and, to the actual knowledge of the individuals executing this Agreement on behalf of Developer, is not in violation of any provisions of its charter or the laws of the State, has the power to enter into this Agreement, and has duly authorized the execution, delivery, and performance of this Agreement by proper corporate action.

(b) The Developer has or will acquire fee title to the Development Property and shall use the Project in accordance with the terms of this Agreement and all local, State, and federal laws and regulations (including, but not limited to, environmental, zoning, building code, and public health laws and regulations).

(c) The Developer has received no notice or communication from any local, State, or federal official that the activities of the Developer or the undertaking pursuant to this Agreement may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, State, or federal environmental law, regulation, or review procedure regarding the terms of this Agreement.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restriction or any evidences of indebtedness, agreement, or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) Whenever any Event of Default occurs on the part of Developer, and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the City prevails in such action, the Developer agrees that it shall, within thirty (30) calendar days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other reasonable expenses actually incurred by the City in connection with an Event of Default by the Developer.

(f) The financing assistance being provided by the City hereunder is a valuable incentive to Developer for its proposed development, and in the opinion of the Developer, the Project would not be economically feasible within the reasonably foreseeable time without the assistance and benefit provided in this Agreement.

(g) The Developer shall, promptly after the Developer has knowledge, advise the City in writing of all litigation or claims affecting any part of the Project and all written complaints and charges made by any governmental authority materially affecting the Project or materially affecting Developer or its business which may delay or require changes in construction of the Project.

(h) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met for the construction and operation of the Project.

(i) The Developer understands that the City may subsidize or encourage the development of other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that the City has not represented that development of the Development Property will be favored over the development of other properties.

ARTICLE III

City Assistance and Business Subsidy

Section 3.1. City Assistance.

(a) *Generally*. The Developer has requested that the City provide City Assistance to the Developer to reimburse the Developer for certain costs incurred in connection with the construction of the Project which reimbursement is a substantial incentive for the development of the Project. The City is willing to provide the City Assistance because the development of the Project will develop a site that is currently underutilized, will create employment opportunities in the City, will increase the tax base of the City, and will generate substantial other revenues for the City. The City will provide the City Assistance to reimburse the Developer for the Reimbursable Costs. The Reimbursable Costs consist of a portion of the cost incurred by Developer to construct the Project and related amenities on the Property. The Reimbursable Costs will be reimbursed using the City Tax Abatements. No interest shall accrue with respect to the City's obligation to pay the Reimbursable Costs. The maximum amount of the City Assistance to be provided to the Developer under this Agreement is $106,400.00.

(b) *Payment Dates.* In furtherance of the objectives set forth in the City Resolution, and subject to the terms and conditions of this Agreement, the City will, on each February 1 (each a "Payment Date"), commencing February 1, 2025, and terminating on the Termination Date, pay to the Developer the City Tax Abatements received by the City during the calendar year period prior to that Payment Date.

(c) *Statutory Cap.* Minnesota Statute Section 469.1813, subd. 8, of the Tax Abatement Act provides that the City may not make total tax abatement payments in any year that exceed the greater of ten percent (10%) of the City's total Net Tax Capacity or $200,000. In the event that, prior to the Termination Date, the City reaches this statutory limit in any year, the City will, prior to making any City Tax Abatement payments under this Agreement in such year, pay all tax abatements payable in such year pursuant to tax abatement agreements entered into by the City prior to the Effective Date of this Agreement. Also, the City will pay, to the extent permitted by the Tax Abatement Act, the City Tax Abatements payable under this Agreement in such year prior to making any tax abatement payments due in such year under tax abatement agreements entered into by the City subsequent to the Effective Date of this Agreement. The City and Developer intend and agree that the Developer's right to receive City Tax Abatements under this Agreement is superior and has priority over the rights of parties to future tax abatement agreements in the event that the above-described limit on total annual City tax abatements is reached.

(d) *Qualifications*.

(1) The Developer understands and acknowledges that the City makes no representations or warranties regarding the amount of City Tax Abatement that will be generated by the Project. Any estimates of the projected amount of City Tax Abatement prepared by the City, its financial advisors, or its other officers, agents, or employees in connection with this Agreement are for the benefit of the City and are not intended as

representations on which the Developer may rely.

(2) The Developer further understands and acknowledges that no assistance is being provided by the City hereunder except as set forth herein and that the Developer shall have no other claim against any funds of the City.

(3) The Developer further understands and acknowledges that the City is in no event obligated to make any City Tax Abatement payment to the Developer unless and until (i) all ad valorem taxes due and payable with respect to the Development Property as of the applicable Payment Date have been paid in full and (ii) the City has received from the County or any other source as provided by law an ad valorem property tax distribution that includes all or any portion of the City Tax Abatement.

(e) *Limitation of Funds*. The City shall have no obligation to make any payment to the Developer from any source other than City Tax Abatements.

(f) *Events of Default*. The City shall have no obligation to make any payment to the Developer under this Agreement on a Payment Date if there exists an Event of Default on the Developer's part under this Agreement that has not been cured as of the Payment Date; provided, however, that upon the cure of said Event of Default, the City shall make the payment to the Developer.

(g) *Inspection*. During construction of the Project, the City may, at all reasonable times and after reasonable notice, inspect, examine, and copy all books and records of the Developer relating to the Project. The Developer shall use its reasonable efforts to cause the contractor or contractors, all subcontractors, and their agents and lenders to make their books and records relating to the Project available to the City, upon reasonable notice, for inspection, examination, and audit. These records shall be kept and maintained by the Developer for a period of four (4) years following completion of construction of the Project.

Section 3.2. <u>Business Subsidy Agreement</u>. The provisions of this Section constitute the "business subsidy agreement" for the purposes of the Business Subsidy Act.

(a) *General Terms*. The Parties agree and represent to each other as follows:

(i) The business subsidy provided to the Developer is the City Assistance (the "Business Subsidy").

(ii) The public purposes of the Business Subsidy are to finance the construction/expansion/rehabilitation of the Project in the City, to provide employment opportunities in the City, and to increase the tax base of the City.

(iii) The Developer agrees that it must meet the following goals within two (2) years of the Benefit Date (the "Goals"): at least two (2) full-time jobs and two (2) part-time jobs, equating to 3 full-time equivalents (FTE), will be created in connection with the development of the Project at an average wage of at least $20.00 per hour, excluding benefits.

(iv) The Developer understands and agrees that it must continue operation of the Project as a Multi-Family Apartment Complex for at least five (5) years after the Benefit Date in order to receive the Business Subsidy.

(b) *Remedies*. If the Developer fails to meet the Goals, the Developer shall repay to the City, within thirty (30) calendar days of written demand from the City, a "pro rata share" of the Business Subsidy provided to the Developer plus interest set at the implicit price deflator defined in Minnesota Statutes Statute 275.70, subd. 2, as may be amended from time to time, accruing from and after the Benefit Date, compounded semiannually. The "pro rata share" is determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals where were not created at the wage level set forth above and the denominator of which is three 3 full-time equivalents (FTE), based on two (2) full-time jobs and two (2) part-time jobs.

Nothing in this Section shall be construed to limit the remedies of the City under Article VIII hereof. In addition to the remedy described in this Section and any other remedy available to the City for failure to meet the Goals, the Developer agrees and understands that it may not receive a business subsidy from the City or any grantor (as defined in the Business Subsidy Act) for a period of five (5) years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(c) *Reports*. The Developer agrees to (i) report its progress on achieving the Goals to the City until the later of the date the Goals are met or two (2) years from the Benefit Date, or, if the Goals are not met, until the date the Business Subsidy is repaid, (ii) include in the report the information required in Section 116J.004, subd. 7, of the Business Subsidies Act, as may be amended from time to time, on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the City. The Developer agrees to file these reports no later than February 1 of each year, commencing February 1, 2025, and within thirty (30) calendar days after the deadline for meeting the Goals. If the Developer fails to timely file any report under this Section, the City will mail the Developer a warning within one (1) week after the required filing date. If, after fourteen (14) calendar days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of one hundred dollars ($100.00) for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is one thousand dollars ($1,000.00).

ARTICLE IV

<u>The Project</u>

Section 4.1. <u>Generally</u>.

(a) The Developer will, at all times prior to the Termination Date, construct, operate and maintain, preserve, and keep the Development Property, or cause the Development Property, to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in accordance with all applicable local, State, and federal laws, regulations, permits, licenses, approvals, and reviews, and in good repair and condition.

(b) The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Project, in accordance with the technical specifications, standards, and practices of the owner thereof.

(c) The Developer will provide and maintain or cause to be maintained at all times, and from time and time at the request of the City, furnish the City with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Project.

(d) So long as this Agreement remains in effect, without the prior written consent of the City, which will not be unreasonably withheld or delayed, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, and an allowance for contingencies), including without limitation land use restriction agreements in connection with such financings.

Section 4.2. Environmental Requirements.

(a) The Developer shall comply with all applicable local, State, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals, or reviews.

(b) The Developer agrees to take all necessary action to remove or repudiate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, State, and federal environmental laws and regulations.

(c) The Developer waives any claims against the City for indemnification, contribution, reimbursement, or other payments arising under local, State, or federal law relating to the environmental condition of the land comprising the Development Property.

Section 4.3. Construction Plans.

(a) Before commencement of construction of the Project, the Developer shall submit the Construction Plans to the City. All Construction Plans will be reviewed by the City in accordance with the building permit process.

(b) Nothing in this Agreement shall be deemed to relieve the Developer of its obligation to comply with the requirements of the City's normal construction permitting process or to limit the City's normal legislative discretion regarding the approval of building plans and granting of permits.

(c) If the Developer desires to make any material change in any Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval, which shall not be unreasonably withheld, conditioned, or delayed. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Agreement and City ordinances and such changes do not materially and adversely alter the value, nature, quality, or exterior appearance of the Project, the City shall approve the proposed change and notify the Developer in writing of its approval. Any requested change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) calendar days after receipt of the notice of such change.

Section 4.4. Commencement and Completion of Construction. Subject to Unavoidable Delays, construction of the Project shall commence on or before by November 1, 2021, and such construction shall be substantially completed by March, 2023. All work with respect to the Project shall be in conformity with the Construction Plans as submitted and approved by the City.

Section 4.5. Certificate of Completion.

(a) The Developer shall notify the City when construction of the Project has been substantially completed. The City shall within fifteen (15) Business Days thereafter to inspect the Project in order to determine whether the Project has been constructed in substantial conformity with this Agreement and the approved Construction Plans.

(b) If the City determines that the Project has not been constructed in substantial conformity with this Agreement and the approved Construction Plans, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with this Agreement or the approved Construction Plans, and the Developer shall promptly remedy such deficiencies. If the City determines initially that the Project has been constructed in substantial conformity with this Agreement and the approved Construction Plans or following remedy work by the Developer, the City will furnish a Certificate of Completion to the Developer.

(c) The construction of the Project shall be deemed to be complete upon issuance of a Certificate of Completion by the City.

ARTICLE V

Casualty Loss

Section 5.1. Until the Termination Date, the Developer agrees to promptly notify the City in the case of damage exceeding $100,000 in amount to, or destruction of, the Development Property or Project or any portion thereof resulting from fire or other casualty. In such event, if the Developer fails, subject to Unavoidable Delays, to forthwith repair, reconstruct, and restore the Development Property to substantially the same or an improved condition or value as it existed prior to the event causing such damage, then the City shall have the right to terminate its obligation to make any further payments of the City Assistance to the Developer.

ARTICLE VI

Taxes

Section 6.1 Taxes. The Developer agrees that it will pay when due all real estate taxes with respect to all parts of the Development Property. Non-payment of taxes will be considered an Event of Default and the City is under no obligation to make City Tax Abatement payments to the Developer until taxes are paid in full.

Section 6.2. Use of Taxes. Except for its obligations under this Agreement, the City shall be free to use any taxes received from the Development Property for any purpose for which such taxes may lawfully be used, and the City shall have no obligations to the Developer with respect to the use of such taxes.

Section 6.3. Developer Covenants. The Developer agrees that for tax levies and assessments so long as this Agreement remains in effect:

(a) The Developer will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the ad valorem property taxation of the Development Property determined by any Tax Official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings.

(b) The Developer will not seek any tax deferral or abatement, either presently or prospectively, authorized under any State or federal law, of the ad valorem property taxation of the Development Property.

(c) Prior to the Termination Date, the Developer agrees that it will not take any action which will result in the Development Property becoming exempt from real estate property taxes or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate property taxes under State law.

(d) The Developer will notify the City within ten (10) calendar days of filing any petition seeking reduction in the market value or ad valorem taxes on any portion of the Development Property under any State law (a "Petition"). If as of any Payment Date any Petition is then pending, the City will withhold payment of the City Tax Abatement attributable, as determined by the City, to the portion of the tax payment that is the subject of the Petition. The City will pay any withhold amount to the extent not reduced as a result of the Petition, without interest, promptly after the Petition is fully resolved and the amount of the City Tax Abatement attributable to the disputed tax payments is finalized.

ARTICLE VII

Transfer and Indemnification

Section 7.1. Transfer of Development Property. In the event that prior to the Termination Date, the Developer transfers its interest in the Development Property or the Project to a non-related entity without the City's prior written consent, which consent will not be unreasonably withheld or delayed, or substantially ceases its operations on the Development Property on a permanent basis, the City shall have the right to terminate its obligation to make any future payments of the City Assistance to the Developer. The Developer shall be deemed to have ceased its operations on a permanent basis if such operations cease for a continuous 12-month period and such failure to operate is not due or related to a remodeling or repair of the Development Property or an event out of Developer's control, as determined in the City's discretion.

Section 7.2. Release and Indemnification Covenants.

(a) The Developer covenants and agrees that the City, and the governing body members, officers, agents, servants, and employees thereof shall not be liable for, and agrees to defend, indemnify, and hold harmless the City, and the governing body members, officers, agents, servants, and employees thereof, against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or the Development Property.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Developer agrees to protect and defend the City, and the governing body members, officers, agents, servants, and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby, or the acquisition, construction, installation, ownership, and operation of the Project and the Development Property.

(c) The City, and the governing body members, officers, agents, servants, and employees thereof, shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or the Project due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City, and not of any governing body member, officer, agent, servant, or employee of the City in the individual capacity thereof.

ARTICLE VIII

Events of Default

Section 8.1. Events of Default Defined. The following shall be an "Event of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by any Party to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed hereunder, or any other agreement between the City and the Developer pertaining to the Development Property or the Project, whether such agreement is entered into before or after the date of this Agreement, after thirty (30) calendar days prior written notice of any such failure is properly delivered to the defaulting Party, which time period shall be extended for as long as reasonably necessary to cure said default as long as the defaulting Party is diligently working to cure said default.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs on the part of the Developer, the City may immediately suspend its performance under this Agreement and may, after providing thirty (30) calendar days' written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) calendar days or, if the Event of Default is by its nature incurable within thirty (30) calendar days and the Developer does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured and will be cured as soon as reasonably possible:

(a) Be released from any further obligation to the Developer under this Agreement, including, without limitation, the obligation to make further City Tax Abatement payments under this Agreement.

(b) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Developer in this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any Party and thereafter waived by another Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.

ARTICLE IX

Additional Provisions

Section 9.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Developer, to their actual and respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 9.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Project, it will comply with all applicable federal, State, and local equal employment and non-discrimination laws and regulations.

Section 9.3. Restrictions on Use. The Developer agrees that, prior to the Termination Date, the Developer, and such successors and assigns, shall devote the Development Property to the operation of the Project for commercial use in accordance with City ordinances and shall not discriminate upon the basis of race, color, creed, sex, or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 9.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 9.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either Party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

in the case of the Developer, is addressed to or delivered personally to the Developer at Rail 10 Apartments LLP, P.O Box 7340, Fargo, ND 58106; and

in the case of the City, is addressed to or delivered personally to the City at City of Dilworth, 2 First Avenue SE, P.O. Box 187, Dilworth, MN 56529 Attn: City Administrator;

or, at such other address with respect to either such Party as that Party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 9.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.8. Recording. The City may record this Agreement and any amendments thereto with the County recorder. The Developer shall pay all costs for recording.

Section 9.9. Governing Law. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 9.10. Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

Section 9.11. Entire Agreement. This Agreement, together with its Exhibits, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the Parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning this Agreement, provided that nothing contained herein shall impair the rights of the City or the obligations of the Developer under any other agreement between the City and the Developer. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by both parties hereto. Without limitation of the foregoing, any modification is subject to the restrictions on modifications set forth in the City Resolution.

(*Remainder of page intentionally left blank.*)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in itsname and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY OF DILWORTH, MINNESOTA

By: ______________________________
Chad Olson, Mayor

By: ______________________________
L. Peyton Mastera, City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF CLAY)

The foregoing instrument was acknowledged before me this ____ day of _______________, 2022, by __________________ and ___________________, the Mayor and City Administrator of the City of Dilworth, Minnesota, on behalf of the City.

(SEAL)

____
Notary Public

Rail 10 Apartments, LLP

By: ________________________________
Name: Anthony Paul
Title: General Partner

By: ________________________________
Name: Elissa Novotny
Title: General Partner

STATE OF NORTH DAKOTA)
) SS.
COUNTY OF CASS)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2022, by Anthony Paul and Elissa Novotny, General Partners of Rail 10 Apartments, LLP.

(SEAL)

____
Notary Public

EXHIBIT A

DEVELOPMENT PROPERTY

The Development Property consists of the parcel(s) identified with Property Identification No. 52.113.0040.

EXHIBIT B

SCHEDULE OF ABATEMENT

The City Tax Abatement is subject to the Schedule of Abatement listed below.

Year 1	100%
Year 2	100%
Year 3	75%
Year 4	50%
Year 5	25%

The percentage abated is set based upon Year 1's taxable value. For example, in Year 1, the City will abate one hundred percent (100%) of Year 1's value; in Year 2, the City will abate one hundred percent (100%) of Year 1's value; in Year 3, the City will abate seventy-five percent (75%) of Year 1's value, etc.

