

Council Study Session

VIRTUAL meeting being
conducted by electronic
means in accordance with
Minnesota Statutes, section
13D.021 Public portion
available for connection by
calling 1-312-535-8110
Access Code: 133 316
6939
October 26, 2020

AGENDA

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- 1. City Council Discussion of Agenda Items and Questions - 6 p.m.**
 - 2. Miscellaneous**
 - a. Housing Policy Meeting - 11/30 5 pm to 8 pm
 - b. Procedures for Random Acts of Kindness presentation
 - 3. Discussion of Work Session Agenda Item as Time Permits**
 - 4. Adjourn**

CITY COUNCIL MEETING

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AGENDA



1. Informal Open Forum with City Council - 6:45 p.m.

Provides an opportunity for the public to address the Council on items which are not on the agenda. Open Forum will be limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, to air personality grievances, to make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with presenter. Questions from the Council will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the presenter for informational purposes only.

I will first call on those who notified the Clerk that they would like to speak during open forum, and then I will ask if anyone else connected to this meeting would like to speak. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

2. Invocation - 7 p.m. (Ryan)

3. Call to Order Regular Business Meeting

This meeting is being conducted electronically under Minnesota Statutes, section 13D.021 due to the pandemic. For those who are connected to this meeting, please keep your microphone muted. If there is an opportunity for public comment, you may unmute and speak when called upon. Please do not talk over others and anyone being disruptive may be ejected from the meeting. The packet for this meeting is on the City's website, which is linked on the calendar or can be found on "City Council" page.

4. Roll Call

5. Pledge of Allegiance

6. Approval of Agenda and Consent Agenda

The following items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered at the end of Council Consideration Items.

a. Approval of Minutes

- Motion to approve minutes for the following meetings:

- *September 22, 2020 Work Session with MnDOT*

- *October 12, 2020 Study Session*
 - *October 12, 2020 Regular Session*
 - *October 12, 2020 Work Session*
- b. Approval of Licenses
 - *Motion to approve licenses as presented.*
 - c. Resolution Establishing Improvement Project No. 2021-06, Northwest Area Mill and Overlay
 - *Motion to approve the resolution establishing Improvement Project No. 2021-06, Northwest Area Mill and Overlay.*
 - d. Resolution Establishing Improvement Project No. 2021-07, Lyndale Avenue Area Pavement Rehabilitation
 - *Motion to approve the resolution establishing Improvement Project No. 2021-07, Lyndale Avenue Area Pavement Rehabilitation.*
 - e. Resolution Establishing Improvement Project Nos. 2021-08, 09, 010 and 11, Ryan Lake Industrial Park Area Street and Utility Improvements
 Motion to approve the resolution establishing Improvement Project Nos. 2021-08, 09, 10 and 11, Ryan Lake Industrial Park Area Street and Utility Improvements.
 - f. Resolution Authorizing a Sewer Availability Charge (SAC) Reduction Policy
 - *Motion to Approve a Resolution Authorizing a Sewer Availability Charge (SAC) Reduction Policy*
 - g. Fourth Amendment to the Easements with Covenants and Restrictions Affecting Land within Shingle Creek Crossing
 - *Motion to approve the fourth amendment to the Easements with Covenants and Restrictions within Shingle Creek Crossing, which would permit Walmart to make improvements necessary for its on-line grocery pickup program, and result in Wal-Mart assuming responsibility for the aforementioned improvements and maintenance, as well as a reduction in the overall proportionate share of maintenance costs to the City as owner of Liquor Store #1, and other property owners within Shingle Creek Crossing.*
 - h. Resolution Adopting an Amendment to the City Council Code of Policies Regarding Accessing City Attorney Services for Council Policy Development
 We recommend adoption of the resolution amending Council Policies regarding accessing City Attorney Services for Council Policy Development
 - i. Amend the City Council Meeting Calendar
 - *Amend the City Council meeting calendar to add the November 30 Special Worksession for the Housing Policy discussion*

7. Presentations/Proclamations/Recognitions/Donations

- a. Multi-Cultural Advisory Committee (MAC) Questionnaire
 - *No Council policy issue to consider*
- b. Resolution Expressing Recognition and Appreciation to Jim Glasoe for Over 25 Years of Dedicated Public Service to the City of Brooklyn Center

We recommend adoption of the resolution recognizing and demonstrating appreciation of 25 years of service to the City of Brooklyn Center by Mr. James Glasoe.

