



ACCOUNTABILITY

A Report to Lake Elmo Taxpayer-Investors on 2014 Tax Dollar Use

2014: A Step Forward Toward Best Practices

Dean Zuleger, City Administrator

Building Relationships That Move Forward

2014 saw the City of Lake Elmo extricate itself from the Memorandum of Understanding with the Metropolitan Council that contractually obligated the community to grow to 24,500 residents by 2030. Now, Lake Elmo is just like every other municipality in the metro working under a non-binding growth forecast of 20,500 by 2040 – that's a 16% reduction and an extra 10 years. The City Council still believes this number to be 2,000 too high and will work with the Met Council staff to obtain reduction in their 2015 System Statements – but for now Lake Elmo has some functional relief that will allow us to be thoughtful and deliberate in future growth.

In addition, the City received some help from the legislature by way of a \$3.5 million grant to construct a trunk water main down Inwood Avenue to the I-94 corridor. This grant allows Lake Elmo to pump water from our clean aquifer in the north over the PFC laden areas of the community to our new subdivisions between Inwood and Keats Avenue south of 10th Street. A big thanks needs to go to State Senator Karin Housley, State Senator Susan Kent, State Representative Kathy Lohmer, and State Representative Joann Ward for their bipartisan effort.

Finally, through the efforts of Washington County Commissioner Gary Kriesel, we were able to move the reconstruction of County Truck Highway 17 / Lake Elmo Avenue up from 2018 to 2015 – an important step for many who are facing septic system failures or are in the need of replacement of systems that no longer meet state specifications. The project has extra meaning in that through careful study and research, City staff believes we have found a solution to years of downtown flooding and will incorporate those fixes into the street reconstruction project. In an effort to minimize costs, staff is working with county, state, and federal legislators for additional grant funding and will be working on an assessment policy that will be reasonable for our taxpayers. Once again, a big thanks goes out to the Washington County Health Department for granting waivers for those citizens who need new septic systems that will allow them to wait for sanitary sewer installation.

Creating Processes That Protect the Tax Dollar

After the recession of 2008, it became necessary for communities to put safe guards in place to avoid developer defaults and financial burden on the community. This year the City Council created a security blanket that included strict developer agreements

that required a 125% of project costs irrevocable letter of credit, escrow agreements that cover staff costs for project reviews, and \$1.3 million plus of advanced commitments to extend water down Lake Elmo Avenue. To date we have collected over \$200,000 in escrow charges to pay for work that would otherwise be funded by tax dollars.

The establishment of a Finance Committee has allowed for some truly extraordinary financial planning for the City. Pro formas have been created for the next seven years that help us track growth, discipline had been created in the Capital Improvement Program, the City received a bond rating increase from Standard & Poors, and for the first time Lake Elmo received an excellence in accounting award from the Government Finance Officers Association.

One overlooked process that needs to be noted is the work our employees have done (through wellness and wise utilization) in keeping our health insurance premiums down. 2015 will be the second year that our dental rates will not rise and our health insurance premiums will actually go down by 2.5%. Couple this with a work safety experience that is at a 5 year low, and our total insurance budget is lower than last year by almost 8%.

Finally, for the first time City staff engaged in performance, zero based budgeting. We tore the budget down to zero and we put your tax dollars in the areas where we will be able to get the best work done for the community. Each Department budget has a set of performance indicators that will tell the community if we are getting the job done. Staff will be evaluated on their ability to perform against these goals. Everyone wears two or three hats on staff and that makes Lake Elmo's personnel costs among the lowest in the metro region. You have every reason to be proud of your City staff.

A Special Thanks

I would be remiss if I didn't recognize outgoing Council Members Wally Nelson and Mike Reeves for the work they have done the past two years – together they have put some great discipline and efficient processes in place in our finance and human resource areas. More importantly, they were excellent examples of statesmanship and diplomacy for while they sometimes didn't agree on policy, they never let it get personal – an example that I hope can be followed in the future. Thank you for your service – and welcome Council Member Julie Fliflet and Jill Lundgren!

Elections

In addition to a smooth primary election, the Lake Elmo City Clerk, along with the election judges, conducted a smooth general election with a voter turnout of 3,353 voters or 60.7% at two voting locations. Precinct One had a voter turnout of 1,400 voters or 59.91%. Precinct Two had a voter turnout of 1,953 voters or 61.28%.