AGENDA ITEM NO. 4.F

Approve Amended City of Dilworth Financial Policies

DESCRIPTION:	Finance Officer Jerry Griggs has made amendments to the City of Dilworth Financial Policies. These amendments need approval by the City Council. Additionally, Jerry is working on a debt management plan and revamped capital improvement plan that will soon be considered before the Council.
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	2022 Financial Policies - Combined.pdf
SUBMITTED BY:	Peyton Mastera, City Administrator
DEPARTMENT:	Finance

City of Dilworth Financial Policies

Adopted
2022

City of Dilworth

CAPITAL INVESTMENT PROGRAM

PURPOSE

The Capital Improvement Program (CIP) is a proposed multi-year plan that provides for the acquisition, construction, replacement and/or maintenance of the City's public infrastructure and major capital assets. The terms Capital Improvement Program and Capital Improvement Plan should be regarded as interchangeable.

Proposed CIP expenditures are grouped in the plan by type **– infrastructure** (streets/utilities) improvements, **facilities/grounds** projects, and **major equipment purchases** (vehicles/rolling stock, technology, and other specialized items). Proposed funding sources are also identified for each expenditure. Execution of the program requires a careful balancing of needs, wants and available resources.

The CIP is manifested as a list of proposed capital expenditures, with funding sources, scheduled for the next fiscal year and the four years thereafter. With maturation of the CIP process, the planning horizon for major capital expenditures may grow to a ten-year projection.

The CIP process is undertaken because it provides:

- An effective way to anticipate, plan, budget, and coordinate operational and capital needs across city departmental boundaries.
- A rational method for allocating scarce resources by prioritization.
- A tangible and coherent program that can be more strategically aligned with available State, federal and other outside funding opportunities.
- Defined capital commitments that may better mobilize public and private support.
- Evidence of effective financial management that may enhance bond ratings.
- A tool that can be used by Staff for long-range analysis and planning.

DEFINITIONS

- <u>Capital Improvement</u> – An expenditure of Public funds for the acquisition, construction, replacement and/or maintenance of the City's infrastructure, facilities/grounds, and major equipment.

POLICY

A 5-year CIP will be annually updated and reviewed by the City Council in conjunction with the City's annual budget process. Council and Staff consideration shall be given to the following factors when developing the plan:

- Availability of funding sources
- Projected need and urgency for repair or replacement
- Likely demand for the improvement
- Estimated cost
- Impact to City debt levels
- Relative benefits and avoided costs if funds used for alternative purposes
- Subsequent operating costs that will flow from the proposed improvement
- Alternatives for addressing the improvement need through collaboration or cost sharing with others

PROCEDURE

The CIP is prepared and developed by City Staff with direction provided by the City Council. Department managers are responsible for annually updating information and for suggesting new items for the CIP. The Finance Officer will centrally manage CIP information and documents and with the City Administrator, will facilitate annual discussion and decision making by the City Council.

Program expenditures proposed for the first year of a multi-year CIP would be included in the annual budget for that year, together with the chosen funding source(s). City Council review and revision of the CIP will occur at an early stage of the annual budget process so that potential tax levy impacts can be evaluated in conjunction with the discussion of proposed operational levies for the next calendar year.

Inclusion of CIP items in an annual budget does not constitute authorization for the expenditure. During the course of the budget year, each item will be presented to the City Council for specific consideration and spending authorization.

AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

Management team members are responsible for annually reviewing and updating relevant information about CIP items within their operational jurisdiction and for appropriately sharing it with the Finance Officer, City Administrator and the Mayor/City Council. The Finance Officer is responsible for coordinating the ongoing implementation and enforcement of this Policy, under general supervision by the City Administrator and Mayor/City Council.

CREDIT CARD POLICY

As stated in MN Statute §471.382, the City of Dilworth's Council may authorize the use of a credit card by any City employee otherwise authorized to make a purchase on behalf of the City. All purchases by credit card must otherwise comply with all statues, rules and policies applicable to City Purchases. A City employee who makes or directs a purchase by credit card that is not in compliance with statues, rules and policies, is personally liable for the amount of the purchase.

Bills from credit card companies do not contain the detail necessary to satisfy the requirement that claims presented to the City for payment must be in writing and itemized. Therefore, invoices and receipts for all items charged must be retained. A list of all credit card charges will be included with monthly expenditures for Council review and approval. (*MN Stat §412.271 subd. 2, MN Stat §471.38 subd. 1*)

Credit Card use must also comply with laws concerning borrowing. Credit cards will not be used for carrying debt. The entire card balance shall be paid in full each month. (MN Stat §475)

- Employees who are Department Heads are authorized to use or direct use of the City of Dilworth's credit card.
- Credit cards will carry a card limit of no more than $1,000.00 for general employees and no more than $5,000.00 for management.
- City credit cards will be issued through the City Administrators' office. All cards must be returned to the City Administrator when renewed or upon leaving the employment of the City. A lost or stolen credit card must be reported immediately.
- No employee will intentionally use a City of Dilworth credit card for personal purchases. Unauthorized use or abuse of a City credit card will result in disciplinary action, up to and including termination of employment.
- Supporting documents and/or invoices will be submitted to Finance immediately after purchasing and item(s). Department Head will stipulate on the documents and/or invoices a description of what the purchase is for.
    - For example: Maintenance supplies for Community Center or City Hall; cleaning supplies; small tools for Streets or Parks. Documents/invoices will be coded by Finance upon receipt.
- Authorized persons will receive and sign and acknowledgement form regarding credit card use. (See attached)

DEBT MANAGEMENT POLICY

PURPOSE

The purpose of this policy is to establish parameters and provide the general framework governing the issuance, management, continuing evaluation of and reporting on debt obligations issued by the City.

DEFINITIONS

- General Obligation (G.O.) Bonds – Bonds that are direct obligation and pledge the full faith and credit of the City. G.O Debt Bonds are used to financed capital facilities and equipment that are essential to the continued maintenance or development of the City.

- Taxable Market Value – As assessor's estimate of what property would be worth if sold.

POLICY

The City faces a continuous and ongoing stream of infrastructure needs and requests from the citizens and business community. These demands require ongoing capital resources for the development and replacement of infrastructure which must be met with an orderly and balanced manner that allows the City to:

- Acquire capital resources at the lowest possible borrowing costs.
- Preserve debt capacity for future capital needs.
- Maintain the best possible credit standing.
- Administer its obligations in an efficient and cost effective manner.
- Improve coordination between the Capital Improvement Plan (CIP) and debt-financed projects.
- To provide for limits on debt to avoid potential pitfalls in servicing the debt.
- To inform citizens and stakeholders of debt management considerations

PROCEDURE

Issuance and Provisions

- The City will confine long-term borrowing to capital improvements or projects which cannot be financed from current revenues or cash balances. Recognizing that bond issuance costs add to the total interest costs of financing; bond financing should not be used if the aggregate cost of projects to be financed by the bond issue does not exceed $500,000.
- The City will not borrow money to finance the general operations of the City.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the capital improvement.
- The City will attempt to keep the average maturity of General Obligation Bonds at or below 20 years.
- The City will utilize a financial consultant in determining the appropriate bond and financing structure for debt issuances.
- The sale of the bonds will be done through a competitive and open process. However, the City reserves the right to choose to use a "negotiated sale" method, in the rare circumstances that it is deemed to be more advantageous to the City.
- Coordination of capital needs with overlapping or other units of government should be undertaken to avoid periodic marketing conflicts as well as increase awareness of the impact of debt on proper tax-paying entities.

Monitoring and Continuing Evaluation Provisions

- The City will maintain good communications with bond rating agencies regarding its financial condition. Complete and full disclosure of all financial and economic operations will be met through the timely distribution of the annual audited financial report, debt offering statement, operating budget, capital improvement plan, the immediate transmission of information and details related to any material event.
- Compliance with the terms, conditions, and covenants of all outstanding bond or lease transactions will be continually monitored and followed.
- Bond refunding and other savings opportunities will be monitored by the Finance Department and the City's financial advisor and action will be taken when determined financially advantageous.

AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

The Finance Officer of the City is designated as the person who is responsible for the implementation of the Debt Management procedures, with general supervision by the City Administrator and Mayor/City council.

City of Dilworth

FUND BALANCE POLICY

PURPOSE

The fund balance in the General Fund plays an essential role in the overall financial management of the City. The General Fund's fund balance indicates the City's overall financial condition and also helps illuminate the City's financial management practices. The fund balance is essential to financing annual operations. A basic premise for the maintenance of the fund balance is that it should be capable of financing the City's cash flow requirements for roughly the first half of the budget year. The subsequent receipt of property tax and other large revenue sources should then normally relieve this role for the fund balance. In addition, the presence of sufficient fund balance helps the City respond to unexpected expenditure spikes; provides a temporary escape hatch from precipitous State or Federal legislative action that can abruptly reduce budgeted aid payment revenue; provides revenue base stabilization; and, can help maintain or improve the City's bond rating.

DEFINITIONS

- General Fund- The City's basic operational fund and provides financial accounting for the basic municipal services typically relying on property tax revenues for primary funding. It encompasses many of the most common operational functions of City government including Public Safety, Public Works, Parks/Recreation, Community Development, and other general Management/Budget activities.

- Fund Balance- The difference between assets and liabilities reported in a governmental fund. Fund balance is divided into five classifications based primarily on constraints imposed upon the use of those resources. The classifications in order of constraint are: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

- Non-spendable fund balance- The amounts that are not in a spendable form or are required to be maintained intact. Examples include prepaid items, inventory, land held for resale, and long-term receivables that are not otherwise restricted, committed, assigned, or offset by deferred revenue.

- Restricted fund balance- The amount subject to externally enforceable legal restrictions. Examples include fund balance related to unspent bond proceeds, and debt service fund balances.

- Committed fund balance- The amounts that are constrained by City Council resolution for a specific purpose.

- Assigned fund balance- The amount a government intends to use 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. This would include any remaining positive balance in all funds other than the general fund. Examples include all special revenue fund balances that are not restricted or committed, due to the specialized intent of the revenue source.

- Unassigned fund balance- The residual amounts that are available for any purpose in the general fund. Unassigned fund balance will occur only in the General Fund or in the funds when there is a negative balance that can't be eliminated by reducing restricted, committed or assigned fund balances.

POLICY

The General Fund shall enter a new budget year with an **unassigned** fund balance that is) 50+% of the new year budgeted expenditures, which should ensure sufficient cash flow funds for the first half of the operating year.

PROCEDURE

The Finance Officer shall monitor and analyze the General Fund on a monthly basis and shall provide status reports to the City Administrator and Mayor/Council if concerns are identified with fund balance trends. The Finance Officer shall notify the City Administrator and Mayor/Council and formulate recommendations for addressing the concerns.

The calculation to determine the annual policy percentage is made at the close of each fiscal year by the Finance Officer, under supervision of the City Administrator and Mayor/City Council. If the year-end fund balance exceeds the amount specified in this Policy for the following year, the Mayor/City Council shall specifically consider retaining the excess in the fund balance before making a decision to allocate the monies to other uses. If the year-end balance falls short of the thresholds specified in this Policy, the Finance Officer will develop and recommend a plan to replenish the fund balance level.

AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

The Finance Officer is responsible for the ongoing implementation and enforcement of this Policy, with general supervision by the City Administrator and Mayor/City Council. The Mayor/City Council is solely responsible for specifying committed or assigned fund balance and for allocating unassigned fund balance that exceeds the minimums established by this Policy.

INVESTMENT POLICY

PURPOSE

The purpose of this Investment Policy is to establish specific guidelines for the City of Dilworth in the investment and deposit of public funds carried out by the City Administrator and Finance Officer. 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.

DEFINITIONS

- Public funds- All general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity, unless otherwise restricted.

- Liquidity- An asset's ability to be sold without causing a significant movement in the price and with minimum loss of value. Cash is considered a liquid asset.

POLICY

The primary objectives in priority order of the City's investment activities are:

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 and holding securities to maturity.

Liquidity

The investment portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements that might be reasonably anticipated. A portion of the portfolio may be placed in money market funds or local government investment pools which offer same-day liquidity. Generally, investments shall have "laddered" maturities so that money becomes available on a regular schedule to meet the City's obligations.

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.

PROCEDURE

Investment Parameters

The City's investment portfolio shall be structured to achieve the three primary objectives (in rank order) of the policy:

1. Safety of principal;
2. Sufficient liquidity;
3. Adequate yield.

Investments should be purchased to match expected cash flow needs, minimizing the market risk associated with the early sale of the investments.

All City investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with MN Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

United States Treasury Issues

- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Reporting and Review

The Finance Officer shall keep accurate records of all financial transactions and have available a list of current investments upon request. The City Council, at the discretion, may require periodic investment reports outside the annual reports they receive. The annual financial reports will present investment earnings for the reporting year. Outside review of compliance with this investment policy is within the scope of the annual audit by an Independent C.P.A. firm which shall report discrepancies, if any, to the City Council in accordance with generally accepted auditing standards. Interest earned and market value adjustments on investments shall be allocated to various funds based on each fund's average annual cash balance. Conversely, Interest expense may be charged to funds with negative cash and invest balances during the year.

Standards of Care

The prudent person standard shall be applied to the management of the portfolio. The 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."

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.

Collateralization

In accordance with MN Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

Authorized Financial Dealers and Institutions

The Finance Officer will maintain a list of financial institutions authorized to provide investment services to the City. All broker/dealers are approved on an annual basis by the City Council.

Safekeeping

Investments 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. The broker/dealer must provide asset protection of $10,000,000 through the Securities Investor Protection Corporation (SIPC).

AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

The City Administrator and Finance Officer are designated as the Investment Officers of the City and are responsible for investment management decisions and activities. The Finance Officer shall carryout established written procedures and internal controls for the operation of the investment program consistent with this investment policy, with general supervision by the City Administrator and Mayor/City Council.

PURCHASING POLICY

PURPOSE

The purchasing policies of the City of Dilworth are established by the City Council. These policies are designed to provide guidance and instruction to the staff involved in the purchasing process. They set forth the authorities and responsibilities of those participating in the system and outline the requirements of pertinent statutes and regulations. Council grants staff the authority to purchase materials and equipment within the budgeted amount previously approved by Council under the following guidelines. This policy has the following objectives:

- To ensure that taxpayers receive the lowest price and the best value for their tax dollars when the City purchases goods and services.
- To provide clear and consistent guidelines for authorized City employees/purchasers to follow.
- To promote fair and open competition among bidders.
- To ensure purchases comply with all applicable laws.

PURCHASING OVERSIGHT

The Finance Officer is responsible for the overall purchasing function. All contracts, bonds, and instruments of every kind to which the City is a party shall be signed by the City Administrator and or Finance Officer on behalf of the City and shall be executed in the name of the City. All credit applications must be submitted to and approved by the Finance Officer.

PURCHASING PROCEDURES

The City Council authorizes all payments. Purchases may be made by the following methods:

- Regular purchasing procedures
- Price agreements
- Emergency purchasing
- Disaster purchasing
- Cooperative purchasing
- Use of credit cards

PURCHASES OF LESS THAN $1,000

The purchase may be made in the open market by an authorized purchaser. An authorized purchaser is a Department head or his/her designee.

PURCHASES FROM $1,000 to $25,000

If the purchase is expected to be $25,000 or less, the council has the discretion to make the purchase by obtaining quotes or it may simply buy the item on the open market. If the council chooses to obtain quotes, it must obtain at least two quotes and keep them on file for a least one year.

PURCHASES FROM $25,000 to $175,000

The proposed purchase must be presented to Council for approval before the commencement of the purchasing process, regardless if the purchase is budgeted for. The purchase may be made either via sealed bids or by direct negation. If direct negation is used, two (2) or more written quotations must be obtained. Quotations may be obtained by telephone or in written form via facsimile, delivery service, or Internet. Quotations must have a specific date and time period for which they are valid. All quotations should be kept on file for a minimum of one (1) year and include the names of vendors providing the quotations, the amount of the quotations, and each successful quotation signed and dated. If quotations are obtained by phone, they must be followed up with a signed quotation to be considered a valid quotation. The quotations must be forwarded to the City Council for selection and approval. If the city chooses to use sealed bids, all competitive-bidding procedures must be followed, even though it is not required.

PURCHASES EXCEEDING $175,000

The proposed purchase must be presented to Council for approval before the commencement of the purchasing process. Purchases or contracts exceeding $100,000 require formal sealed bids solicited by public notice in accordance with Minnesota Statute 471.345, Subd.3. The purchaser shall prepare or cause to be prepared, the specifications, the advertisement to solicit sealed bids, the opening and tabulation of bids, and any necessary investigation of the bids. The City Council shall determine the lowest responsible bidder and shall accept such bid. In all cases, the City Council reserves the right to accept or reject any or all of the bids, and waive informalities therein.

The City has reasonable discretion in determining the lowest responsible bidder. Not only must a successful bidder submit the lowest bid price and substantially meet the terms and conditions of the specifications, the low bidder must be considered "responsible" and have the capacity to perform the proposed contract. "Responsibility" includes such considerations as the bidders' financial responsibility, integrity, ability, skill, and likelihood of providing faithful and satisfactory performance. There is more latitude in purchasing items of equipment not capable of exact specifications. In making such a purchase, the City

Council may exercise reasonable discretion in determining the lowest responsible bidder. The City Council may consider, in addition to the bid price, the quality, suitability, and adaptability of the article for its intended use.

EXEMPTIONS FROM COMPETITIVE BIDDING REQUIREMENTS

It is not legally necessary to advertise for bids for:

- Professional services such as those provided by doctors, engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or professional training. The City Council will decide if quotations or bids are appropriate even though not legally required;

- Insurance contracts, however the City must seek requests for proposals for group insurance for 25 or more employees;

- Electronic reverse auctions that involve vendors that bid against each other to offer the lowest selling price for a particular contract in an open and interactive electronic environment. They City cannot use a reverse auction to contract for professional or technical services;

- Purchases of property or equipment from federal government, the state, or any political subdivision of the state;

- The purchase or lease of real estate; The purchase of non-competitive products patented or obtainable from only one source. Demonstration of this circumstance must meet statutory requirements for a "sole source vendor" purchase.

TRAVEL

All expenditures for In State and Out of State travel and training need prior approval by the City Council.

INVOICE APPROVAL

The Finance Officer shall review all invoices for purchases for the City and verify the validity of the charges. All purchases/payments shall be reviewed and ratified by the City Council at their regular meeting.   Employee reimbursements must be submitted on the approved form, have attached original receipts, and must be signed by the employee and Department head.