- c. Proclamation Declaring October 26, 2020, to be Designated as Random Acts of Kindness Day

- Motion to Adopt a Proclamation Declaring October 26, 2020, to be Designated as Random Acts of Kindness Day.

- Council members take turns reading nominations

8. Public Hearings

The public hearing on this matter is now open. I will first call on those who notified the Clerk that they would like to speak to this matter, then I will ask if anyone else on this meeting would like to speak during this hearing. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

- a. Resolution Ordering Improvements and Authorizing Preparation of Plans and Specifications for Improvement Project Nos. 2021-01, 02, 03 and 04, Grandview South Area Street, Storm Drainage and Utility Improvements
- Motion to approve a resolution ordering the Grandview South Area Street, Storm Drainage and Utility Improvements, Improvement Project Nos. 2021-01, 02, 03, and 04 and authorizing preparation of project plans and specifications.

9. Planning Commission Items

10. Council Consideration Items

- a. Resolution Awarding the Sale of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment
- Motion to approve a resolution awarding the sale of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A fixing their form and specifications; directing their execution and delivery; and providing for their payment.

11. Council Report

12. Adjournment

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Dr. Reggie Edwards, Deputy City Manager

BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

-None.

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
September 22	10/12/2020	Backup Material
October 12 Study Session	10/20/2020	Backup Material
October 12 Regular Session	10/20/2020	Backup Material
October 12 Work Session	10/20/2020	Backup Material

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF
BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND
THE STATE OF MINNESOTA

WORK SESSION
SEPTEMBER 22, 2020

CALL TO ORDER

The Brooklyn Center City Council met in Work Session called to order by Mayor/President Mike Elliott at 6:00 p.m. The meeting was conducted via Webex.

ROLL CALL
(conducted at the end of the meeting)

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, and Dan Ryan. Councilmember Kris Lawrence-Anderson did not respond. Also present were City Manager Curt Boganey, Deputy City Manager Reggie Edwards, and City Clerk Barb Suciu.

DISCUSSION ON TH 252

Mr. Boganey stated this work session will feature a presentation from representatives of the Minnesota Department of Transportation (MnDOT), in response to questions posed by the City Council at the last meeting. He added the questions that were raised related to traffic, as well as issues of equity and community engagement.

MNDOT PRESENTATION

April Crockett, representing the MnDOT project team, stated the goal of tonight's presentation is to provide details regarding equity in project engagement and project outcomes, and data regarding regional traffic patterns. She added information on these issues was requested by the City Council.

Chris Hoberg, MnDOT, stated the City Council has several questions for the MnDOT team regarding the issue of equity, as well as a request for information about regional traffic patterns. He added the team is prepared to address these questions. He noted he and Ms. Crockett were having technical difficulties and requested that Leif Garnass take over the presentation.

Leif Garnass, SRF Consulting, stated the project team hopes to receive input from the City Council that will help move the process forward. He asked what equitable outcomes look like for the City Council; how would the City Council measure success for the 252 project. He requested feedback and comments from the City Council.

Mayor Elliott stated he is unprepared to answer the questions immediately. He requested that the project team address the issues that are up for discussion and give the City Council some time to think about their answers.

Mr. Garnass reviewed traffic flow through and around Brooklyn Center today, as included in the Environmental Assessment, which has been presented to the City Council in the past. He added regional transportation investments have an impact on traffic patterns, resulting in traffic shifts related to potential changes to access to Highway 252. He noted the project team is moving past the EA and into the Environmental Impact Statement (EIS) portion of the project.