Streets

The Lake Elmo Public Works department is responsible for maintaining approximately 70 miles of streets with 77 cul-de-sacs, 17 dead ends and 7 parking lots. Major maintenance activities include snow plowing, deicing, crack filling, seal coating, sweeping, striping, shouldering and pothole repairs. Projects accomplished in 2014 include:

- 220 tons of asphalt used primarily for potholes and isolated street repairs
- 20 tons of 1/8 trap rock with 800 gallons of oil spray patched on cracks and distressed asphalt
- Plowed curb-to-curb and salt treated streets city-wide 15 times
- Single-pass plowing and salt treatment 17 times
- Approximately 80 miles of ROW mowed and maintained. Worked with MnDOT to redesign and replant the Hwy 5 roundabout on east and west approaches
- Deployed 24 times for drifting, wing back banks, hydrant clearing, and snow pile removal
- All signs and intersections inspected and maintained for site lines
- 29 signs/posts were replaced
- 1 end of the road barricade replaced
- Oversaw design and construction for the \$1.7 million 2014 Street Improvement project that included improvements for roughly 3 miles of local streets including 24th Street, from Lake Elmo Avenue to Legion Avenue, 24th Street Court, Lansing Avenue, 20th Street Court, Legion Avenue, from 20th Street to 24th Street, 20th Street from Lake Elmo Avenue to Manning Trail, Manning Trail, from Manning Avenue to City limits, Deer Pond Trail, from Hidden Bay Trail to Jack Pine Trail, and Deer Pond Court.
- Seal coated 8 miles of streets at a cost of \$193,000. Seal coating was completed along Hudson Boulevard, in the Tablyn Park neighborhood, Tapestry neighborhood, and in the Farms of Lake Elmo neighborhood.
- As a municipal state aid City, the engineering department manages the state aid program to maximize the funding allocation received by the City for the state aid construction account and the maintenance allocation. These activities include annual mileage certification, state aid needs determination, bi-annual traffic counts, and system revisions requests.

Water, Sewer & Storm Sewer Utility Highlights

The Lake Elmo water utility system consists of an 85,000 gallon elevated water storage facility along with a 500 gallon-per-minute well, a 5,000 gallon pressurized water storage tank with an 800 gallon-per-

minute well and a 750,000 gallon elevated water storage facility. In addition, the City has many individual private wells throughout the City. The sewer utility system consists of 12 private wastewater treatment facilities. There are also individual private septic systems. A few highlights of the year were:

Water

- Pumped, treated with fluoride, and distributed 2,445,360 gallons of water from well 1.
- Pumped treated with fluoride/chlorine and distributed 85,521,000 gallons of water from well 2.
- Inspected, serviced, operated 344 fire hydrants while flushing total water distribution system; 5 hydrants repaired
- Repaired 5 water main breaks (up from an average of 1.5 annually), thawed 16 water mains or services (up from 1 every 5-6 years)* *due to extreme snow and cold temperatures in 2014
- Remote access monitoring systems installed at well houses and water towers
- 76 site visits; 46 meters replaced
- 1,446 Gopher State "One Calls" processed. 500 required site marking site visits.
- \$2.5 million project extending trunk watermain along Lake Elmo Avenue from the existing Village water system at 30th Street to the future intersection of Lake Elmo Avenue and 5th Street. The project included the construction of 14,000 feet of 16-inch trunk watermain, 29 hydrant assemblies, and 44 service stub connections. The project accommodates development in the southeastern portion of the City, and provides existing homes along Lake Elmo Avenue an opportunity to connect to City water
- Design and construction of the Well Pumphouse to enclose the water supply well no. 4 (constructed in 2013), containing necessary mechanical, electrical, and chemical feed equipment. A trunk watermain was also constructed to connect the well to the distribution system
- Preliminary design completion for the extension of trunk watermain along Inwood Avenue N. approximately 2.8 miles from 26th Street N. to the Eagle Point Business Park. The project includes the construction of a booster station and 14,900 feet of 16-inch trunk watermain with hydrant assemblies and service stub connections. The City successfully obtained a \$3.5 million state bonding grant to fund the improvements

Sewer

- 221,793 gallons of effluent pumped and treated from Legion lift station
- 1,052,855 gallons of effluent pumped and treated from 34th Street lift station
- 6,252,371 gallons of effluent pumped to Pigs Eye Regional treatment facility for 94 lift station.
- Pump replaced at 34th Street lift station
- 9 City owned drain field sites maintained.
- Lift stations checked daily for data collection and system functions.
- Completed feasibility report and the design/ construction of the \$1.8 million street and sanitary sewer improvements along 39th Street from Highway 5 to Lake Elmo Avenue and from Highway 5 south to the Union Pacific Railroad crossing.