PRICE AGREEMENTS

Price agreements may be used to acquire items the City frequently purchases in small quantities, i.e. gasoline, propane, and heating fuel. A price agreement is a contract between the City and a vendor. Under it, the vendor agrees to supply all of the City's requirements for the specified commodity during the period of agreement. The price may be fixed or variable, such as a fixed discount from market price. Such price agreements expedite delivery, reduce paperwork, and generally result in lower prices. The procedure for "Purchases of less than $1,000" applies.

EMERGENCY PURCHASING

Under Minnesota's Emergency Management Act, cities are given the authority to enter into contracts during emergencies without following many of the normally required procedures, such as the bidding requirements of state contract law. There are two types of emergencies that may be relevant on the local level: an "emergency" and a "public health emergency". An "emergency" is defined as an unforeseen combination of circumstances that calls for immediate action to prevent a "disaster" from developing or occurring. A "disaster" is defined as a situation that creates an actual or imminent serious threat to the health and safety of persons, or a situation that has resulted or is likely to result in catastrophic loss to property or the environment and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss.

A "public health emergency" means an occurrence or imminent threat of an illness or health condition in Minnesota where there is evidence that the cause of illness or health condition is bio-terrorism, or an airborne infectious agent or toxin and that the illness poses a high probability of a large number of deaths or disabilities or widespread exposure to an airborne infectious agent that poses a significant risk to a large number of people.

When an emergency occurs that may jeopardize public safety or the health and welfare of employees or citizens, the City Administrator or appropriate City Staff Member may authorize a necessary emergency purchase. City Staff emergency purchases and the reason for the purchase shall be reported in writing including supporting documentation to the City Administrator within 24 hours of the situation and reported to the City Council as soon as possible. At least two (2) competitive quotations should be utilized whenever possible as part of the process.

If there is any question about whether an emergency exists per the definitions of the Minnesota Emergency Management Act, the City Council, City Administrator or his/her designee shall consult with the City Attorney whenever practicable.

COOPERATIVE PURCHASING

The City may increase savings from bulk discounts by making purchases jointly with one or more governmental units through joint powers agreements. Under these programs, several governmental units can enter into an agreement to authorize one party to solicit bids and provide for the purchase at the option of each participating governmental unit. Once the governmental units agree on the specifications of the item, one party may advertise for bids on behalf of all the parties that participate in the agreement. Rather than specify a specific number of items, the advertising participant will advertise for a range of quantities estimated for the entire group. Each participating unit can make the final decision on whether to purchase the items from the successful bidder.

ENVIRONMENTALLY PREFERABLE PURCHASING

The goal is this segment of the Purchasing Policy is to affirm and encourage the City of Dilworth's commitment to sustainability. Specifically, it promotes:

- Conserving natural resources;
- Minimizing environmental impacts, such as pollution;
- Supporting strong recycling markets;
- Increasing the use and availability of environmentally preferable products that protect the environment;
- Rewarding manufacturers and vendors that reduce environmental impacts in their production and distribution systems;
- Creating a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals
- Lowering overall costs by addressing full cost accounting (purchase, maintenance, disposal, staff time, and labor)
- Leveraging buying power

The following guidelines are to be followed by the City of Dilworth:

1. Recycled Paper Products and Recycled-Content Products. Per Minnesota Statute 16B.122 and per the Federal Environmental Protection Agency's (EPA) requirements, the City of Dilworth will endeavor to purchase paper products containing the highest post-consumer content practicable, but no less than 30% recycled-content for copy paper (which is the minimum recycled content standard established by the EPA Comprehensive Procurement Guidelines: www.epa.gov). The City should purchase other products made with recycled material whenever possible and economically feasible.

2. Waste Minimization. The City should buy in bulk whenever practicable to reduce packaging. Packaging that is reusable, recyclable or compostable is preferred, when suitable uses and programs exist.

3. Energy Saving Products. All appliances and products purchased by the City, for which the US EPA Energy Star certification is available, will meet Energy Star certification, provided such products are available and financially feasible (www.energystar.gov). This would include lighting systems, exhaust fans, water heaters, computers, exit signs, and appliances, such as refrigerators, dishwashers, and microwave ovens.

4. Water Saving Products. Water saving products purchased by the City will meet the WaterSense certification when such products are available and financially feasible (www.epa.gov). This includes, but is not limited to, high-performing fixtures, such as toilets, waterless urinals, low-flow faucets and aerators, and upgraded irrigation systems.

5. Cleaning Products. Cleaning products purchased by the City will meet Green Seal, EcoLogo, and/or U.S. EPA Design for the Environment cleaning product standards, if such products are practicable, available, and perform to an acceptable standard.

6. Lighting. The City should purchase and install LED lighting on any new construction, retrofits, remodels or replacement projects, including street lighting. III. PROCEDURE When purchasing products and services for the City, staff will: Ensure that specifications support the use of reusable, recycled, or environmentally preferable products by following these guidelines; Evaluate environmentally preferable products to determine the extent to which they may be used by the department and its contractors; Facilitate data collection on purchases of designated environmentally preferable products by the department in order to determine the effectiveness of the products and services; Use a standard of accepting a 10% increased cost for these items.

TRAVEL POLICY

PURPOSE

The City recognizes that its employees may at times receive value from traveling for workshops, conferences, training and other assignments (both in and out of the State). This policy sets forth the conditions under which travel will be reimbursed by the City.

It is the purpose of this policy to establish adequate internal controls to satisfy Internal Revenue Service (IRS) regulations, State laws, and to provide a framework to use as a guide to prescribe circumstances for which travel reimbursements will be authorized.

DEFINITIONS

- <u>Detailed Receipts-</u> For meals, this means the actual detail of what was ordered, not just the total charge amount.

POLICY

The City will pay or reimburse all travel costs that are both reasonable and necessary, provided that attendance is approved in advance. All persons conducting official City business are expected to show good judgment in the nature and amount of expenses incurred while conducting City business. Per Minnesota Statute, purchases of alcoholic beverages cannot be reimbursed. Travel must be by the most direct or normally traveled route unless approved in advance by the employee's supervisor. Reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. The employee will be responsible for any additional costs exceeding the business purpose related expenses.

Transportation

Coach airplane passage is considered standard for travel out of the state, as air travel is usually more economical in time and money than other modes of transportation when making long trips. When traveling by automobile, reimbursement will be made at the mileage rate in effect at the date of travel and will be based on the most direct route from the point of departure to the point of destination. Car rental at the travel destination is rarely warranted and prior approval by the City Administrator is necessary. Cost of train, shuttle or taxi to get to and from the destination hotel is reimbursable, and the employee should use the most economical mode of transportation available.

Lodging

Hotel or motel accommodations should be appropriate to the purposes of the trip. When multiple occupancy, by other than City employees/officials occurs, only the actual cost of the single room rate (if different from the double room rate) may be claimed for reimbursement. Expenses that are not deemed reasonable and necessary will not be reimbursed. Some non-reimbursable examples are: movies in the hotel room, fees to use the hotel's health club, dry cleaning and personal items such as toothpaste, etc.

Meals and Incidental expenses

The per diem allowance is in accordance with published federal per diem rates per meal, which are updated annually. The meal limits can be combined for the full day, if eligible for all three meals. In the event that meals are included in any registration fee, that particular meal cannot be claimed for reimbursement, unless approved by the City Administrator. On the day of departure from Minnesota the following travel times determine meal eligibility: leave after 10:00 AM, lunch and dinner only; leave after 12:00 PM, dinner only; leave after 6:00 PM no meals for that day. On the day of return to Minnesota: leave after 10:00 AM, breakfast only; leave after 12:00 PM, breakfast and lunch only; leave after 6:00 Pm, eligible for all three meals. If an employee requests reimbursement for more than the per diem allowances, all meal receipts must be submitted for the day. Expenses that are specifically excluded are alcoholic beverage and entertainment expenses and any expenses incurred for other persons. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids.

PROCEDURE

The Department Managers document provides specific detail on seminars, workshops, conferences and other training that is approved by the City Council. City Council's approval authorizes all expenses pertaining to that specific conference, training, workshop, and seminars. Department Managers have the authority to approve in town/local travel for their staff within the confines of the budget. The City Administrator has the authority to approve in town/local travel for Department Managers. Travel should be arranged in advance to obtain the most reasonable cost.

Upon return, employee will fill out an expense reimbursement form for any meals and incidental expenses requiring reimbursement attaching all detailed receipts.

Falsification of travel documents/expense reporting, resulting in overpayment of the City's assets, may be cause for disciplinary action. It is the employee's responsibility to: maintain accurate records; make a conscious effort to minimize expenses while maintaining an adequate level of comfort and convenience; request reimbursement in an accurate and timely manner.

While this policy aims to address the usual aspects of costs that may be incurred when traveling on City business, there may be an unforeseen expense or circumstance that requires deviation from the policy. In such an event, the City Administrator will review the situation and determine the appropriate resolution.

AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

The City Administrator and the Mayor/City Council are responsible for setting the policy and enforcing the policy. The Finance Officer is responsible for coordinating the ongoing implementation and enforcement of this Policy, under general supervision by the City Administrator and Mayor/City Council.

The City of Dilworth, Minnesota
Post-Issuance Debt Compliance Policy

The City Council (the "Council") of the City of Dilworth, Minnesota (the "City") has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

IRS Background
The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

SEC Background
The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the "Rule"). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements ("CDA"). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be "communicating to the market" can be subject to regulatory scrutiny.

Post-Issuance Debt Compliance Policy Objective
The City desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the City has developed the following policy (the "Post-Issuance Debt Compliance Policy"). The Post-Issuance Debt Compliance Policy shall apply to the obligations mentioned above,

including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance Policy
The City Administrator of the City is designated as the City's agent who is responsible for post-issuance compliance of these obligations.

The City Administrator shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the "Post-Issuance Debt Compliance Procedures"). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance
2. General Recordkeeping
3. Arbitrage Yield Restriction and Rebate Recordkeeping
4. Expenditure and Asset Documentation to be Assembled and Retained
5. Miscellaneous Documentation to be Assembled and Retained
6. Additional Undertakings and Activities that Support Sections 1 through 5 above
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

The City Administrator shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the City Administrator will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The City Administrator or any other individuals responsible for assisting the City Administrator in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the City may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the City Administrator shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

Private Activity Bonds
The City may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the City but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the City Administrator shall take steps necessary to

ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the City Administrator may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the City under federal law. In a case where the City Administrator is concerned about the compliance ability of a private party, the City Administrator may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The City Administrator is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the City is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this date April 27, 2020 by the City of Dilworth, Minnesota

The City of Dilworth, Minnesota
Post-Issuance Debt Compliance Procedures

The City Council (the "Council") of The City of Dilworth, Minnesota (the "City") has adopted the attached Post-Issuance Debt Compliance Policy dated April 27, 2020. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the City. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the City Administrator of the City will perform the following Post-Issuance Debt Compliance Procedures for all of the City's outstanding debt.

1) General Post-Issuance Compliance
   a) Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
   b) Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
   c) The City Administrator understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (e.g. as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31(the "VCAP Program")).

2) General Recordkeeping
   a) Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. If an obligation is refunded, then the final payment of the refunding obligation becomes the beginning of the period unless otherwise directed by the City's bond counsel.
   b) Retain electronic (preferred) and/or paper versions of records and documents for the obligation.
   c) General records and documentation to be assembled and retained:
      i) Description of the purpose of the obligation (i.e. the project or projects) and the state statute authorizing the project.
      ii) Record of tax-exempt status or revocation of tax-exempt status, if applicable.
      iii) Any correspondence between the City and the IRS.
      iv) Audited financial statements.
      v) All accounting audits of property financed by the obligation.
      vi) Obligation transcripts, official statements, and other offering documents of the obligation.
      vii) Minutes and resolutions authorizing the issuance of the obligation.
      viii) Certifications of the issue price of the obligation.

ix) Any formal elections for the obligation (i.e. an election to employ an accounting methodology other than the specific tracing method).
x) Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
xi) All information reports filed for the obligations.
xii) All management contracts and other service agreements, research contracts, and naming rights contracts.
xiii) Documents related to governmental grants associated with construction, renovation or purchase of property financed by the obligation.
xiv) Reports of any prior IRS examinations of the City or the City's obligation.
xv) All correspondence related to the above (faxes, emails, or letters).

3) Arbitrage Yield Restriction and Rebate Recordkeeping
   a) Investment and arbitrage documentation to be assembled and retained:
      i) An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the debt service fund to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
      ii) Statements prepared by Trustee and/or Investment Provider.
      iii) Documentation of at least quarterly allocations of investments and investment earnings to each obligation.
      iv) Documentation for investments made with obligation proceeds such as:
         (1) investment contracts (i.e. guaranteed investment contracts),
         (2) credit enhancement transactions (i.e. obligation insurance contracts),
         (3) financial derivatives (e.g. swaps, caps, and collars), and
         (4) bidding of financial products:
            (a) Investments acquired with obligation proceeds are purchased at fair market value (e.g. three bid safe harbor rule for open market securities needed in advance refunding escrows).
   b) Computations of the arbitrage yield.
   c) Computations of yield restriction and rebate amounts including but not limited to:
      i) Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
      ii) Compliance in meeting the "Rebate Exception."
         (1) qualifying for the "Small Issuer Exception,"
         (2) qualifying for a "Spending Exception,"
            (a) 6-Month Spending Exception
            (b) 18-Month Spending Exception
            (c) 24-Month Spending Exception
         (3) qualifying for the "Bona Fide Debt Service Fund Exception," and

(4) quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions including reserve funds and debt service funds.

d) Computations of yield restriction and rebate payments.

e) Timely Tax Form 8038-T filing, if applicable.

i) Remit any arbitrage liability associated with the obligation to the IRS at each five-year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.

f) Timely Tax Form 8038-R filing, if applicable.

i) Remit the form after the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.

g) Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (e.g. reinvestment in zero coupon SLGS).

4) Expenditure and Asset Documentation to be Assembled and Retained

a) Documentation of allocations of obligation proceeds to expenditures (e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).

i) Such allocation will be done not later than the earlier of:

(1) eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the obligation is placed in service; or

(2) the date sixty (60) days after the earliest of the fifth anniversary of the issue date of the obligation, or the date sixty (60) days after the retirement of the obligation.

b) Documentation of allocations of obligation proceeds to issuance costs.

c) Copies of requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to obligation proceed expenditures during the construction period.

d) Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.

e) Records of expenditure reimbursements incurred prior to issuing obligations for projects financed with obligation proceeds (declaration of official intent/reimbursement resolutions including all modifications).

f) List of all facilities and equipment financed with obligation proceeds.

g) Depreciation schedules for depreciable property financed with obligation proceeds.

h) Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
i) Documentation of timely payment of principal and interest payments on the obligation.
j) Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
k) Documentation that excess earnings from a Reserve Fund are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5) Miscellaneous Documentation to be Assembled and Retained
   a) Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
   b) The City Administrator shall monitor the use of all obligation-financed facilities in order to:
      i) Determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of:
         (1) sale of the facilities;
         (2) sale of City capacity rights;
         (3) leases and subleases of facilities including easements or use arrangements for areas outside the four walls (e.g. hosting of cell phone towers);
         (4) leasehold improvement contracts, licenses, management contracts in which the City authorizes a third party to operate a facility (e.g. cafeteria);
         (5) research contracts;
         (6) preference arrangements in which the City permits a third-party preference (e.g. parking in a public parking lot, joint ventures, limited liability companies or partnership arrangements);
         (7) output contracts or other contracts for use of utility facilities including contracts with large utility users;
         (8) development agreements which provide for guaranteed payments or property values from a developer;
         (9) grants or loans made to private entities including special assessment agreements;
         (10) naming rights agreements; and
         (11) any other arrangements that provide special legal entitlements to nongovernmental persons.
      ii) Determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.

c) The City Administrator shall provide training and educational resources to any City staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.

d) The City shall undertake the following with respect to the obligations:

   i) An annual review of the books and records maintained by the City with respect to such obligations.

   ii) An annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the City Administrator with the assistance of any City staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.

e) Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.

6) Additional Undertakings and Activities that Support Sections 1 through 5 above:

a) The City Administrator will notify the City's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above-mentioned data and must be in writing. As much time as possible is helpful in preparing the response.

b) The City Administrator will consult with the City's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (e.g. obligation insurance, letter of credit, or hedging transaction).

c) The City Administrator will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For obligations issued during years 2009 and 2010 the limit was $30,000,000. During this period, the limit also applied to pooled financings of the governing body and provides a separate $30,000,000 for each 501 (c) (3) conduit borrower. In 2011 and thereafter it is $10,000,000 unless changed by Congress.

d) Identify any post-issuance change to terms of obligations which could be treated as a current refunding of "old" obligations by "new" obligations, often referred to as a "reissuance."

e) The City Administrator will consult with the City's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

        i) A remedial action has the effect of curing a deliberate action taken by the City which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d) (e) and (f) include the redemption of non-qualified obligations and/or the alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose).

    f) The City Administrator will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (e.g. Build America Bonds).

7) Continuing Disclosure Obligations

    a) Identify a position at the City to be responsible for compliance with continuing disclosure obligations as defined by the Rule and any policies of the City.
    b) The position responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The City cannot delegate its compliance responsibilities.
    c) The City should specify how providers or delegated authorities will be monitored and supervised.
    d) The City should identify the documents that set forth the respective requirements being monitored at the time of closing for each obligation.
    e) The City should catalog all outstanding Continuing Disclosure Agreements and establish consolidated filing requirements based on the outstanding CDAs.
    f) The City should identify the frequency of the actions to be undertaken to ensure compliance, establish a system or filing alerts or reminders to administer the filing requirements.
    g) The City Administrator for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.
    h) The City should review a compliance checklist to verify compliance with CDA requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.
    i) The City should monitor mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.
        i) Principal and interest payment delinquencies.
        ii) Non-payment related defaults, if material.
        iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
        iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
        v) Substitution of credit or liquidity providers or their failure to perform.

vi) Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
vii) Modifications to rights of security holders, if material.
viii) Obligation calls, if material.
ix) Defeasances.
x) Release, substitution or sale of property securing repayment of the obligations, if material.
xi) Rating Changes.
xii) Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
xiii) Merger, consolidation, or acquisition of the obligated person, if material.
xiv) Appointment of a successor or additional trustee, or change of name of a trustee, if material.
xv) Incurrence of financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material.
xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

j) In addition to the mandatory material events, the City should review and file any additional or voluntary event notices.
k) The City should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions.
l) Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.
m) Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.
n) The City needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulation and market expectations.