Mr. Garnass stated EIS data was collected using StreetLight Data, an on-demand mobility analytics platform, capturing current regional travel patterns, routes, origins and destinations. He added the StreetLight platform uses GPS navigation systems data from vehicles, location applications in cell phones, and ad-network derived data to provide analysis of travel patterns. He noted the data used in the EIS, gathered in 2019 and capturing over 6 million trips, focuses on weekday travel patterns during high congestion periods. He noted data segments with a minimum of 5% of the total traffic on a particular route were considered a successful data pool.

Mr. Garnass stated the project team reviewed traffic patterns in communities that are served by Highway 252, including the northwest metro area and downtown Minneapolis, as well as the North and Northeast Minneapolis.

Mr. Garnass stated the project team evaluated daily regional trips, or trips that are 10 miles or longer, that occur on regional traffic corridors, including Highway 169, I-35, and Highway 252. He added routes that service uses along regional routes are Highways 47 and 65, and Brooklyn Boulevard, while Highway 81 and East River Road serve as reliever routes. He noted all of these routes affect traffic patterns within Brooklyn Center.

Mr. Garnass stated the project team reviewed traffic on Humboldt Avenue, which is used as a cut-through route during high volume periods to avoid regional corridors. He added 10.5% of Humboldt Avenue traffic is cut-through traffic destined for Highway 100 or I-94. He noted there are approximately 700-800 vehicles per day on Humboldt Avenue.

Mr. Garnass stated regional transportation investments affect travel patterns on highways and local roadways. He added, when reviewing a corridor, these changes may be considered in isolation, but there is a give and take throughout the entire network. He noted past projects, current projects and studies, as well as future projects all have the potential to influence traffic on Highway 252. He noted that an increase in traffic on Highway 252 would be expected if the corridor is converted to a freeway and would reduce traffic on other routes in Brooklyn Center.

Mr. Garnass stated, based on the EA, traffic on Highway 252 is expected to increase by 3,000-6,000 cars per day by 2040 if no changes are made. He added the EA evaluation indicated that traffic would increase by 30,000 cars per day in Brooklyn Center if Highway 252 is converted to a freeway. He noted it is estimated that 8,000 cars, or 25% of the total of 30,000 cars, would be traffic from roads within Brooklyn Center that would shift to Highway 252.

Mr. Garnass stated this data will be reviewed and updated as necessary as the project team moves into the EIS process.

QUESTIONS AND COMMENTS

Mayor Elliott thanked Mr. Garnass for presenting this valuable information. He added he is glad he requested this meeting. He noted it is important to see the project from a regional perspective, in terms of where Highway 252 traffic originates, and the impact of the regional traffic network. He requested that the map showing regional traffic by roadway be updated to include the names of cities.

Mayor Elliott referred to a map with points in Brooklyn Center that are marked and labeled. He asked whether those roads are feeders for cars to gain access to Highway 252 and on to the regional corridor.

Mr. Garnass stated all the points on the map connect to each of the other points on the map. He added the thickness of the line indicates the volume of traffic. He added the routes marked with orange lines would see a decrease in traffic, including Brooklyn Boulevard, County Road 81, Highway 169, Humboldt Avenue, East River Road, University Avenue and Central Avenue, I-35W and Highway 10.

Mayor Elliott asked what the current capacity and volume of University Avenue and Central Avenue are. He asked whether those roads have been considered for redevelopment, to increase their capacity to handle regional traffic. He noted he saw an article about plans for converting Central Avenue.

Mr. Garnass stated Highways 49 and 65 have been evaluated as part of the previous EA. He added the EIS process is still being completed, and whether those corridors will be considered in the EIS has not been determined.

Mr. Hobert stated Highways 47 and 65 are currently being reviewed to identify safety and multi-modal considerations on those roadways, similar to what is being done with the Highway 252 study.

Mayor Elliott asked whether the intent is to increase the capacity on Highways 47 and 65 to handle regional traffic.