- Planning and preliminary design to extend sanitary sewer to serve the existing properties in the Old Village Area to replace the use of private on-site sewage treatment systems. As part of the project the City will be replacing the aged watermain pipes, constructing improved drainage and storm sewer and reconstructing the public streets disturbed during the work.

Storm Water

- EPA/MCPA storm water inspections completed in NE quarter of City meeting 20% requirement.
- 4 catch basins and manholes re-furbished
- Due to flooding, 1 stormwater pond outlet lowered and pipe installed under trail
- Spring street sweeping city-wide.
- 7 catch basin outlets excavated to remove sediment and restored
- 1 overflow berm re-excavated and restored between stormwater ponds
- Continued working on the City's annual Municipal Separate Storm Sewer System (MS4) permit requirements.
- Working with the Valley Branch Watershed District and Washington County to develop a regional stormwater management solution for the Village area.

Public Safety - Fire

In 2014, the Lake Elmo Fire Department responded to a total of 321 calls (Fire - 114, Medical - 172 and Rescue - 35) through the end of November putting the service on pace for a 22% decrease from last year, with the most significant decrease in the number of fire and rescue calls. Other department highlights include:

- Order placed for 78' Ladder Truck to replace current 34 year old Ladder. Will take delivery early 2015.
- Per recommendation from the Public Safety Committee, a restructuring of Fire Department Officers was implemented replacing 2-District Chiefs with 1-Assistant Chief, eliminating 2-Safety Officer positions (all Officers are now trained as Safety Officers and all Firefighters have received basic training in this area), and developing 2 Lieutenant positions (1 at each station) as a "Junior" officer position.
- In an effort to standardize and improve required Firefighter CEU training, LEFD is now one of 9 fire departments in the area contracting with Century College to deliver training. This ensures all personnel will meet the requirements needed to recertify every 3 years as a MN State Certified Firefighter, as determined by an independent, accredited teaching institution. This program also allows the offering of more flexibility in training schedules.
- Reevaluated need to replace our current SCBA's (Self Contained Breathing Apparatus) based on NFPA Standards, at a potential cost to the City of \$200,000. Determined at this time to extend the life of our SCBA's by 5 years and instead, purchased new SCBA masks to ensure the safety of Firefighters at a cost of \$17,000.
- Fully implemented our Commercial Inspection/Preplan Program. To date: reached out to 122 businesses, performed initial inspection and preplans at 104 businesses (includes updating contact information, identifying hazards, photographing the building,

- a second meeting with building owner to discuss the required changes and ongoing support for the business owner to ensure compliance), conducted final inspections at 40 businesses.
- Recruitment and Retention efforts have included reevaluating response requirements.
- Hosted 4 kindergarten classes from Lake Elmo Elementary for Fire Prevention activities at the fire station
- One new hire: William McClellan.

Public Safety - Police

The City of Lake Elmo partners with Washington County for its law enforcement needs. The Sheriff's Department uses a community policing strategy that has deputies specifically detailed to Lake Elmo for familiarity purposes. Overall, in 2014, Lake Elmo experienced a 13% decrease in major crimes and a 14% decrease in speeding citations.

Category	2013	2014	% Change
Assault	3	1	-66.7%
Auto Theft	7	6	-14.3%
Burglary	37	25	-32.4%
Domestic Assault	2	2	0%
Larceny/Theft	86	74	-14.0%
Narcotics	10	12	+20.0%
Vandalism	37	39	+5.4%
Speeding Citations	222	188	-15.3%
Total	404	347	-14.1%

Building Inspections & Code Enforcement

In order to successfully address City Code violations and/or property maintenance concerns in the community, there are a variety of resources utilized. Efforts to ensure City Code compliance range from communicating with property owners, conducting site visits, formal notification of non-compliance, administrative citations, and meeting with affected property owners. In responding to property maintenance or City Code violations, the City's primary goal is to bring properties into compliance with City ordinances.

The following data is summary of Code enforcement activities in 2014.

- 62 Site visits conducted*
- 27 Letters issued
- 8 Cases currently open**
- 19 Cases opened in 2014
- 16 Cases closed in 2014
- 9 Pending complaints (in for review)
- 2 Uninhabitable structures removed

*Site visits accounted for in this table solely reflect code enforcement cases that were opened, not the total number of site visits.