8) Compliance with Future Requirements

a) Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

AGENDA ITEM NO. 4.G

Receive and file the minutes for the Dilworth Fire Department Business Meeting from October 17, 2022

DESCRIPTION:	N/A
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	10-17-2022 Fire Minutes.pdf
SUBMITTED BY:	Jessica Malvin, Administrative Assistant
DEPARTMENT:	Fire Department

Business Meeting Minutes

Monday, Oct 17th, 2022
7:00 PM
Dilworth Fire Hall

01: ROLL CALL: Astrup, Eggert, Empting, Gordon, M. Grimley, T. Grimley, Icenhour, Johnk, Kaiser, Kohler, Kollitz, J. Nash, T. Nash, Nelson, Ochoa, Payne, Peterson, Prigelmeier, Ritter, Rosenfeldt, Stuart, True, Wohlwend, Worm

02: APPROVE BUSINESS MEETING AGENDA. T. Grimley, Peterson, Unanimous Motion Carried

03: APPROVE LAST MONTH'S BUSINESS MEETING MINUTES: T. Grimley, Peterson, Unanimous Motion Carried

04: RUN REPORTS:

- **22079 – 1 Center Ave E – Vehicle Accident – 09/27/2022 @ 0819 hours**
- **22080 – Center Ave E & 7th St SE – Vehicle Accident – 09/28/2022 @ 1751 hours**
- **22081 – 1505 Center Ave W – Vehicle Accident – 10/02/2022 @ 1254 hours**
- **22082 – 518 2nd Ave NE – Gas Leak – 10/03/2022 @ 0909 hours**
- **22083 – 5821 I94 – Fire Alarm Activation – 10/14/2022 @ 0952 hours**
- **22084 – 105 Main St N – CO Alarm Activation – 10/16/2022 @ 0336 hours**
- **22085 – 212 4th St W #3 – Medical Assist – 10/16/2022 @ 1326 hours**
- **22086 – 90th Ave N & 70th Ave N – Vehicle Accident @ 1707 hours**

05: CHIEF MEETING: Make sure trucks are plugged in. Drains have been cleaned on apparatus bay.

06: MEMBERSHIP COMMENTS AND CONCERNS: Office Review: Interviews will be on 11/15. Will be with Officer Board/Fire Liason/3 Members At Large.

07: EQUIPMENT REPORT: Ordered training dummies. Gloves have come in.

08: CITY COUNCIL LIASON REPORT: Thank you for hosting Open House night for the community and kids to get to see the station and trucks, feeding them and having a coloring contest for the kids.

09: COMMITTEE REPORTS: Truck: Meeting soon. Building: Meet with BKV to go over progress. BKV will present at city council next Monday.

10: SCHOOLS/TRAINING: Johnson starting Instructor 1 training. True, Stuart, Astup and Ritter will be starting EMR training. Next month training will be forcible entry. February will be CPR. March will be scene preservation. April will be Propane prop and RIT prop.

11: SAFETY MEETING REPORT: (March, June, September, December) None

12: OTHER: Maint. Night next Monday.

13: ADJOURNMENT: T. Grimley, Peterson, Unanimous Motion Carried

AGENDA ITEM NO. 4.H

Approve Police Department Training Request

DESCRIPTION:	Training request for Police Officer Wyatt Trombley and Police Officer Jairon Burch to attend the BCA DMT Certification in St. Paul, MN November 16-17, 2022.
SUGGESTED ACTION:	Consent agenda approval
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	Training Request Trombley 10.24.22.docx
SUBMITTED BY:	Angela Miller, Administrative Assistant
DEPARTMENT:	Police Department

MEMO

To: Peyton Mastera
City Council

From: Ty Sharpe

Ref: City Council Meeting 10-24-2022
Training Request

Wyatt Trombley
Jairon Burch
BCA DMT Certification
St. Paul, MN

2 Days	$375 x 2
2 Night Hotel	$319.74
City Vehicle and Travel approx.	$200

This course will certify law enforcement personnel in the use of the DataMaster DMT-G evidential breath test instrument. Class attendees will learn proper administration, interpretation of test results, and court testimony regarding the DMT. A significant portion of the course will allow for hands-on instrumentation practice. A written and practical test will be administered to show the class attendee has a good understanding of the information taught. This course is required prior to running breath tests on the DMT.

This training includes an online component that must be completed prior to attending the classroom sessions.

Online Component | 5 hours | Must be completed by November 15, 2022

- Online training is completed at your own pace.
- Access will be provided one week prior to classroom sessions.

Classroom Component | November 16-17, 2022 | St. Paul, MN

- November 16: 8:00 am - 4:00 pm
- November 17: 8:30 am - 3:30 pm

LEARNING OBJECTIVES

Upon completion, the attendee will be able to:

- Properly administer tests on individuals using the DMT-G evidential breath test instrument.
- Interpret test results.
- Understand the theory and background of breath testing for competent court testimony.

Recommendation

DMT is a required skill for patrol officers to have to successfully investigate, detain and arrest DUI drivers. We currently only have one officer certified with all new officers requiring the training over the next year. I recommend approving two officers at a time to travel for the class to gain savings during traveling.

Chief Sharpe

AGENDA ITEM NO. 6.A

Public Hearing, Proposed Dilworth Fire Hall Facility at 709 1st Avenue Northwest

DESCRIPTION: As part of the $975,000 funding requirement from USDA Rural Development, the City of Dilworth is required to hold an informational meeting (i.e. public hearing) on the proposed reconstructed fire hall at 709 1st Avenue NW.

This public hearing will provide an opportunity for BKV to update Council on where they are in the architectural/design process, while also highlighting the economic and environmental impacts, service area, alternatives to the project, and potential funding sources, including USDA Rural Development.

SUGGESTED ACTION: N/A

VOTING REQUIREMENT: N/A

ATTACHMENTS: BKV Fire Hall Presentation (10-24-22 Council Meeting).pdf

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: Fire Department

City Council Meeting 10/24/22

Agenda Items

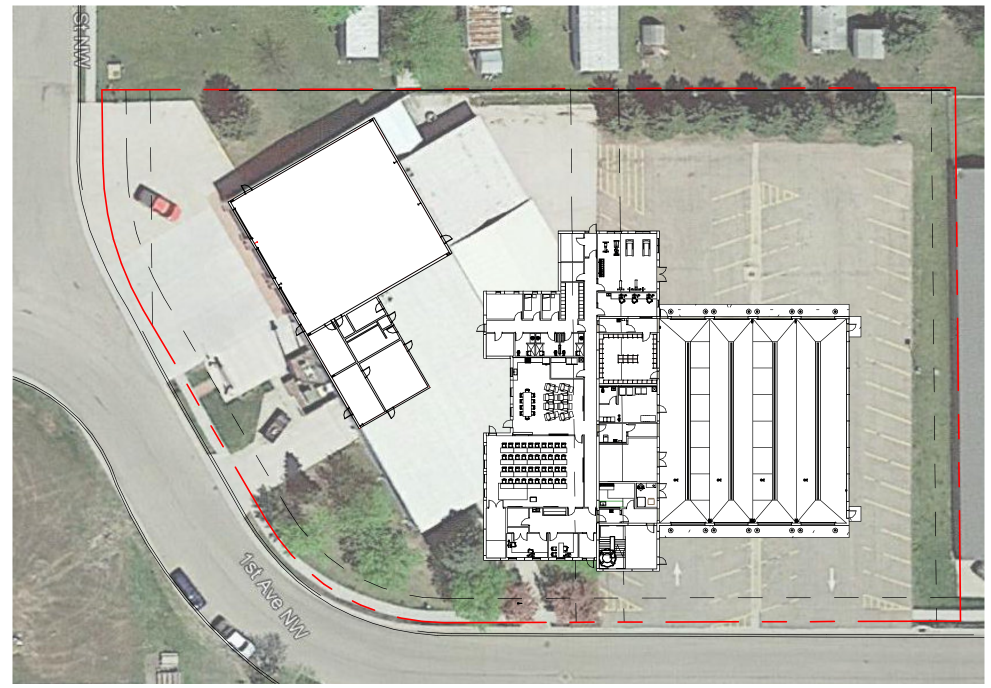
Site Plan
Floor Plan
Exterior Design
Budget Update
CM Selection Process Overview
Schedule Overview

Alternate Options Studied

Site / Programming Study

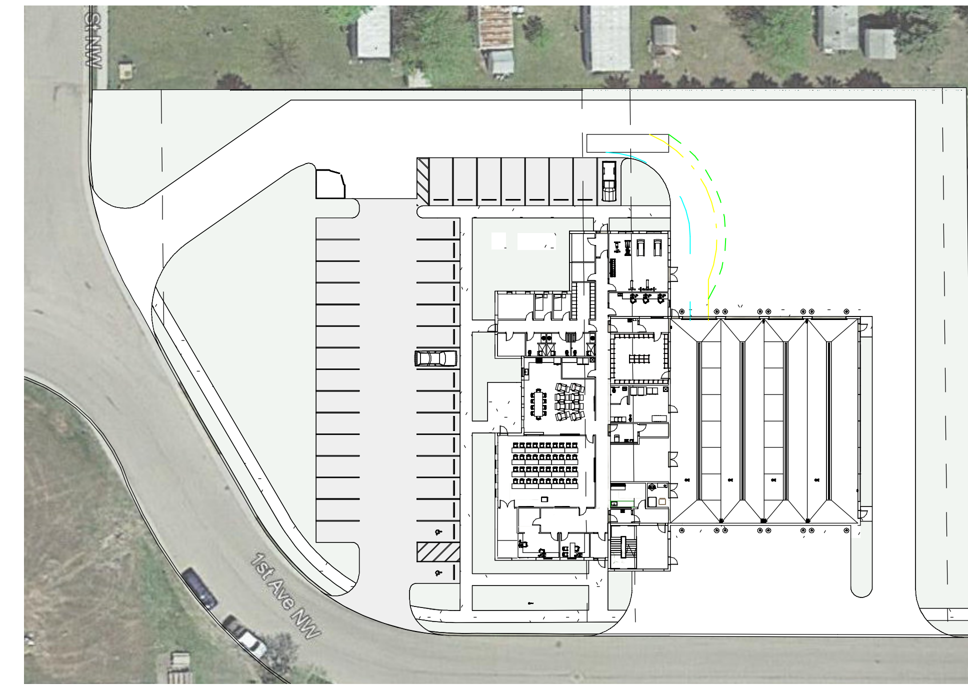
Phasing Plans

Existing Fire Station / Community Center

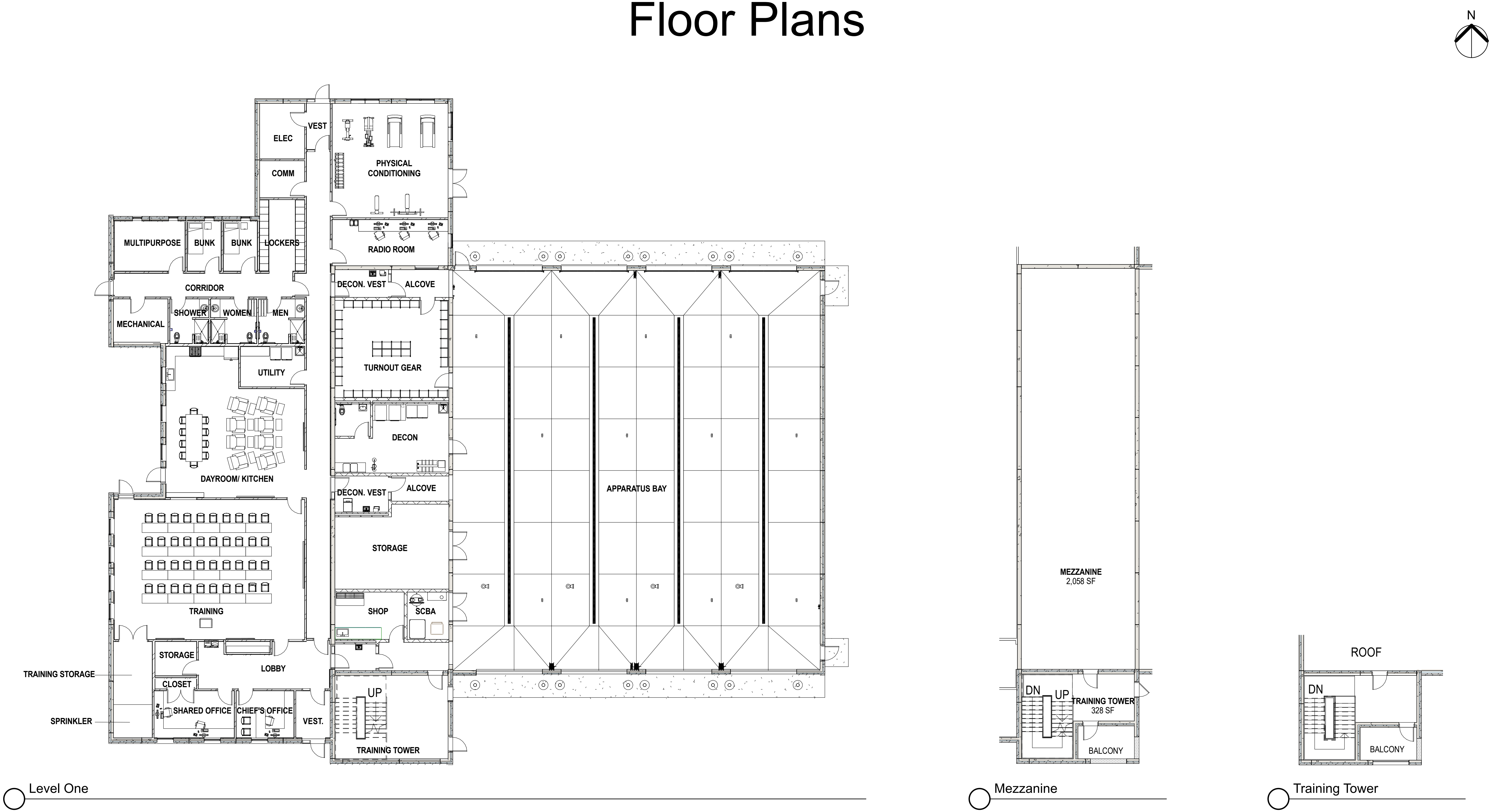


Phased demolition to keep station in service during construction

Completed New Fire Station



Floor Plans

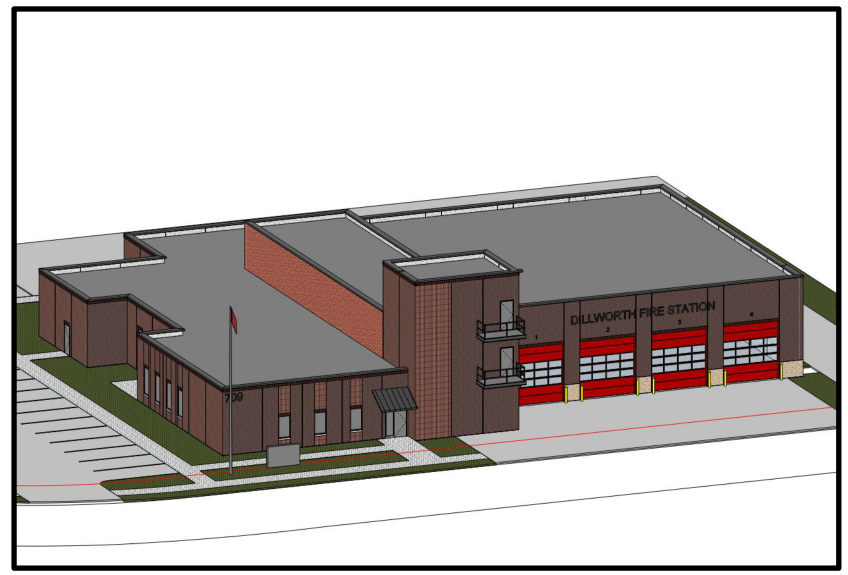


N
ELEC
VEST
COMM
PHYSICAL CONDITIONING
RADIO ROOM
MULTIPURPOSE
BUNK
BUNK
LOCKERS
CORRIDOR
MECHANICAL
SHOWER
WOMEN
MEN
UTILITY
DAYROOM/ KITCHEN
DECON. VEST
ALCOVE
TURNOUT GEAR
DECON
DECON. VEST
ALCOVE
STORAGE
SHOP
SCBA
APPARATUS BAY
TRAINING
STORAGE
LOBBY
CLOSET
SHARED OFFICE
CHIEF'S OFFICE
VEST.
UP
TRAINING TOWER
TRAINING STORAGE
SPRINKLER
Level One
MEZZANINE
2,058 SF
DN
UP
TRAINING TOWER
328 SF
BALCONY
Mezzanine
ROOF
DN
BALCONY
Training Tower

Site Plan

PRIVACY FENCE
PROPERTY LINE
20' EXISTING SEWER EASMENT
8TH STREET
STORM WATER RETENTION
TRASH ENCLOSURE
24' - 0"
10' - 0"
20' - 0"
8 - LARGE PARKING STALLS
EASEMENT
BIKE RACK
TRANSFORMERERATOR
90' - 0 1/2"
18' - 0"
24' - 0"
18' - 0"
5' - 0" TYP.
9' - 0"
STORM WATER RETENTION
SET BACK
PROPERTY LINE
5' - 0" TYP.
PATIO
24' - 0"
EASEMENT
PROPERTY LINE
FUTURE 5TH BAY EXPANSION
5' - 0"
18' - 0"
31 - PARKING STALLS
MEMORIAL MONUMENT
46' - 5" +/-
SET BACK
FLAG POLE
PROPERTY LINE
N
1ST AVENUE NW

Alternate Options Studied

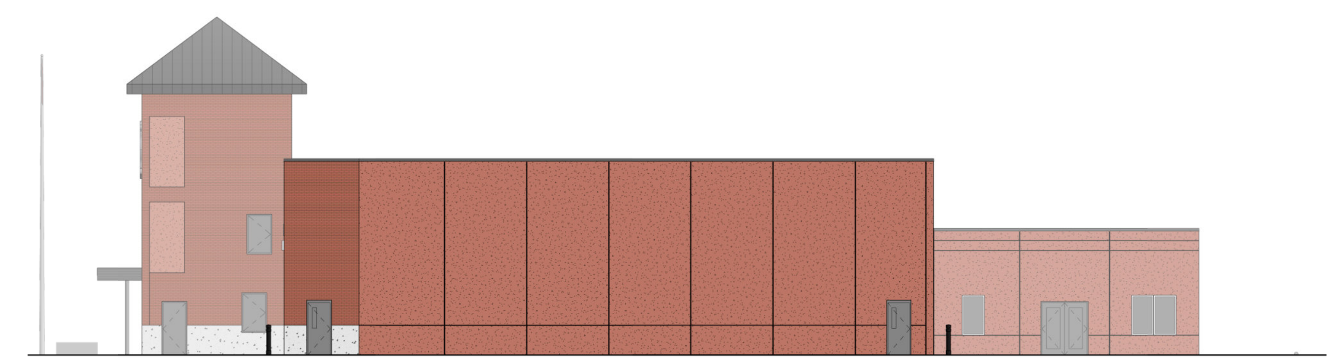


Exterior Design Studies / Options

Exterior Design

3 A401 EXTERIOR ELEVATION - NORTH1
3/32" = 1'-0"

1 A401 EXTERIOR ELEVATION - SOUTH1
3/32" = 1'-0"



4 A401 EXTERIOR ELEVATION - WEST1
3/32" = 1'-0"

2 A401 EXTERIOR ELEVATION - EAST1
3/32" = 1'-0"

Exterior Design

Environmental Review

USDA Rural Re-Development Review

- Based on the USDA information and the project information it appears that the review will be based on a category exclusion (CatEx)
- This will involve completing an Environmental Review report
- Apex Engineering Group out of Detroit Lakes, MN has been contracted the complete the report
- A draft report is expected to be ready for the City's review by October 28th.
- This draft will likely be pending MN SHPO correspondence, but no concerns with cultural resources or historic properties are anticipated.