Ms. Crockett stated the purpose of the study is to identify needs along the corridor, and those two roadways are being reviewed because of safety concerns due to large amounts of freight traffic. She added they are not currently being reviewed for increased capacity. She noted she can provide the website link for that project. Mayor Elliott stated he would appreciate that.

Councilmember Graves asked whether projected traffic decreases are based on current trends or future trends. Mr. Garnass stated the modelling is based on future trends, and takes into account land use assumptions, population assumptions, household data and employment data.

Councilmember Graves stated she thought there would be more of an even distribution of traffic, or shared weight, on similarly functioning highways, rather than a decrease. She added she was struck by the significant size of the increase, from a projected 6,000 cars per day to 33,000 cars

per day. She noted she would like to know about potential impacts of carbon emissions, and the differences between idling cars and travelling through, and how emissions would increase by doing nothing, at 6,000 cars by 2040 with unsafe intersections as opposed to 33,000 cars with no stop lights.

Mr. Garnass stated this is a discussion related to equity, and how to evaluate that for the City. He added corridors will see traffic reductions and increases, which lead to a shared burden between different roadways. He noted evaluation and alternative solutions for emissions will be reviewed through the EIS process, and that information will be forthcoming.

Councilmember Ryan stated there appears to be a certain logic to the way traffic flows, given the geography shown on the map grid. He asked whether that puts pressure on Highway 252, in terms of the location of the river and other regional corridor connections. He added conversion of Highways 47 and 65 would have a favorable effect on traffic loads on Highway 252.

Mr. Garnass agreed, adding geographical features are considered when putting together the most safe, efficient and reliable network. He added the project group is presenting how people use the network and showing that there is a demand and a desire for Highway 252 to connect roadways. He noted he is unsure how much traffic Highway 65 would take on, or how that would affect Highway 252 traffic and local roadways, as it boils down to what roads people decide to take. He noted that work has not been completed at this time.

Councilmember Ryan stated the options are to do nothing and have increased traffic counts but with significantly compromised safety or improve safety and functionality but contend with significantly higher traffic counts. Mr. Garnass confirmed this, adding these types of trade-offs are happening on other roadways as well, that have safety issues and shifts in volume. He stressed the importance balancing increasing and decreasing traffic to improve a corridor that is unsafe.

Councilmember Ryan stated he receives many complaints from residents about cars that are using alternative routes like Humboldt Avenue and 69th Avenue. He added, without changes to Highway 252, local traffic loads may also increase.

Mayor Elliott requested feedback and comments from residents and others who have joined the meeting.

Steve Cooper stated MnDOT's presentation is very interesting and substantiates a lot of the concerns that the Task Force has expressed. He added the Task Force will need some time to review the data that has been presented and share some of the things they have learned from their survey. He applauded MnDOT for sharing information that is consistent with the data that the Task Force has foretold.

Tim Willson stated there will be more traffic on Highway 252, but removal of stop lights would reduce the number of related accidents. He added there was a serious accident at the 73rd Avenue intersection just last week. He noted gridlock on Highway 694, Brooklyn Boulevard traffic, and cut-through traffic on Humboldt Avenue and other streets will be reduced if traffic lights are removed.

Bill Newman stated the Task Force is looking forward to presenting the results of their survey, which had 165 participants along the Highway 252 corridor. He added 37% of participants want a conversion to an expressway, which surprised the Task Force as it was assumed that was a given. He added he suspects that result would be lower if survey participants had known about the projected 33,000 cars. He noted 99% of survey participants indicated there should be more public engagement before decisions are made.

Mayor Elliott stated he forwarded the Task Force email to the City Council. He added a time will be decided for the Task Force to share the survey results.

Councilmember Ryan stated he understood that Brooklyn Park is eager to move forward with removal of stop lights and building interchanges at Brookdale Drive and 85th Avenue. He added, without the removal of stop lights, the number of accidents will continue to increase, as well as property damage, personal injury, and potentially death, due to pedestrian crossings at intersections. He noted the 73rd Avenue intersection would be even more dangerous if Brooklyn Park moves forward with their plans to close intersections. He noted this is speculation, but he has spoken with the Brooklyn Park City Engineer who agrees with this assessment.