**Current open cases include code enforcement cases from both 2013 & 2014 due to a number of variables.

Community Development

The theme of 2014 was development review, as a significant number of residential plats and commercial projects were proposed over the course of the year. The significant level of proposed development follows the approval of the Comprehensive Plan Amendments for the Village and I-94 Corridor Planning Areas. In addition, sewer and water utilities were extended in various locations to make future development possible. These factors resulted in the busiest year in recent memory in terms of development activity. Department highlights include:

2014 City Growth Statistics

Statistics provided from 1/01/14 - 12/04/14

- Variances: 2
- Conditional Use Permits: 4
- Minor Subdivisions: 0
- Subdivision Reviews: 0
- Zoning Text Amendments: 8
- New Homes: 34
- Building Permits: 268

Permitted Development Value
as of December 4, 2014

\$27,691,000.00

- 4 residential final plats have been approved in 2014: Savona 1st Addition, Savona 2nd Addition, Hunters Crossing 1st Addition and Hammes Estates 1st Addition
- 7 residential preliminary plats were approved in 2014
- 2 commercial projects were reviewed and approved: Eagle Point Medical Clinic and Kwik Trip Gasoline Station, both in the I-94 Corridor Planning Area
- 53 land use applications/projects in 2014, including but not limited to amendments to the Comprehensive Plan, preliminary and final plats, conditional use permits, zoning text amendments, and variances.
- Regarding public projects, Staff has been heavily involved in both the Lake Elmo Avenue (CSAH 17) and Manning Avenue (CSAH 15) Projects in collaboration with Washington County.
- Added a Planning Intern in 2014, providing additional horsepower in parks and trails planning, rural area analysis, form-based codes and other day-to-day operations.
- 2014 was the first year of full utilization of the permit works system for the issuance and tracking of building permits.
- The City successfully negotiated the termination of the Memorandum of Understanding (MOU) between the City of Lake Elmo and Met Council.

Parks & Recreation

In addition to the 2,500 acre Lake Elmo Regional Park Reserve, the City is home to 17 neighborhood and community parks comprising 460 acres. The City's number one goal in 2014 for the parks and recreation department was to make improvements to existing parks. Led by the Lake Elmo Park Commission, the City made the following improvements to city parks:

- The addition of a gate at the entrance of Sunfish Lake Park

- New climbing structure and Zipkrooz at Pebble Park
- Addition of play structure and swingset at Sanctuary Park
- New park signage was designed and installed at Reid, Tablyn, Sunfish, and Pebble Park

Events

- Summer Kick-Off Event downtown Lake Elmo on June 21
- Lake Elmo Street Dance downtown Lake Elmo on July 11
- Hosted Jaycees Huff & Puff event Aug, 7-10; held Battle of the Bands competition during event on Aug. 8
- First annual Volksmarch event in Sunfish Lake Park on Oct. 11
- Held second annual Light Up Lake Elmo event in December

Park Maintenance

- Mowed approximately 750 acres of turf
- Graded five infields weekly; Graded four infields monthly
- Added wood mulch at three city playgrounds
- Three trees planted at Carriage Station for Arbor Day activities
- 39 trees planted at the Jamaca landfill restoration site
- 12 trees planted at additional sites throughout the city

Library

In 2014 the Lake Elmo Public continued to provide locally controlled and operated library services.

- 1,774 Library cards have been issued as of Dec. 12, 2014. A 42% increase over December 2013.
- Washington County Library cards have been reimbursed at \$60 per household out of the Lake Elmo Public Library budget through
- 14,567 items in the collection (books, DVDs, audiobooks, and music) an increase of over 3,000 items from last year.
- 14,242 items circulated between Jan. 1 2014 and Dec. 12, 2014. A 56% increase over the same period in 2013.
- Fewer than 400 Washington County cards have been reimbursed at \$60 per household out of the Lake Elmo Public Library budget as of 12/12/14.
- The Library provides access to eBooks through OverDrive and Freeding.
- The Lake Elmo Public Library purchased access to the databases Value Line, Ancestry.com and Tumble Books and will add Morningstar and the Auto Repair Reference Center in early 2015.
- The Library is staffed by a full time director, a federally funded Experience Works employee and 13 dedicated volunteers who regularly donate their time and talents to staffing the library.
- The summer reading and 1,000 Books Before Kindergarten programs encouraged children to maintain and improve their literacy skills and better prepare them for academic success.
- Continuing programs at the library include story time on Fridays at 10:30, Café Philo on Wednesdays at 10:15 and Tai Ji classes on Monday and Thursdays from 10 to 11 am. Special programs are announced in local and regional newspapers, the local website www.lakeelmopubliclibrary.org and City of Lake Elmo news outlets.