Budget Update

19-Oct-22

Dilworth Fire Station	Low	High	B3 State Funds Impact
New Building	$4,840,350	$5,395,800	
Mezzanine	$465,800	$534,300	
Existing Building Demolition	$60,000	$80,000	
New Electrical Generator	$100,000	$150,000	
Sanitary Sewer Line Relocation	$25,000	$35,000	
Site Development & Utilities	$200,000	$300,000	
Sub Total	$5,691,150	$6,495,100	
Design & Construction Contingency	$569,115	$649,510	
Estimated Construction Costfor 2023	**$6,260,265**	**$7,144,610**	**$469,171**
Estimated Material Tax Savings	-$127,318	-$143,446	
Estimated Soft Cost	$1,126,848	$1,286,030	
Estimated Total Project Cost	**$7,259,795**	**$8,287,194**	
Estimated Total Fire Station Project Cost	**$7,259,795**	**$8,287,194**	**$469,171**

Potential Funding Sources :

- USDA Direct Grant - $975,000
- State Funds - $3,700,000

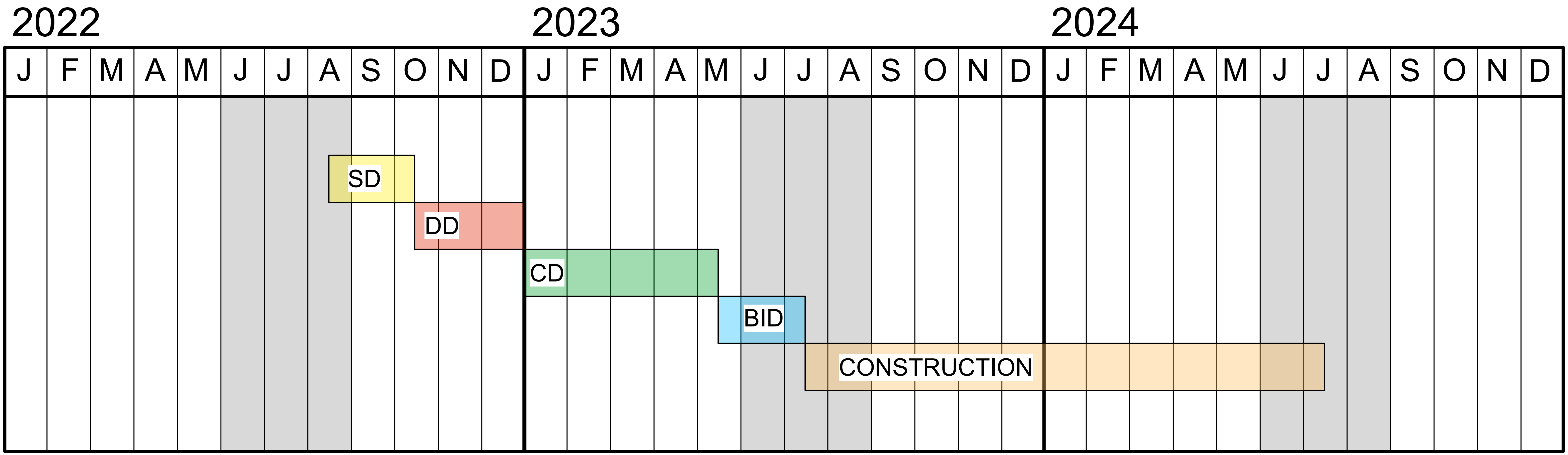
Construction Manager Update

Four Construction Managers Responded to the Proposal

Gehrtz - Fargo ND
Kraus-Anderson - Bismark ND
Construction Engineers - Fargo ND
Terra Construction - Rogers MN

Next step is the selection of two potential candidates for interviews

Schedule Update



Schematic Design = 8/22/22 – 10/24/22
City Council Meeting 10/24/22

Design Development = 10/25/22 – 12/30/22
3 Planning Workshops
CM on Board end of October

Construction Documents = 1/5/23 – 3/10/23

Bidding = 3/16/23 – 5/12/23

Construction Administration = Estimated at 12 months

AGENDA ITEM NO. 7.A

Public Hearing: Resolution 22-44, 2022 Border City Tax Credit Program

DESCRIPTION: On October 5, 2022, the Planning Commission reviewed the request for the 2022 Border City Tax Credits. The Border City Tax Credit program has been utilized in Dilworth over 25 years and committed approximately $1.7MM to various businesses.

Upon hearing staff comments, the Planning Commission forwarded a recommendation to the Dilworth City Council to hold a public hearing and approve the 2022 Border City Tax Credits to Dairy Queen ($15,000), Butcher Block ($7,500), Mix Picks ($4,500), and Roasted Rail Coffee House ($6,000).

The City Council is to hold a public hearing on the awarding of credits prior to issuance. Following resolution adoption, staff will connect with the recipients on completing the necessary paperwork.

SUGGESTED ACTION: Motion to approve Resolution 22-44, 2022 Border City Tax Credit Program.

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Resolution 22-44, 2022 Border City Tax Credit Program.pdf

Total Credits.pdf

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: City Hall

RESOLUTION 22-44

2022 BORDER CITIES TAX CREDITS

WHEREAS, the City of Dilworth fosters a business-friendly environment; and

WHEREAS, the Border-Cities Enterprise Zone Program provides business tax credits (property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits) to qualifying businesses that are the source of investment, development, and job creation or retention in the Border-Cities Enterprise Zone cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville, pursuant to Minnesota Statutes § 469.1734; and

WHEREAS, the City of Dilworth has awarded and/or committed $1,697,336.17 in Border Cities Tax Credits since the program's inception; and

WHEREAS, annually the City Planning Commission provides a recommendation to the Dilworth City Council to award Border City Tax Credits to qualifying business; and

WHEREAS, the Planning Commission on October 2, 202 reviewed and forwarded a recommendation for the City Council to approve said credits for the following businesses:

Dairy Queen	$15,000
Butcher Block	$7,500
Mix Picks	$4,500
Roasted Rail Coffee House	$6,000

WHEREAS, on October 24, 2022, the City Council held a public hearing to consider awarding the 2022 Border Cities Tax Credits.

NOW THEREFORE, **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DILWORTH, MINNESOTA,** the 2022 Border Cities Tax Credits be awarded to the following:

Dairy Queen	$15,000
Butcher Block	$7,500
Mix Picks	$4,500
Roasted Rail Coffee House	$6,000

ADOPTED by the City of Dilworth the 24th day of October, 2022.

MAYOR: ________________________________

Chad Olson, Mayor

ATTEST:

____
L. Peyton Mastera, City Administrator

October 2022
Dilworth Border City Tax Credit Program
Complete through 2022

Border City Tax Credits:

Initial Allocation	$543,307.00
Secondary Allocation	$111,540.55
Third Allocation	$51,833.45
1993 Allocation	$57,882.00
1995 Allocation	$80,681.03
1997 Allocation	$85,119.00
1999 Allocation	$87,276.00
2001 Allocation	$93,014.00
2003 Allocation	$93,014.00
2005 Allocation	$93,014.00
2008 Allocation	$43,710.00
2013 Allocation	$108,643.22
2017 Allocation	$217,155.70
2019 Allocation	$54,034.00
2021 Allocation	$54,184.15
2022 Allocation	$54,263.93
Total Border City Allocation	$1,828,672.03

Border City Tax Credit Distribution:

1984-90 Actual State Paid Property Tax Credit	$177,564.17
1984-90 Estimated State Paid Job Credits	$288,400.00
Spectrum Interest Buy-Down Credit	$7,025.00
Stop-N-Go Employee Credit	$75,000.00
A & R Services (1992 D.B.P.) Employee Credit	$1,240.00
Hi-Ho (1992 D.B.P.) Employee Credit	$2,490.00
Willy's (1992 D.B.P.) Employee Credit	$5,250.00
Wallpaper Depot Employee Credit	$15,000.00
East Ten Motel Employee Credit	$25,000.00
A & W Motors (1993 D.B.P.) Employee Credit	$7,500.00
Hi-Ho (1993 D.B.P.) Employee Credit	$6,376.00
Mill's (1993 D.B.P.) Employee Credit	$4,826.00
Valley Hardwood (1993 D.B.P.) Employee Credit	$1,344.00
K & K Antiques (1993 D.B.P.) Employee Credit	$600.00
Hi-Ho (1994 D.B.P.) Employee Credit	$2,888.00
Weivoda Carpet (1994 D.B.P.) Employee Credit	$7,500.00
Howard Johnson's Employee Credit	$50,000.00

Archie's West Art Gallary (1999 D.B.P.)	$6,938.00
**Allocated to Downtown Project – Future Project	$50,000.00
Bargains Galore (1999-02)	$40,000.00
Weivoda (2000)	$24,999.00
Edeen, D.D.S. (2000-01)	$20,000.00
Audubon Meats (2000)	$10,000.00
Archie's West (2001)	$10,000.00
TRAX Liquors (2000-01)	$20,000.00
Jenny's Java (2001-02)	$10,000.00
Edeen, D.D.S. (2002)	$15,000.00
DeRosier Chiropractic Center (2002-03)	$5,000.00
Midwest Financial Mortgage (2002-03)	$10,000.00
North Star Resource Group (2002)	$2,500.00
Econolodge (2003)	$10,000.00
Research Solutions (2003-04)	$10,000.00
Valley Hardwood (2003-04)	$6,000.00
Willy's (2003-04)	$10,000.00
Fajbitos (2004)	$5,000.00
DeRosier Chiropractic Center (2006)	$1,500.00
By Request D J Company (2006)	$2,500.00
Altony's Restaurant (2006-2007)	$20,000.00
Furniture Galore	$50,000.00
Mills Lounge (2007-2008)	$10,000.00
Belly's (2009-2011)	$7,500.00
Anytime Fitness (2009-2013)	$10,000.00
Mills Lounge	$24,000.00
Carpet Garage (2011-2013)	$12,000.00
East View Storage Companies, LLC. (2012-2015) Phase I	$24,000.00
Dilworth Auto Plaza (2012-2014)	$18,000.00
CVS Pharmacy (2013-2014)	$24,000.00
Axis Clinicals – Property Tax (2013-2014)	$20,896.00
Axis Clinicals – Income Tax (2014-2015)	$210,000.00
Farm Bureau Services (2014-2015)	$12,000.00
Reshape (2014-2015)	$5,000.00
Edeen Family Dentistry (2014)	$24,000.00
Mills Lounge (2014)	$4,000.00
Hi-Ho (2014)	$6,000.00
Starlite Motel (2015-2017)	$18,000.00
Eastview Storage Phase II (2016-2018)	$9,000.00
Edeen Family Dentistry	$15,000.00
ALDI, Inc. (2017)	$50,000.00
Kool Kone, Inc. (2017)	$15,000.00
Legacy Chiropractic (2017)	$15,000.00
TAK Music Venue (2018)	$10,000.00

Eastview Storage Phase II (2019)	$3,000.00
TAK Music Venue (2019)	$10,000.00
Eastview Storage Phase II (2020)	$3,000.00
TAK Music Venue (2020)	$5,000.00
Silver Spike Bar & Grill (2020)	$15,000.00
Silver Spike Bar & Grill (2021)	$15,000.00
Mix Picks (2021)	$9,000.00
Mix Picks (2022)	$4,500.00
Butcher Block (2021)	$15,000.00
Roasted Rail Coffee House (2021)	$12,000.00
Dee's Drive-In (2021)	$12,000.00
Butcher Block (2022)	$9,000.00
Roasted Rail Coffee House (2022)	$6,000.00
Dairy Queen (2022)	$12,000.00
Dairy Queen (2023)	$6,000.00
Total Credit Distribution And Committed	$1,697,336.17
Available Balance as of July 1, 2022	$ 246,835.90
2023 Credits (projected)	$ 63,000.00
Less future committed credits	$ 183,835.90

updated 6/28/22

AGENDA ITEM NO. 7.B

Consideration, Professional Services Agreement with HKGi for Land Use Evaluation of Highway 10 from County Road 9 to 7th Street Northeast

DESCRIPTION:

As previously discussed, staff is recommending a more comprehensive and in-depth look at Highway 10 from County Road 9 to 7th Street NE (a/k/a "Zone 2"), specifically the land use patterns and how this corridor should develop. The consulting firm assisting with this work is HGKi, which is a patterning firm on the ongoing HWY 10 corridor study.

Potential tasks may include:

- Establish a vision, design goals, and principles for the study area (e.g., broad goals for land use type(s), viewsheds, building massing, building height, open space, connectivity, and character.

- Develop site diagrams conveying issues and opportunities.

- Assemble a profile of economic, employment, and market conditions to understand the local and regional economic and real estate market context (i.e. housing, commercial, and industrial development) that will affect growth.

- Determine the zone's capacity and constraints based on preferred land use types and patterns.

- Prepare a set of design guidelines to guide the future use of a zone. The design guidelines can be articulated through precedent examples, photographs, diagrams, and supporting narratives. The intent of the guidelines are to reflect the community-based direction for development, but provide flexibility to allow for creative and individual design plans and solutions.

- Develop site concepts or renderings to help articulate design guidelines that inform the siting of a development to coexist with adjacent land uses.

- Draft a preferred approach for implementation (e.g., zoning overlay district).

- Update zoning ordinances to incorporate outcomes of the adopted study.

The proposed work is quoted as a not to exceed amount of $19,640 (travel and printing billed at cost). In speaking with HGKi, to aid in budgeting, this will be billed in fiscal years 2022 and 2023. In the 2022 Planning budget, by year's end will remain about $8,400 +/-. In FY's 2019-2021, there was an excess of $50,212 in Planning.

This work is to commence this fall and be completed by the spring.

SUGGESTED ACTION:	Motion to approve the contract with HKGi for the land use evaluation of Highway 10 from County Road 9 to 7th Street Northeast
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	HKGi Proposal - HWY 10 Land Use.pdf
SUBMITTED BY:	Peyton Mastera, City Administrator
DEPARTMENT:	City Hall

September 30, 2022

Mr. L. Peyton Mastera
City Administrator
City of Dilworth
2 First Avenue SE
Dilworth, MN 56529

RE: Highway 10 Downtown Development Framework

Dear Mr. Mastera,

Thank you for the opportunity to further assist the City's initiatives to explore the downtown's development potential. Based on our conversations, we understand the City is seeking a consultant to assist in creating a Development Framework for the area that will help establish a preferred land use approach for the downtown area. This framework will provide guidance to property owners and prospective developers on the integration of desired land uses, placement of buildings, an enhanced public realm, parking, and broader integration with future Highway 10 improvements. This proposal outlines our proposed scope of work, schedule, and fees/expenses for this effort.

Scope of Services
The objective of the study is to establish a development framework for guiding land use decisions and future investments in and around the downtown area. The study limits will include parcels located along Highway 10 between 4th Street NW and 7th Street NE (see Attachment A). This study will also focus on the development of design guidelines and development concepts that articulate the City's goals, preferred land uses, and important public realm elements for the study area.

- **Task 1: Visioning and Goal Setting**
  We will begin the planning process by conducting a virtual kick-off meeting with City staff to reaffirm known opportunities and concerns with the study area. This meeting will give City staff an opportunity to identify land use goals that should be met with the study. Precedent examples of infill development and redevelopments will be provided to help facilitate this conversation. Findings from this exercise will help the HKGi team develop land use goals and design principles.

  Task 1 Deliverables
    - Prepare for and attend a virtual kick-off meeting with City staff.
    - Identify and discuss project influences (e.g., planned land use designation, zoning district, and policy plans).

  - Establish a vision statement and preliminary land use goals and design principles for the study area (e.g., broad goals for land use type(s), building location, massing, and height, parking, open space, connectivity, and development character).

- **Task 2: Identify Site Development Constraints and Opportunities**
  This task will determine study area's constraints and opportunities, as well as context issues and opportunities that may influence future land uses and reinvestment to the study area.

  Task 2 Deliverables
  - Assemble a profile of economic, employment, and market conditions to understand the local and regional economic and real estate market context (i.e., housing, commercial, and industrial development) that may influence redevelopment initiatives in the study area.
  - Develop a context diagram showing the sites relationship with adjacent properties, transportation systems, issues and opportunities.
  - Establish preferred land use types and refine the land use goals and design principles.
  - Prepare and attend a virtual meeting to confirm findings with City staff.
  - Present findings to the property owners and community at a future Highway 10 open house.