Mr. Cooper stated the previous proposal, which includes removal of stop lights, will cause more accidents, and violates State and Federal safety guidelines. He added 66th Avenue is only a few hundred feet from the entrance to Highway 694 and removing traffic lights makes it less safe. He added it is his understanding that Brooklyn Park cannot move forward until all three cities are in agreement on this huge project with long-term consequences. He noted information was presented tonight that was a surprise to the City Council, and the Task Force's observations should be reviewed by the City Council before serious decisions are made.

Mayor Elliott requested feedback and comments from the City Council.

Councilmember Graves stated the decisions that are made will affect the well-being and quality of life of Brooklyn Center residents for years to come. She added there are many connected impacts including carbon emissions, transit, access to jobs, amenities and necessities, and displacement of residents, as well as environmental impacts. She noted the decision should ultimately increase safety, which is the purpose of this discussion, and should not have negative, disparate impacts on the community. She stressed the importance of measuring success in various ways – by not increasing the likelihood of asthma, nor decreasing residents' ability to have access to jobs, and access to downtown Minneapolis, among other issues.

Councilmember Ryan stated he shares Councilmember Grave's comments and opinions. He added traffic functionality is important, but safety is the primary issue. He noted he fails to see how not removing the traffic lights will improve safety, and environmental impacts are a concern. He stressed the importance of recognizing that there will be difficult trade-offs to be acknowledged and addressed.

Councilmember Ryan stated, in addition to racial equity, the issue of regional equity should be addressed, in terms of how neighborhoods along the corridor will be affected. He added the City

Council will work with City Staff to ensure that there is full representation for every neighborhood in Brooklyn Center that will be affected by modifications to Highway 252, and not just specific representation for one neighborhood, which is the current situation. He noted, moving forward, it is unfair that neighborhoods on the west side of Highway 252 are not fully represented in this process, and an advocacy group should be set up for those residents.

Councilmember Butler stated she echoes the comments and concerns of Councilmember Graves. She added safety is the primary concern for this project, which is the purpose for the discussion. She stressed the importance of ensuring the safest possible outcome, whatever plan is decided upon.

Councilmember Butler stated the only thing that has not been discussed is the cost burden to Brooklyn Center. She added Councilmember Ryan mentioned Brooklyn Park's urgency to move forward, but the project's cost burden will fall more fully on Brooklyn Center. She requested consideration of the potential economic burden. She noted the proposal is a safer alternative than what currently exists, but stressed the importance of not adding economic burden, as well as having a true community engagement process.

Mayor Elliott stated he would like to echo the comments of Councilmembers Graves and Butler, and underscore the importance of the equitable distribution of the traffic burden throughout the region. He added, according to the Department of Health, the City's zip code has had the highest rates of asthma in the metro area, and traffic and volume of cars has a lot to do with that. He noted a recent article in the Minneapolis Star/Tribune showed that Brooklyn Center has had one of the highest rates of Covid-19 in the Twin Cities. He expressed concern that this issue is a matter of life and death, not only from traffic accidents but also from air pollution in the community.

Mr. Willson stated, within the Task Force survey and all the planning that has been done, there has been no mention of noise pollution. He added he lives about a block from Highway 252, and the semi-trucks coming to a stop, as well as motorcycles drag racing between stop lights, is very loud in the neighborhood. He noted noise pollution from motorcycles stopping and starting from both east and westbound traffic, as well as all the way down the stretch of Highway 252, is a problem within the neighborhoods along the highway. He stressed the importance of supporting equity and goodwill for residents along Highway 252 through addressing noise pollution.