- **Task 3: Agree on Development Concepts**
  This task will include creating infill or redevelopment concepts, reviewing and evaluating them against the land use goals and design principles, and converging on a preferred approach for guiding land uses and redevelopment initiatives. This task will include exploring up to three (3) development concepts. Concepts will be based on findings from Tasks 1 and 2 (e.g., land use goals, design principles, and preferred land use types).

  Task 3 Deliverables
  - Determine the study area's development capacity for each concept (e.g., number of units, square footage, number of parking spaces, etc.).
  - Evaluate and determine the benefits of each concept using the land use goals and design principles.
  - Prepare and attend a virtual meeting to confirm findings with City staff.
  - Present findings to the property owners at an in-person meeting that coincides outside of the Highway 10 community engagement process.
  - Prepare and attend one (1) virtual meeting with the Planning Commission to present study findings and preliminary recommendations.

- **Task 4: Prepare and Finalize a Development Framework**
  A development framework report will be prepared to reflect the City's direction for land use goals and design principles. The development framework will be articulated through precedent examples, photographs, diagrams, and a supporting narrative. The development framework will also provide recommendations for next steps regarding potential comprehensive plan or zoning ordinance amendments.

<u>Task 4 Deliverables</u>

- Prepare a set of design guidelines to guide the future use of the study area.
- Refine the preliminary set of design guidelines based on City staff direction.
- Formulate a recommended approach to proper zoning designation and any other controls for the study area.
- Summarize the study process, findings, and design guidelines by creating a visual document.
- Finalize report with City staff.
- Assist City staff in materials for the study's adoption.
- Prepare and attend the public hearing virtually.

Assumptions
HKGi assumes the City of Dilworth will provide supporting information (i.e., existing data sets and background documents) regarding the project to assist HKGi in the development of the plan.

Schedule
We anticipate this study to begin in October 2022 and end in February 2023. The schedule may be adjusted to align this study's engagement activities with those being planned for the Highway 10 Corridor Study.

Basis of Payment/Budget
Based on our understanding of the project and above scope of services, we estimate the compensation as a not to exceed fee of $19,640. This fee includes expenses (travel and printing), which will be billed at cost.

Staffing
HKGi has a number of staff with specific areas of expertise and skills related to this effort. This proposal assumes Bryan Harjes will serve as the Project Principal / Design Lead and Lance Bernard will serve as the Project Manager on the project. Jeff Miller will serve as Project Planner and support the design guidelines. Additional team members will support the graphic design elements needed to complete the project.

Changes in the Scope of Services
It is understood that if the scope or extent of work changes based on client direction, the corresponding fee for services will be adjusted accordingly. If additional staff resources are requested, authorization for such services shall be authorized via email between the client project manager and HKGi project manager.

We forward to the opportunity to further partner with the City of Dilworth on this effort. If this letter agreement is acceptable to you, please return (email or mail) a signed copy to HKGi. We look forward to this opportunity.

If you have any questions about this proposal, please contact Lance Bernard at 320.420.7768 or via email at lance@hkgi.com.

Sincerely,

Lance Bernard
Planner - Project Manager

Bryan Harjes, PLA, LEED AP
Vice President

AUTHORIZATION TO PROCEED

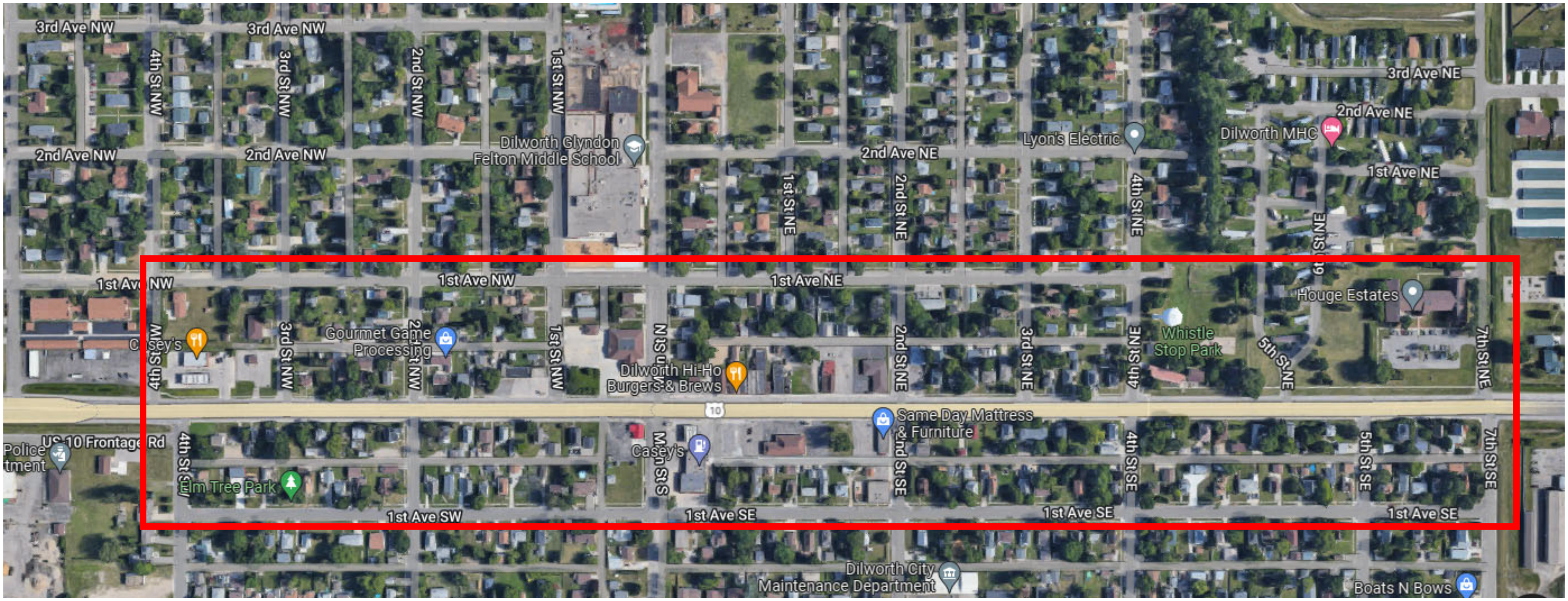
Name: ___________________________________

Title: ___________________________________

Date: ___________________________________

Signature: ___________________________________

Attachment A – Study Area



123 North Third Street, Suite 100, Minneapolis, MN 55401-1659
Ph (612) 338-0800   Fx (612) 338-6838

AGENDA ITEM NO. 7.C

Consideration, Resolution 22-45, Extending Property Tax Rebate Program Through December 31, 2024

DESCRIPTION: The two-year tax abatement for new construction expires at the end of 2022. This resolution extends the program through the end of 2024.

This City of Moorhead and Clay County have already adopted resolutions extending their programs through 2024. DGF will be considering their resolution at the October 24th board meeting.

SUGGESTED ACTION: Motion to approve Resolution 22-45, Extending Property Tax Rebate Program Through December 31, 2024.

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Resolution 22-45, Extending Property Tax Rebate Program Through December 31, 2024.pdf

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: City Hall

RESOLUTION 22-45

EXTENDING PROPERTY TAX REBATE PROGRAM THROUGH DECEMBER 31, 2024

WHEREAS, Minnesota State Statutes (469.1813-469.1816) authorizes political subdivisions to grant property tax abatements for economic development purposes including:

- General economic development, such as increasing the property tax base or the number of jobs in the area;
- Providing access to services for residents such as housing; and

WHEREAS, political subdivisions within Clay County (specifically the City of Moorhead, DGF School District, Moorhead School District, and Clay County) participate in a *"Two-year Residential Property Tax Abatement Program" (hereinafter referred to as the "Program")*; and

WHEREAS, as a condition precedent for the City of Dilworth to receive an abatement of Clay County residential property taxes, DGF residential property taxes, and Moorhead School District residential property taxes the City must approve its Authorizing Resolution no later than December 31, 2022.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Dilworth, that the City Council does herein approve participation in the *"Program"* for new home construction for the period commencing January 1, 2023 and expiring December 31, 2024.

BE IT FURTHER RESOLVED, by the City Council of the City of Dilworth that the approved *"Program"* be fully compliant with Minnesota Statutes 469.1813-469.1816 and subject to the following:

- A residential structure may qualify for an abatement if it is classified as 1a, 1b, 2a, 4a, 4b, 4bb, or 4d under Minnesota Statutes 273.13.
- The market value attributable to new residential structures and land may be abated from property taxes, for two taxes payable years, corresponding to the two assessment years after construction has been completed, provided that construction of the structure is commenced prior to December 31, 2022. Construction is deemed to have been commenced if a proper building permit has been issued and the mandatory footing or foundation inspection has been completed, if a building permit and inspection are required by the participating jurisdiction.
- For property classified as class 1a, 1b, 2a, 4a, 4b, 4bb, and 4d the abatement will apply to the entire market value of the land and improvements.
- The abatement shall not apply to any special assessments that are levied against the property.

ADOPTED by the City of Dilworth the 24th day of October, 2022.

MAYOR: ______________________________
Chad Olson, Mayor

ATTEST: ______________________________
L. Peyton Mastera, City Administrator

AGENDA ITEM NO. 7.D

Update/Consideration, Adoption of Commercial Incentive Guide and Program for 2023

DESCRIPTION:	Community Development Director Don Lorsung will present on the various commercial incentives offered in Dilworth as well seek approval of the 2023 incentive guide (flyer) and program. The incentives presented are already in existence, with the exception of one. The City of Dilworth plans to offer to any new commercial business a one time shoot with Be More Colorful. This incentive will allow businesses to be linked through the City's BMC link and offer a 360 shot inside their business. The value of this incentive is $500.
SUGGESTED ACTION:	Motion to adopt the commercial incentive guide and program for 2023.
VOTING REQUIREMENT:	Simple Majority of the Voting Quorum
ATTACHMENTS:	Business Incentive Programs.pdf
SUBMITTED BY:	Peyton Mastera, City Administrator
DEPARTMENT:	City Hall

DOING BUSINESS IN DILWORTH

Guide to Local, State, and Federal Incentives

City of Dilworth

Dilworth Programs

Revolving Economic Development Loan Fund

The Dilworth revolving loan fund provides gap financing to new & existing primary sector businesses and projects with the goal of retaining and creating jobs in the City. A business in Dilworth may qualify for up to a $25,000 loan at below market rates. Proceeds may be used for land acquisition, site improvements, new construction, remodeling, machinery, and fixtures.

Any project located within Dilworth that meets the eligibility requirements may apply for a loan from the City. Some restrictions do apply, program guidelines are available for your review.

Border City Enterprise Zone Credits

Tax credits may be awarded to new commercial or industrial businesses locating in the City of Dilworth. Up to $3,000 per new employee and $1,500 for a retained employee may be awarded. Depending on the impact of the new business, they may receive an award for multiple years.

Tax Abatement

Tax abatement is the process by which a portion of property taxes are rebated back to the property owner, who then uses it to help offset development or redevelopment costs. Tax abatement is simpler and less restrictive than tax increment financing and is quite useful for new and redevelopment projects. Applicable to commercial, industrial, and multi-unit housing projects. Abatements eligible for up to five years.

Tax Increment Financing (TIF)

Tax Increment Financing, or TIF, is a method of financing real estate development costs to assist with applicable project costs for site improvements, and depending on the project may include financing assistance with the construction of buildings or other private improvements.

TIF uses the additional property taxes paid as a result of development and increased property value to pay for a portion of the development costs.

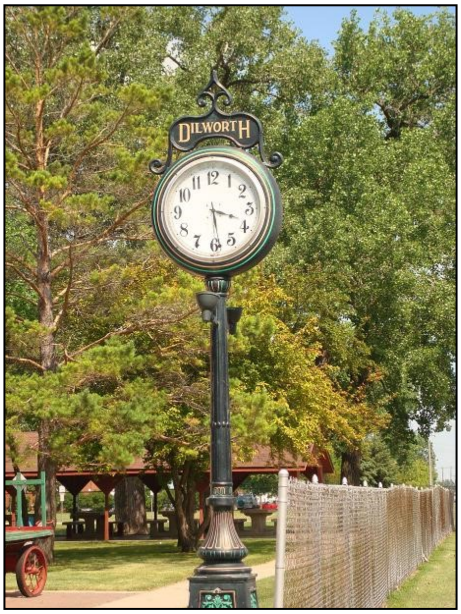
City Virtual Tour Marketing Program

The City of Dilworth participates in On-Line Virtual Tour GIS Marketing through the firm, Be More Colorful. Local businesses can be marketed as a part of the Community Tour that is available on the City of Dilworth website. For new commercial and industrial businesses, the City will sponsor a first-year membership. This membership includes location of the business on the Community Tour, and outside and inside photos of the new business.

Regional Programs

West Central Initiative

The West Central Initiative (WCI) organization is located in Fergus Falls, Minnesota and serves Clay County. As a part of its activities, it offers financing assistance to commercial and industrial businesses. Financing assistance is provided through loans and is typically used as "gap financing" for projects. Loan programs include: Small Enterprise Loans, Business and Industry Loans, Access to Capital Loans and Child Care Loans WCI also administers the Clay County Loan Program, with funding specifically for businesses in Clay County. Information on the loan programs, as well as staff contacts can be found on the WCI website, www.westcentralinitiative.org



State Programs

Angel Loan Fund

Minnesota's Angel Loan Fund (ALF) supports entrepreneurial growth by providing direct loans for early-stage businesses. The loan amount can be up to 10% of the total amount of equity investment raised by the business in a funding round (after ALF approval). Funds may be used for start-up costs, working capital, business acquisitions and expansions, franchise financing, equipment loans, inventory financing, construction, and commercial non-passive real estate acquisitions.

Minnesota Investment Fund (MIF)

The Minnesota Investment Fund provides grants to help add new workers and retain high-quality jobs on a statewide basis.

The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve the economic vitality for all Minnesota citizens.

At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing).

Minnesota Job Creation Fund

The Minnesota Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Companies deemed eligible to participate may receive funding assistance for creating or retaining high paying jobs and for constructing or renovating facilities or making other property improvements.

Federal Programs

Small Business Administration (SBA)

Banks and other lending institutions offer a number of SBA guaranteed loan programs to assist small businesses. While the SBA itself does not make loans, it does guarantee loans made to small businesses by private commercial and other lending institutions.

Below is an overview of SBA's guaranteed loan programs:

<u>7(a) Loan Program:</u>

This is SBA's primary and most flexible loan program, with financing guaranteed for a variety of general business purposes. It is designed for start-up and existing small businesses.
The major types of 7(a) loans are:

- Express Programs (SBA Express, Community Express, & Patriot Express)
- Export Loan Programs
- Rural Lender Advantage Program
- Special Purpose Loans Program

<u>CDC/504 Loan Program:</u>

This program provides long-term, fixed-rate financing to acquire fixed assets (such as real estate or equipment) for expansion or modernization. It is designed for small businesses requiring "brick and mortar" financing, and is delivered by CDCs (Certified Development Companies)—private, non-profit corporations set up to contribute to the economic development of their communities.

<u>Microloan Program:</u>

This program provides small (up to $35,000) short-term loans for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment. It is designed for small businesses and not-for-profit child-care centers needing small-scale financing and technical assistance for start-up or expansion, and is delivered through specially designated intermediary lenders (nonprofit organizations with experience in lending and technical assistance).

Disaster Assistance Loan Program:

This program provides low-interest loans to homeowners, renters, businesses of all sizes and most private non-profit organizations to repair or replace real estate, personal property, machinery and equipment, inventory and business assets that have been damaged or destroyed in a declared disaster.

Small Business Development Centers (SBDC)

The Office of Small Business Development Centers (SBDC) provides management assistance to current and prospective small business owners. SBDCs offer free, one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments and is an integral component of Entrepreneurial Development's network of training and counseling services.

If you would like help with the development of your business plan, marketing techniques, or if you would like assistance with financial/loan packaging, please contact: West Central Region SBDC Center, Concordia College, Grant Center 220, 1310 8th Street S., Moorhead, MN 56562 (218) 299-3037, SBDC@cord.edu All assistance through the Small Business Development Center is free of charge and strictly confidential.

AGENDA ITEM NO. 8.A

Resolution 22-43, Accepting a Donation from Helmsley Charitable Trust of Five AED's for the Dilworth Police Department

DESCRIPTION: Helmsley Charitable Trust has made a donation of five AED's that are valued at $10,000 for the Police Department. A resolution must be passed to accept this donation.

SUGGESTED ACTION: Motion to approve Resolution 22-43, Accepting a Donation from Helmsley Charitable Trust of five AED's for the Police Department.

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Resolution 22-43, Accepting a Donation from Helmsley Charitable Trust for the Police Department.doc

02. MN AED Grant Announcement Template - LOCAL AGENCY Dilworth.docx

SUBMITTED BY: Angela Miller, Administrative Assistant

DEPARTMENT: Police Department

RESOLUTION 22-43

ACCEPTING A DONATION FROM HELMSLEY CHARITABLE TRUST OF FIVE AED'S FOR THE DILWORTH POLICE DEPARTMENT

WHEREAS, The City of Dilworth is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of recreational services pursuant to Minnesota Statutes Section 471.17; and

WHEREAS, Helmsley Charitable Trust desires to make a donation to the City of Dilworth Police Department;

Name of Donor	**Amount**
Helmsley Charitable Trust	Five AED'S valued at $10,000

WHEREAS, the above donation is for five AED's valued at $10,000; and

WHEREAS, The City Council finds that it is appropriate to accept the donation offered.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DILWORTH MINNESOTA, AS FOLLOWS:

1. The donation described is accepted and shall be used by the Dilworth Police Department.

2. The City Administrator is hereby directed to issue a receipt to the donor acknowledging the city's receipt of the donor's donation.

ADOPTED by the City of Dilworth the 24th day of October 2022.

MAYOR:______________________________
Chad Olson, Mayor

ATTEST: ______________________________
L. Peyton Mastera, City Administrator

THE LEONA M. AND HARRY B. HELMSLEY CHARITABLE TRUST

FOR IMMEDIATE RELEASE

$18.8 Million Helmsley Charitable Trust Grant to Fund Life-Saving New Technology for Law Enforcement includes Dilworth Police Department

Dilworth, M.N. (October 6, 2022) - In an ongoing effort to improve the cardiac system of care in the Upper Midwest, The Leona M. and Harry B. Helmsley Charitable Trust has awarded an $18.8 million grant to the University of Minnesota Medical School. The grant aims to provide law enforcement officers and first responders across Minnesota with more than 8,300 automated external defibrillators (AEDs) to improve cardiac arrest survival rates. The grant includes funding for 5 (five) AEDs for Dilworth Police Department, at a value of approximately $10,000.

“Seconds count during a cardiac arrest,” said Walter Panzirer, a Helmsley trustee. “We know in Minnesota first responders often have great distances to cover. This funding will ensure those who get to the scene before EMS arrives give patients a better shot at survival.”

Data from Minnesota CARES (Cardiac Arrest Registry to Enhance Survival) shows that 70 percent of out-of-hospital cardiac arrest incidents happen in homes, where AEDs placed in public facilities can be less effective. AEDs should be applied within the first 3 to 5 minutes for the best possible outcome.

Studies conducted by the American Heart Association demonstrate a dramatically higher survival rate for cardiac patients shocked by law enforcement, who are generally first on the scene, especially in rural areas.

The AEDs analyze heart rhythms throughout CPR, reduce pauses and allow for improved blood circulation to increase the odds of survival. Using Wi-Fi connectivity, these self-monitoring devices can report their status to a centralized online data repository, allowing law enforcement agencies to know their devices are ready or in need of maintenance. The information collected will also allow the Center for Resuscitation Medicine to improve response to cardiac arrest and demonstrate how swift law enforcement response gives patients a better chance of survival.

“AED’s are a valuable but costly piece of equipment, this grants allows the Dilworth Police Department the opportunity to replace every AED we have plus add an AED to every patrol vehicle. The grant includes an 8 year warranty on each AED and replacement pads when used. With the added bonus of WIFI the AED’s will automatically order a new set of pads when used, and send updates if the AED has a technically issue or needs the battery replaced.” (Chief Sharpe)

The new devices will be placed, and training conducted by Early November 2022. AEDs previously used by some agencies can be relocated throughout communities increasing the number of AEDs accessible to the public.

To date, the Helmsley Charitable Trust has invested more than $500 million to improve access to quality healthcare in rural America, $72 million of that in Minnesota.

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About the Helmsley Charitable Trust

The Leona M. and Harry B. Helmsley Charitable Trust aspires to improve lives by supporting exceptional efforts in the U.S. and around the world in health and select place-based initiatives. Since beginning active grantmaking in 2008, Helmsley has committed more than $3 billion for a wide range of charitable purposes. Helmsley’s Rural Healthcare Program funds innovative projects that use information technologies to connect rural patients to emergency medical care, bring the latest medical therapies to patients in remote areas, and provide state-of-the-art training for rural hospitals and EMS personnel. To date, this program has awarded more than $500 million to organizations and initiatives in the upper Midwest states of North Dakota, South Dakota, Nebraska, Wyoming, Minnesota, Iowa, and Montana. For more information, visit www.helmsleytrust.org.

-end-

For more information, contact:
Chief Ty Sharpe
Dilworth Police Department
Dilworth, Minnesota

AGENDA ITEM NO. 9.A

Consideration, Holiday Event at Whistle Stop Park on November 30, 2022

DESCRIPTION: At the September Park Board meeting, Mayor Olson tasked the Park Board with and staff with exploring the possibility of hosting a holiday lighting event at Whistle Stop Park.

The program being proposed is to light the tree on the north side of the train, bring in a couple reindeer, offer wagon rides, and host an arts/crafts event inside the Depot. The Police Department has offered to serve hot chocolate and serve cider.

The anticipated budget for this event is $6,041, with the tree lighting costing the most at $4,116. However, there will be a slight reduction in cost if the City commits to a three year lease on the lights.

There are funds in the park budget to cover the expenses of this event. Sponsorships are being sought as well.

SUGGESTED ACTION: Motion to approve the budget and event at Whistle Stop Park on November 30, 2022.

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: Tree Lighting.jpg

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: City Hall

AGENDA ITEM NO. 10.A

Consideration, 2023 Utility Rates

DESCRIPTION:

Mayor Olson and Councilmember Jesme met with staff on October 3rd to discuss the 2023 utility rates. The water rates are set to slightly increase with the meter and volume charges. The storm sewer fee* ($1.00), wastewater rate ($.05), and solid waste rate ($.02) have a slight increase. Garbage, recycling, forestry, pest, and sewer bond fees have no change.

The anticipated impact for a:

1,000 gallon user: $2.06/month
2,000 gallon user: $2.69/month
4,000 gallon user: $3.97/month
10,000 gallon user: $7.97/month

Rates are to be set in November, in time to initiate the new rate structure for December. Council may either approve the rates at this meeting or the next.

*The storm sewer increase will generate an additional $23,000 +/-, annually bringing in about $115,000. The goal with this account is to fund pond dredging projects (and other storm water improvements) without specially assessing residents.

SUGGESTED ACTION: Motion to approve the 2023 utility rate structure as presented.

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: 2023 Utility Rates.pdf

2023 Enterprise Funds Budget.pdf

SUBMITTED BY: Peyton Mastera, City Administrator

DEPARTMENT: Finance

CITY OF DILWORTH

Proposed Rates for 2023

Water Rates **Monthly Customer Charge** (Based on Meter Size)

Customer charge - rate covers the cost of billing and maintaining an account.

Meter Size	2022 Rate	2023 Rate	
5/8	$12.48	$12.50	$0.02
3/4	$12.48	$12.50	$0.02
1	$19.66	$19.70	$0.04
1 1/2	$35.78	$35.80	$0.02
2	$55.74	$55.75	$0.01
2 1/2	$84.24	$84.25	$0.01
3	$113.57	$113.60	$0.03
4	$183.56	$183.60	$0.04
6	$359.63	$359.65	$0.02

Volume Charge (Based on Every 1,000 Gallons Used)

Volume charge - rate is based on the amount of water consumed that is measured by the water meter.

		Volume	2022	Proposed 2023	
Residential	1,903	1	$ 4.86	**$ 5.08**	$ 0.22
		5,000	$ 5.12	**$ 5.35**	$ 0.23
		10,000	$ 5.37	**$ 5.61**	$ 0.24
		17,500	$ 5.63	**$ 5.88**	$ 0.25
		25,000	$ 5.78	**$ 6.04**	$ 0.26
		37,500	$ 6.04	**$ 6.31**	$ 0.27
		50,000	$ 6.29	**$ 6.57**	$ 0.28
Commercial	42				
	30	1	$ 5.12	**$ 5.35**	$ 0.23
		5,000	$ 5.37	**$ 5.61**	$ 0.24
		25,000	$ 6.04	**$ 6.31**	$ 0.27

Wastewater Rate

Residential	1,903	1.22	**1.25**	0.03
Commercial	72	1.27	**1.30**	0.03

CITY OF DILWORTH

Proposed Rates for 2023

Solid Waste Rate

Residential	1,903	$ 17.63	**$ 17.65**	$ 0.02
Recycling		$ 4.00	**$ 4.00**	$ -
Commercial	50			

Forestry Charge

$ 1.25

Pest Control Charge

$ 2.25

Sewer Bond Charge

$ 6.00

Storm Sewer Fee

$ 5.00

Garbage Fund

	Per Billing Current	Per Billing Proposed	
Solid Waste	12.63	12.63	
Recycling	4.00	4.00	
Fuch's share	16.63	16.63	-
City Share	5.00	5.00	
	21.63	21.63	-
Waste Collection Fee 9.75%	1.72	1.72	
	23.35	23.35	-

CITY OF DILWORTH

Proposed Rates for 2023

Sample Bill for low usage

	Current		Proposed	
Customer charge - meter	$12.48		$12.50	
2000 gallons water	$ 9.72		$ 10.16	
		$ 22.20		$ 22.66
Sewer Charge		$ 27.08		$ 28.32
Sewer Bond Charge		$ 6.00		$ 6.00
Garbage		$ 21.63		$ 21.63
Waste Mgmt Fee		$ 1.72		$ 1.72
Forestry Charge		$ 1.25		$ 1.25
Pest Control Charge		$ 2.25		$ 2.25
Storm Sewer Fee		$ 4.00		$ 5.00
Total billing		$ 86.13		$ 88.82

Increase of:	$ 2.69
% Increase:	3.13%

Sample Bill for Average Family

	Current		Proposed	
Customer charge - meter	$12.48		$12.50	
4,000 gallons water	$ 19.44		$ 20.31	
		$ 31.92		$ 32.81
Sewer Charge		$ 38.94		$ 41.01
Sewer Bond Charge		$ 6.00		$ 6.00
Garbage		$ 21.63		$ 21.63
Waste Mgmt Fee		$ 1.72		$ 1.72
Forestry Charge		$ 1.25		$ 1.25
Pest Control Charge		$ 2.25		$ 2.25
Storm Sewer Fee		$ 4.00		$ 5.00
Total billing		$ 107.70		$ 111.68

Increase of:	$ 3.97
% Increase:	3.69%

CITY OF DILWORTH

Proposed Rates for 2023

Sample Bill for 10,000 gallons

	Current		Proposed	
Customer charge - meter	$12.48		$12.50	
10,000 gallons water	$ 49.87		$ 52.12	
		$ 62.35		$ 64.62
Sewer Charge		$ 76.07		$ 80.77
Sewer Bond Charge		$ 6.00		$ 6.00
Garbage		$ 21.63		$ 21.63
Waste Mgmt Fee		$ 1.72		$ 1.72
Forestry Charge		$ 1.25		$ 1.25
Pest Control Charge		$ 2.25		$ 2.25
Storm Sewer Fee		$ 4.00		$ 5.00
Total billing		$ 175.27		$ 183.23

Increase of:	$ 7.97
% Increase:	4.54%

Sample Bill for minimum usage

	Current		Proposed	
Customer charge - meter	$12.48		$12.50	
1,000 gallons water	$ 4.86		$ 5.08	
		$ 17.34		$ 17.58
Sewer Charge		$ 21.15		$ 21.97
Sewer Bond Charge		$ 6.00		$ 6.00
Garbage		$ 21.63		$ 21.63
Waste Mgmt Fee		$ 1.72		$ 1.72
Forestry Charge		$ 1.25		$ 1.25
Pest Control Charge		$ 2.25		$ 2.25
Storm Sewer Fee		$ 4.00		$ 5.00
Total billing		$ 75.34		$ 77.40

Increase of:	$ 2.06
% Increase:	2.73%

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
	ENTERPRISE FUNDS			
	WATER FUND			
	WATER FUND REVENUES			
601-31010-000	Gen Property Taxes-Ad Valorem		$ -	
601-36101-000	Special Assessments Revenue-Principal		$ -	
601-36101-100	Special Assessments Revenue-Tower Payment		$ -	
601-36102-000	Special Assessments Revenue-Penalties/Interest		$ -	
601-36210-000	Interest on Investments	8,000	$ 3,000	
601-36210-100	Interest Earnings		$ -	
601-37110-000	Water Sales	800,000	$ 25,000	
601-37130-000	Water Sales-Commercial		$ -	
601-37150-000	Connection/Reconnection Fees	4,000	$ 1,000	
601-37160-000	Penalties & Forfeited Discounts		$ -	
601-37170-000	Miscellaneous Revenue	4,500	$ -	
601-37170-100	Service Connection Fee		$ -	Clean water act, collect for State
601-37170-200	Sales Tax 6.5%		$ -	
601-37170-300	Meter Revenue		$ -	
601-37170-310	Meter Expense		$ -	
601-39203-000	Transfers From Other Funds		$ -	
	TOTAL WATER FUND REVENUES	$ 816,500	$ 29,000	3.801%
	WATER FUND EXPENSES			
601-49400-100	FT Employees Salaries-Management	$ 54,059	$ 3,051	
601-49400-101	FT Employees Salaries-Regular	107,402	$ 10,514	
601-49400-102	FT Employees Salaries-Overtime	-	$ (750)	
601-49400-102	FT Employees Salaries-On Call	4,386	$ 399	8 hrs/weekend
601-49400-103	PT Employee Wages	15,000	$ -	future planning
601-49400-122	Social Security/Medicare	13,835	$ 1,011	7.65%
601-49400-151	Insurance-Workers Compensation	-	$ -	
601-49400-200	Office Supplies	250	$ -	
601-49400-210	Operating Supplies	900	$ -	
601-49400-212	Operating Supplies-Motor Fuel	1,500	$ 500	
601-49400-216	Operating Supplies-Chemicals	-	$ -	
601-49400-220	Repair & Maintenance	25,000	$ -	
601-49400-240	Small Tools & Minor Equipment	2,000	$ -	
601-49400-303	Professional Services-Engineering Fees	4,000	$ -	
601-49400-304	Professional Services-Legal Fees		$ -	
601-49400-316	Professional Services-Water Testing	1,500	$ -	
601-49400-321	Communication-Telephone/Fax	1,000	$ -	locates
601-49400-322	Communication-Postage	2,500	$ -	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
601-49400-326	Communications-Cellular Phones	550	$ -	
601-49400-330	Transportation	-	$ -	
601-49400-342	Advertising	-	$ -	
601-49400-361	Insurance-Liab/Bldg/Equip	3,315	$ 17	
601-49400-381	Pub Util-Electricity	10,000	$ -	
601-49400-382	Pub Util-Moorhead Water/Hookup Fee	490,000	$ 10,000	conn $428/mo 2.3% inc
601-49400-383	Pub Util-Heating	1,000	$ -	
601-49400-411	Rentals-Land	3,569	$ 137	land rent 4% inc annually
601-49400-430	Miscellaneous Expense	1,000	$ -	
601-49400-433	Registration & Dues	600	$ -	
601-49400-438	Lodging & Meals	500	$ -	
601-49400-450	Uniform Allowance	1,600	$ -	
601-49400-500	Capital Outlay	10,000	$ -	telemetry computer at shop and hydrant tool
601-49400-611	Bond Interest Payment		$ -	
601-49400-620	Fiscal Agent's Fees	-	$ -	
601-49400-710	Transfer to General Fund	7,500	$ -	
601-49970-000	Depreciation Expense	52,532	$ 4,121	
	Depreciation-Telemetry System	1,000	$ -	
601-49980-000	Interest Expense		$ -	
	Operating Margin	-	$ -	
	TOAL WATER FUND EXPENSES	$ 816,500	$ 29,000	3.801%
EXCESS/DEFICIT OF REVENUES OVER EXPENSES		$ 0	$ 0	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
	SEWER FUND			
	SEWER FUND REVENUES			
602-31010-000	Gen Property Taxes-Ad Valorem		$ -	
602-33402-000	State Homestead Credit		$ -	
602-33423-000	Other State Aid		$ -	
602-36101-000	Special Assessments Revenue-Principal		$ -	
602-36101-100	Special Assessments Revenue-Sewer Bond		$ -	bond payment $140,000
602-36102-000	Special Assessments Revenue-Penalties/Interest		$ -	
602-36210-000	Interest Earnings	20,000	$ -	
602-36200-000	Miscellaneous Revenues		$ -	
602-37210-000	Sewer Sales	850,000	$ -	
602-37230-000	Sewer Sales-Commercial		$ -	
602-37240-000	Sewer Fee-Bond Payment		$ -	
602-37250-000	Connection/Reconnection Fees	2,000	$ 500	
602-37260-000	Penalties & Forfeited Discounts		$ -	
602-37270-000	Miscellaneous Charges		$ -	
602-37422-100	Grants From Other Govt Units		$ -	
602-39203-000	Transfer From Other Funds		$ -	
602-39300-000	Contributions from City Funds		$ -	
	TOTAL SEWER FUND REVENUES	$ 872,000	$ 500	0.058%
	SEWER FUND EXPENSES			
602-49450-100	FT Employees Salaries-Management	$ 54,059	$ 3,051	
602-49450-101	FT Employees Salaries-Regular	107,402	$ 10,514	
602-49450-102	FT Employees Salaries-Overtime	-	$ -	
602-49450-102	FT Employees Salaries-On Call	4,386	$ 399	8 hrs/weekend
602-49450-103	PT Employee Wages	15,000	$ -	future planning
602-49450-122	Social Security/Medicare	13,835	$ 1,068	7.65%
602-49450-200	Office Supplies	-	$ -	
602-49450-210	Operating Supplies	1,200	$ -	
602-49450-212	Operating Supplies-Motor Fuel	500	$ -	
602-49450-220	Repair & Maintenance	35,000	$ -	
602-49450-227	Sewer-Cleanout/TV	20,000	$ -	
602-49450-240	Small Tools & Minor Equipment	600	$ -	
602-49450-300	Professional Services-2nd Wastewater Line		$ -	
602-49450-303	Professional Services-Engineering Fees	4,000	$ -	
602-49450-321	Communication-Telephone/Fax	800	$ -	locates
602-49450-322	Communication-Postage	2,500	$ -	
602-49450-326	Communication-Cellular Phones	550	$ -	
602-49450-329	Communication-License Fee		$ -	
602-49450-330	Transportation	-	$ -	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
602-49450-342	Advertising	-	$ -	
602-49450-350	Printing & Binding	-	$ -	
602-49450-361	Insurance-Liab/Bldg/Equip	6,697	$ (57)	
602-49450-381	Pub Util-Electricity	13,692	$ -	
602-49450-383	Pub Util-Heating	2,000	$ -	
602-49450-385	Pub Util-Sewage Disposal	488,476	$ (15,000)	MPSD 2% cust 2% vol increases
602-49450-411	Rentals-Land	335	$ 10	3% inc annually
602-49450-430	Miscellaneous Expense	1,000	$ -	
602-49450-433	Registration & Dues	500	$ 250	
602-49450-438	Lodging & Meals	500	$ 100	
602-49450-500	Capital Outlay	5,000	$ -	
602-49450-501	Capital Outlay-2nd Wastewater Line to Mhd		$ -	
602-49450-601	Interest Payment-2nd Wastewater Line to Mhd		$ -	
602-49450-710	Transfer to General Fund	7,500	$ -	
602-49970-000	Depreciation Expense	85,467	$ 165	
	Depreciation-Telemetry	1,000	$ -	
	Operating Margin	-	$ -	
	TOTAL SEWER FUND EXPENSES	$ 872,000	$ 500	0.058%
EXCESS/DEFICIT OF REVENUES OVER EXPENSES		$ 0	$ (0)	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
	REFUSE FUND			
	REFUSE FUND REVENUES			
603-36210-000	Interest Earnings	$ 2,500	$ 1,500	
603-37310-000	Refuse Service Revenue	496,000	$ 3,000	
603-37330-000	Refuse Service-Commercial		$ -	
603-37360-000	Penalties & Forfeited Discounts		$ -	
603-37370-000	Miscellaneous Revenue		$ -	
603-37370-100	Waste Collection Fee		$ -	
603-37370-200	Sales Tax 6.5%		$ -	
603-37370-300	Recycling Revenue	130,000	$ 5,000	$4/month
	TOTAL REFUSE FUND REVENUES	$ 628,500	$ 9,500	1.590%
	REFUSE FUND EXPENSES			
603-49500-100	FT Employees Salaries-Management	$ 33,363	$ 2,608	
603-49500-101	FT Employees Salaries-Regular	71,877	$ 6,152	
603-49500-102	FT Employees Salaries-Overtime	-	$ -	
603-49500-103	PT Employee Wages	4,400	$ -	Recycling Ctr ??
603-49500-122	Social Security/Medicare	8,387	$ 670	7.65%
603-49500-151	Insurance-Workers Compensation	558	$ -	
603-49500-200	Office Supplies	-	$ -	
603-49500-210	Operating Supplies	750	$ -	
603-49500-220	Repair & Maintenance	2,000	$ -	
603-49500-240	Small Tools & Minor Equipment	-	$ -	
603-49500-303	Professional Services-Engineering Fees		$ -	
603-49500-322	Communication-Postage	3,000	$ -	
603-49500-330	Transportation		$ -	
603-49500-342	Advertising	-	$ -	
603-49500-361	Insurance-Liab/Bldg/Equip	1,915	$ 17	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
603-49500-381	Pub Util-Electricity	1,500	$ -	
603-49500-383	Pub Util-Heating	1,300	$ -	
603-49500-384	Pub Util-Refuse Collection	388,649	$ 53	
603-49500-389	Pub Util-Recycling	90,000	$ -	
603-49500-390	Dumping Fees/Clean Up Week	13,000	$ -	
603-49500-391	Tree Disposal	-	$ -	moved to forestry
603-49500-415	Rentals-Equipment	-	$ -	
603-49500-430	Miscellaneous Expense		$ -	
603-49500-433	Registration & Dues	-	$ -	
603-49500-438	Lodging & Meals		$ -	
603-49500-500	Capital Outlay	-	$ -	
603-49500-710	Transfer to General Fund	5,000	$ -	
603-49970-000	Depreciation Expense	2,800	$ -	
	TOTAL REFUSE FUND EXPENSES	$ 628,500	$ 9,500	1.590%
	EXCESS/DEFICIT OF REVENUES OVER EXPENSES	$ 0	$ (0)	
	FORESTRY FUND			
	FORESTRY FUND REVENUES			
660-36200-000	Miscellaneous Revenues		$ -	
660-36210-000	Interest on Investments	$ 1,000	$ 500	
660-38090-000	Forestry Revenue	$ 28,650	$ -	$1.25 per month
			-	
	TOTAL FORESTRY FUND REVENUES	$ 29,650	$ 500	1.724%
	FORESTRY FUND EXPENSES			
660-49870-212	Operation Supplies-Motor Fuel	$ 1,000	$ 500	
660-49870-220	Repair & Maintenance	28,500	$ -	includes tree disposal from refuse fund
660-49870-240	Small Tools & Minor Equipment	150	$ -	
660-49870-322	Communications-Postage	-	$ -	
660-49880-612	Interest Expense		$ -	
	TOTAL FORESTRY FUND EXPENSES	$ 29,650	$ 500	1.724%
	EXCESS/DEFICIT OF REVENUES OVER EXPENSES	$ -	$ -	