Mr. Cooper stated the Task Force survey was distributed to every residence within the area, including west of Humboldt Avenue to the river, below Highway 694 to 62nd Avenue, and up to Brooklyn Boulevard, and substantial responses were received. He added Tim mentioned drag racing of motorcycles that can be heard all the way into Minneapolis, which makes it clear that the issue is the motorcycles themselves and not the stop lights. He expressed concern that increasing the number of cars will also increase the number of motorcycles, and the Task Force is not advocating an expressway. He noted the Task Force advocates support for all the issues that Tim mentioned.

Mr. Cooper stated the total lack of equity in this proposal is disturbing, as Highways 65 and 47 are more direct routes to Highway 694 than Highway 252. He added the proposal for Highway 252 would reduce the amount of traffic on Highways 65 and 47, and their traffic would be dumped into

Brooklyn Center's neighborhoods. He noted asthma is a huge issue, and four times higher than the rest of the Metro area, and emergency room visits are higher. He expressed concern that that is not equity.

Mr. Cooper stated he has talked to residents at the housing developments along Highway 252, and they are very concerned about what is happening. He added it is unfair to the community, which already has Highways 100 and 694/94, to add another major highway.

Mayor Elliott stated he would like to extend the meeting an additional 10 minutes.

Mr. Willson stated he is uncomfortable with Mr. Cooper's comments that were directed at him personally, and that Mayor Elliott should be on top of. He added that would not be allowed in a meeting room environment. He noted Mr. Cooper's comments referenced him directly, using his first name, and he resents the direct use of his name.

Councilmember Graves stated she concurs with Mr. Willson's comments, that rather than directly responding to someone else's comments there should be focus on "I" statements. She added a defensive back and forth is not conducive for an efficient and functional meeting. She noted she agrees that people should not reference someone else specifically.

Mayor Elliott stated it is important to remember that we are all Brooklyn Center, and we are all striving to get the best outcome for our City. He added he will think about how he is communicating and think about the way it is being done. He noted everyone is coming to this issue with the intention of wanting what is best for Brooklyn Center, even though there is disagreement on what people think is the best approach, and everyone may have different questions.

Mayor Elliott asked if the MnDOT representatives have any closing comments.

Mr. Hoberg thanked everyone who attended the meeting, realizing that their time is valuable. He added they look forward to continuing to work with the City on furthering efforts to improve safety on Highway 252, and ensure that the outcome is a success for the City of Brooklyn Center, and other cities along the corridor.

Ms. Crockett thanked the meeting attendees for taking the time to join the meeting. She added she looks forward to being back with them soon to share more information and continue the conversation.

Mayor Elliott thanked everyone who joined the meeting. He added he did not ask for Roll Call at the beginning of the meeting, and asked City Clerk Barb Suci to do so.

Ms. Suci conducted a Roll Call at this point in the meeting.

ADJOURNMENT

Mayor Elliott moved and Councilmember Ryan seconded adjournment of the City Council/Economic Development Authority Work Session at 7:30 p.m.

Motion passed unanimously.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

STUDY SESSION
OCTOBER 12, 2020

CALL TO ORDER

The Brooklyn Center City Council met in Study Session called to order by Mayor Mike Elliott at 6:05 p.m. The meeting was conducted via Webex.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Curt Boganey, Deputy City Manager Reggie Edwards, Community Development Deputy Director/HRA Specialist Jesse Anderson, City Clerk Barb Suciu, and City Attorney Troy Gilchrist.

CITY COUNCIL DISCUSSION OF AGENDA ITEMS AND QUESTIONS

Mayor Elliott stated he may need to leave tonight's meeting between 8:30-9:00 p.m. He added, if necessary, Councilmember Butler can continue the meeting.

MISCELLANEOUS

WEBEX CHAT

Mayor Elliott stated he contacted the City Clerk to request that the Webex chat feature be turned off, as people continue to make comments during meetings but are not being recognized. He added he would like to turn the chat feature off and have people raise their voice if they wish to speak. He noted that will make it easier to manage and fair for people who are asking to be recognized.

Councilmember Ryan stated he supports anything that will facilitate a smooth flow of the meeting and allow public input at the appropriate point. He added it is appropriate for the public to wait until the end of a work session to give public comment, under Council procedure.

Councilmember Graves stated she is reluctant to take away the chat feature, which is a good way to consider other ideas, even if people are not speaking up. She added she feels the chat feature is helpful, and she would miss it if it wasn't there. She noted the chat feature can spur deeper thought on the part of someone who is listening, watching or reading, and she does not see an issue with it. She asked whether Mayor Elliott had received a complaint.

Mayor Elliott stated he received feedback that it seems like some people are commenting on an ongoing basis, and there were other people waiting to speak. He added it was distracting and unfair

to have a running commentary as the meeting is going on. He noted he favors more citizen input and wants folks to participate in the meeting.

Councilmember Graves stated she does not think it is necessary to take away the chat feature, but she will go with the will of the City Council.

Councilmember Ryan requested clarification regarding the chat feature, and whether that is when it appears that people are texting. Mayor Elliott confirmed this. Councilmember Ryan stated he does not have a problem with the chat feature, because he can read it or ignore it.

Councilmember Butler stated the City Council can choose to look at it or ignore it, but she was caught off guard by it. She added there are no regulations around virtual meetings, and in a regular meeting people would not be allowed to make comments throughout the meeting. She noted, however, it's a chat feature so it is not disruptive.

Councilmember Butler stated she does not feel strongly either way, but if the chat feature remains, there should be some regulation around it.

Councilmember Lawrence-Anderson stated she is neutral and would go wherever the consensus may lie.

Mayor Elliott stated he is okay with leaving the chat feature for now and addressing it if it comes up again.

It was the general consensus of the City Council to retain the Webex chat feature.

ADJOURNMENT

The Study Session was adjourned at 6:15 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

REGULAR SESSION
OCTOBER 12, 2020

1. INFORMAL OPEN FORUM WITH CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in Informal Open Forum called to order by Mayor Mike Elliott at 6:45 p.m. The meeting was conducted via Webex.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Curt Boganey, Deputy City Manager Reggie Edwards, Finance Director Mark Ebensteiner, Director of Public Works Doran Cote, Community Development Deputy Director/HRA Specialist Jesse Anderson, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

Mayor Mike Elliott opened the meeting for the purpose of Informal Open Forum.

No one wished to address the City Council.

Councilmember Graves moved and Councilmember Lawrence-Anderson seconded to close the Informal Open Forum at 6:48 p.m.

Motion passed unanimously.

2. INVOCATION

Councilmember Graves read a Native American quote in honor of Indigenous People's Day, to acknowledge that we are all living on occupied lands taken from the indigenous people of North America when it was colonized by Europeans.

When the blood in your veins returns to the sea
And the earth in your bones returns to the ground
Perhaps then you will remember that this land does not belong to you
It is you who belongs to this land

Councilmember Graves stated, in that spirit, hopefully we can all do better to acknowledge that we live on indigenous lands; acknowledge the harm that was caused over generations and that continues to happen; be better stewards of the land; and follow the example of native people and how they lived in harmony with nature, and respected all living things.

Mayor Elliott stated he recently became aware of sacred land that was destroyed by the City to make way for park trails. He added he hopes that at some point in the future the City Council can address this in a restorative way.

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in Regular Session called to order by Mayor Mike Elliott at 7:00 p.m.

4. ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Curt Boganey, Deputy City Manager Reggie Edwards, Finance Director Mark Ebensteiner, Director of Public Works Doran Cote, Community Development Deputy Director/HRA Specialist Jesse Anderson, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

Councilmember Lawrence-Anderson moved, and Councilmember Ryan seconded to approve the Agenda and Consent Agenda, and the following consent items were approved:

6a. APPROVAL OF MINUTES

1. September 18, 2020 – Joint CC and Financial Commission
2. September 21, 2020 – Joint CC and Financial Commission
3. September 28, 2020 – Study Session
4. September 28, 2020 – Regular Session
5. September 28, 2020 Work Session