CITY OF DILWORTH
2023 PRELIMINARY BUDGET

ACCT #	ACCOUNT	BUDGET 2023	Bud-Change 2023-2022	COMMENTS
	PEST CONTROL FUND			
	PEST CONTROL FUND REVENUES			
670-36200-000	Miscellaneous Revenues		$ -	
670-36210-000	Interest on Investments	$ 500	$ 200	
670-38095-000	Pest Control Revenue	57,356	$ 1,092	$2.50 per month
670-39203-000	Transfer From Other Funds		$ -	
	TOTAL PEST CONTROL FUND REVENU	$ 57,856	$ 1,292	2.470%
	PEST CONTROL FUND EXPENSES			
670-49880-100	FT Employees Salaries-Supervisor		$ -	
670-49880-101	FT Employees Salaries-Regular	12,918	$ 961	Maintenance 20%
670-49880-102	FT Employees Salaries-Overtime	1,300	$ -	
670-49880-103	PT Employee Wages	25,000	$ -	(Ave 600 hrs*4) $14.00
670-49880-122	Social Security/Medicare	3,000	$ 74	7.65%
670-49880-151	Insurance-Workers Compensation	2,748	$ -	
670-49880-210	Operating Supplies	300	$ -	
670-49880-212	Operating Supplies-Motor Fuels	890	$ 258	
670-49880-216	Operating Supplies-Chemicals	10,000	$ -	
670-49880-220	Repair & Maintenance	800	$ -	
670-49880-240	Small Tools & Minor Equipment	-	$ -	
670-49880-300	Professional Services	-	$ -	
670-49880-322	Communications-Postage	400	$ -	
670-49880-430	Miscellaneous Expense	-	$ -	
670-49880-433	Registration & Dues	500	$ -	
670-49880-500	Capital Outlay	-	$ -	
670-49880-612	Interest Expense		$ -	
670-49970-000	Depreciation Expense	-	$ -	
	Reserves	-	-	
	TOTAL PEST CONTROL FUND EXPENSI	$ 57,857	$ 1,292	2.471%
EXCESS/DEFICIT OF REVENUES OVER EXPENSES		$ (1)	$ (0)	
TOTAL ENTERPRISE FUNDS REVENUE		$ 2,404,506	$ 40,792	1.767%
TOTAL ENTERPRISE FUNDS EXPENSES		$ 2,404,506	$ 40,793	1.767%
EXCESS/DEFICIT OF REVENUES OVER EXPENSES		$ (0)	$ (1)	

AGENDA ITEM NO. 10.B

Resolution 22-46, Repealing Order of Secured Vacant Building (11 First Avenue Southeast)

DESCRIPTION:

On June 24, 2019, the Dilworth City Council adopted a resolution (19-28) which required the securing of a vacant building at 11 First Avenue Southeast.

Staff has been working with the property owner for several years to remedy the situation, but no action has taken place by the property owner. Recent modification to the nuisance section allowed for staff to issue a violation to the property for various infractions of Chapter 94, beginning October 6, 2022.

Recent developments have the property owners soon selling the property to someone looking to "flip" the house. I conveyed to the purchaser that the City's expectation - if this order is lifted - a detailed work plan is to be submitted prior to purchase and work will immediately commence. The purchasers have supplied the necessary work plan to the building official and myself; in turn, staff is recommending the lifting of this order.

If the real estate transaction does not take place by November 15, 2022, the order will remain in place and the City of Dilworth will re-commence the nuisance process.

SUGGESTED ACTION:

Motion to approve Resolution 22-46, Repealing Order of Secured Vacant Building (11 First Avenue Southeast).

VOTING REQUIREMENT:

Simple Majority of the Voting Quorum

ATTACHMENTS:

Resolution 22-46, Repealing Order of Secured Vacant Building (11 First Avenue Southeast).pdf

11 First Avenue SE Work Plan.pdf

Resolution 19-28, Ordering of Securing Vacant Building (11 First Avenue Southeast) Pursuant to Chapter 95 of the City of Dilworth Code of Ordinances.pdf

2019 Photos of 11 First Ave SE.pdf

SUBMITTED BY:	Peyton Mastera, City Administrator
DEPARTMENT:	City Hall

RESOLUTION 22-46

REPEALING ORDER OF SECURED VACANT BUILDING (11 FIRST AVENUE SOUTHEAST)

WHEREAS, on June 24, 2019, the Dilworth City Council adopted Resolution 19-28, which ordered the securing of 11 First Avenue Southeast; and

WHEREAS, this property is in the process of being purchased; and

WHEREAS, the purchaser has provided a detailed plan to city staff that will satisfactorily bring this home in compliance with any nuisance and building code violations; and

WHEREAS, the purchaser has requested the issued City Council order of Resolution 19-28 be repealed so that necessary improvements can be made to the property.

NOW THEREFORE, **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DILWORTH, MINNESOTA**, the ordering of the vacant building, pursuant to resolution 19-28, is hereby repealed.

BE IT FURTHER RESOLVED, the lifting of this order is contingent upon the property owner selling the property by November 15, 2022. Failure to sell this property will make Resolution 22-46 null and void.

ADOPTED by the City of Dilworth the 24th day of October, 2022.

MAYOR:________________________________
Chad Olson, Mayor

ATTEST: ________________________________
L. Peyton Mastera, City Administrator

From:	Erik Stewart
To:	L. Peyton Mastera
Subject:	Dilworth House
Date:	Tuesday, October 18, 2022 2:13:15 PM

Hi Peyton,

I received the general scope of work and timeline for the project at 11 1st Ave SE in Dilworth, see below. If provided with the memo in writing stating permits can be pulled and work can begin, we would be able to complete the purchase as soon as Thursday or Friday this week and begin the repairs process!

Here is what my buyer sent me for the time frame and scope of work.

Estimated time lines:

After closing and acquiring a building permit:

1. Roof will be replaced with new wood and shingles (2-3 weeks until completed) on the house and garage.

2. Yard and outside area of home will be cleaned up (2-4 days to complete)

3. All garbage in house and garage will be removed (approximately 30 days)

4. Next, demolition inside the house will begin. We will be removing everything to the studs, as needed. We will be replacing anything that needs it with new.(Approximate timeline - 60 days)

5.We will be hiring out Electrical, Plumbing, and HVAC to update and install new.

6. Once inspections are complete, we will begin the finishing. Insulation, drywall, etc.

7. As soon as weather permits, in the Spring we will be working on residing the house and garage

Total approximate time with project 1 year to fully complete and bring the home back to being an asset to the neighborhood.

These are approximately times.

Depending on weather conditions and/or subcontractors.

Please let me know if you have any questions, I am happy to jump on a call for clarifications as well. Have a great day!

Thank you!

Erik

RESOLUTION 19-28

ORDERING OF SECURING VACANT BUILDING (11 FIRST AVENUE SOUTHEAST) PURSUANT TO CHAPTER 95 OF THE CITY OF DILWORTH CODE OF ORDINANCES

WHEREAS, the Dilworth City Council finds that the building located at 11 First Avenue Southeast is vacant and hazardous because it is open to trespass and has not been secured based on the following circumstances:

1. Visual inspection of the home being in substandard condition.
2. Water service to the residence was cut off on December 19, 2017.
3. On December 19, 2016 staff was told owners moved out from the property because it was unlivable.

WHEREAS, the conditions listed above are more fully documented in the Attached Exhibit A.

WHEREAS, pursuant to Minn. Stat. § 463.251, the Dilworth City Council of finds that the building could be made safe by securing the building.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DILWORTH, MINNESOTA AS FOLLOWS:

1. That pursuant to the foregoing findings and in accordance with Minn. Stat. § 463.251, the council orders the owner of the property located at 11 First Avenue Southeast be properly secured by any means necessary which may include, but limited to installing locks, boarding windows/doors, and posting "no-trespassing" signs.

2. That the owner, the owner's agent, or the holder of the sheriff's certificate of sale has six (6) days after the order is served to do one of the following:
   a. Comply with this order.
   b. Provide the council with a reasonable plan and schedule to comply with the order.
   c. Request a hearing before the council challenging the council's determination that the property is vacant or unoccupied and hazardous.

3. That if the owner, the owner's agent, or the holder of the sheriff's certificate fails to comply with options outlined in section 2 of this order, the council will take action to secure the building.

4. That all work must be completed in compliance with all applicable codes and regulations, pursuant to proper permits from the city.

5. That the holder of any sheriff's certificate has a duty under Minn. Stat. § 582.031, subd. 1(b) to enter the premises to protect it from waste and trespass if the order is not challenged or set aside and there is prima facie evidence of abandonment of the property as described in Minn. Stat. § 582.032, subd. 7.

6. That if the city must take actions to enforce this order, all enforcement costs will be specially assessed against the property and collected in accordance with Minn. Stat. §§ 463.251, 463.21, and 463.151.

7. That the city attorney is authorized to serve this order upon the owner of the premises at 11 First Avenue Southeast, the holder of the sheriff's certificate of sale, and all lien holders of record.

ADOPTED by the City of Dilworth the 24th day of June, 2019.

MAYOR: ______________________
Chad Olson, Mayor

ATTEST: ______________________
L. Peyton Mastera, City Administrator









AGENDA ITEM NO. 12.A

Bills to be approved for October 24, 2022

DESCRIPTION: N/A

SUGGESTED ACTION: Motion to approve the bills for October 24, 2022

VOTING REQUIREMENT: Simple Majority of the Voting Quorum

ATTACHMENTS: 10-24-22 bills.pdf

SUBMITTED BY: Jessica Malvin, Administrative Assistant

DEPARTMENT: Finance

CITY OF DILWORTH

BILLS TO BE APPROVED FOR PAYMENT - OCTOBER 24, 2022

#	Description	Amount
	GENERAL GOVT.-CITY CLERK EXPENDITURES	
	AMERICAN LEGAL PUBLISHING CORPORATION Internet renewal	$ 450.00
	FARGO RUBBER STAMP Notary seal stamp	$ 27.25
	GENERAL GOVT.-FINANCIAL ADMINISTRATION EXPENDITURES	
	GREAT AMERICA FINANCIAL SERVICES Copier lease & maintenance agreement	$ 344.58
	LAKES COUNTRY SERVICE COOPERATIVE Technology services for October	$ 788.11
	MENARDS Air fliter	$ 69.89
	OFFICE EXPERTS Desk calendars	$ 15.84
	GENERAL GOVT.-LEGAL AND AUDIT EXPENDITURES	
	PEMBERTON, SORLIE, RUFER & KERSHNER, PLLP General city services	$ 56.50
	PLANNING & ZONING EXPENDITURES	
	LORSUNG, DONALD 13.75 hours part-time @ $35.00/hr for October 3 - 16, 2022	$ 481.25
	PUBLIC SAFETY-POLICE EXPENDITURES	
	HOVERSTEN, ELIAS 2 hour overtime @ $50.66/hr. for October 3 - 16, 2022 80 hours field training officer @ $1.55/hr for October 3 - 16, 2022	$ 225.32
	PRITCHARD, STACY 2 hours overtime @ $36.42/hr. for October 3 - 16, 2022	$ 72.84

CITY OF DILWORTH

BILLS TO BE APPROVED FOR PAYMENT - OCTOBER 24, 2022

#	Description		Amount
	STETZ, JACOBE 16 hours overtime @ $36.09/hr. for October 3 - 16, 2022	$	577.44
	WALKOWIAK, CAMERON 43.25 hours of part time @ $43.25/hr. for October 3 - 16, 2022	$	713.63
	CLAY COUNTY Annual 4th quarter RRRDC	$	15,269.00
	GALLS Uniform shirt - Trombly	$	70.64
	GREAT AMERICA FINANCIAL SERVICES Copier lease & maintenance agreement	$	185.55
	HOWITZER IT Firewall updates & repairs	$	266.90
	NETWORK CENTER Computer license renewal	$	30.00
BUILDING INSPECTION EXPENDITURES			
	OFFICE EXPERTS Desk calendar	$	6.07
MAINTENANCE DEPARTMENT EXPENDITURES			
	NESS, CHARLES 8 hours on call @ $28.75/hr for October 3 - 16, 2022	$	230.00
	ZIEGLER, CARL 8 hours on call @ $28.75/hr for October 3 - 16, 2022 5.50 hours overtime snow removal @ $40.32/hr for October 7 - 20, 2019	$	230.00
	ED'S TOWING SERVICE Towing tool cat	$	90.00
	LINDE GAS & EQUIPMENT INC. Cylinder rental	$	82.72

CITY OF DILWORTH

BILLS TO BE APPROVED FOR PAYMENT - OCTOBER 24, 2022

#	Description		Amount
	MAC'S INC Nuts & bolts	$	40.17
	NORTHERN SALT Road salt	$	6,675.26
	POMP'S Flat tire repairs	$	283.80
LOCO DAZE EXPENDITURES			
	BOY SCOUTS TROOP 637 Game labor	$	1,056.00
FIRE DEPARTMENT EXPENDITURES			
	BOARMAN KROOS VOGEL GROUP Dilworth pre-design	$	18,022.63
WATER FUND EXPENSES			
	FERGUSON WATERWORKS Hydrant repairs	$	2,476.56
	VALLI INFORMATION SYSTEMS, INC. Web posting fees	$	15.69
SEWER FUND EXPENSES			
	JET-WAY MULTIPLE SERVICES, INC Cleaning of city sewer lines	$	3,205.00
	VALLI INFORMATION SYSTEMS, INC. Web posting fees	$	15.68
REFUSE FUND EXPENSES			
	THOMPSON, DWIGHT 3 hours Recycling Center @ $11.00/hr for October 3 - 16, 2022	$	33.00
	CITY OF MOORHEAD Compost drop off	$	1,315.00

CITY OF DILWORTH

BILLS TO BE APPROVED FOR PAYMENT - OCTOBER 24, 2022

#	Description	Amount
	MINNKOTA RECYCLING Recycling for the month of September	$ 72.64
PEST CONTROL FUND EXPENSES		
	FRISCO, GARY 80 hours PT summer @ $15.00/hr for October 3 - 16, 2022 5 hours PT summer overtime @ $22.50/hr for October 3 - 16, 2022	$ 1,312.50
OTHER COMBINATION OF FUNDS		
	DELUXE BUSINESS CHECKS & SOLUTIONS 1099 & W-2 tax forms	$ 294.54
	RED RIVER VALLEY COOP POWER ASSOC. New service for lights on 7th Avenue NE	$ 300.65
	XCEL ENERGY City power for the month of September	$ 12,537.71
TOTAL EXPENDITURES		**$ 67,940.36**