6b. LICENSES

Gasoline Service Station

Brooklyn Center Municipal Garage

6844 Shingle Creek Parkway
Brooklyn Center, 55430

Hospitality License

Travelodge

6415 James Circle N
Brooklyn Center, 55430

Mechanical Licenses

Air it Indoor Comfort LLC

8600 Xylon Ave N, Ste 107

Airics Heating & Air Conditioning Inc.	Brooklyn Park, 55445
I-Site 2 Plumbing LLC	9220 James Ave S. Suite F
dba Priority Plumbing & Drains	Bloomington, 55431
Ideal Air LLC	13220 Co Rd 6, #150
	Minneapolis 55406
	17900 Aztec Street NW
	Andover 55304
	13535 89 th Street NE
	Elk River 55330
	4205 Hwy 14 W
	Rochester 55901
	3404 Victoria St N
	Shoreview 55186
	2470 Island Dr #202
	Spring Lake Park, 55384

RENTAL

INITIAL (TYPE IV – one-year license)

7001 Emerson Ave N

Mara Jenson

INITIAL (TYPE II – two-year license)

5312 Lilac Dr

Jason Gamache

RENEWAL (TYPE III – one-year license)

6614 Bryant Ave N

Yi Lin / Khaihong Lim Properties

- met requirements

6749 Humboldt Ave N

Patrick Nguyen - owes \$100 reinspection fee

RENEWAL (TYPE II – two-year license)

5351 4th St N

Infinite Property

4000 61st Ave N

Adegbola Ogundipe - met requirements

5207 63rd Ave N

Samuel Carrillo

- missing CFR Certificate

6725 Bryant Ave N

Vong Duong - missing CPTED

6800 Bryant Ave N

Peter Nguyen

4707 Eleanor La

Chen Zhou

5412 Fremont Ave N

Gary Anakkala

5420 Girard Ave N

Scott Sorum

6437 Kyle Ave N

Peter Lee / Unite Hmong Investments

- met requirements

5532 Logan Ave N

Ira Kovalsky

RENEWAL (TYPE I – three-year license)

4507 66th Ave N

Cathy Steinke

5321 71st Cir
6015 Aldrich Ave N
7208 Bryant Ave N
3819 Burquest La
5120 Drew Ave N
4201 Lakeside Ave #106
4207 Lakeside Ave #234
7025 Newton Ave N

Pramrod Khakural - met requirements
My Truong - met requirements
Prosperous Property
Amir Chaboki
Neng Xi Zhang
Woarsono & Ninou Widjaja
Cynthia Patrick missing CFR Certificate
Steve Branham

- 6c. RESOLUTION NO. 2020-XX AMENDING THE CITY OF BROOKLYN CENTER FEE SCHEDULE ESTABLISHING SURCHARGES FOR WATER CONSERVATION VIOLATIONS**
- 6d. RESOLUTION NO. 2020-XX APPROVING CARES ACT FUNDING APPROPRIATIONS – BACK TO SCHOOL / CLASS / WORK FAMILY COVID-19 AND DISTANCE LEARNING PACKS**
- 6e. RESOLUTION NO. 2020-XX APPROVING CARES ACT FUNDING APPROPRIATIONS – COVID HEALTH ON THE GO**
- 6f. RESOLUTION NO. 2020-XX APPROVING CARES ACT FUNDING OF BC BEYOND COVID SENIOR IPAD / TABLET INNOVATION PROGRAM**
- 6g. SECOND AMENDMENT TO THE SHINGLE CREEK CROSSING DECLARATION OF COVENANTS AND RESTRICTIONS**
- 6h. RESOLUTION NO. 2020-XX CERTIFYING SPECIAL ASSESSMENTS FOR EMERGENCY PRIVATE UTILITY SERVICE REPAIRS TO THE HENNEPIN COUNTY PROPERTY TAX ROLLS**
- 6j. RESOLUTION NO. 2020-XX SETTING 2021 EMPLOYER BENEFITS CONTRIBUTION FOR FULL-TIME NON-UNION EMPLOYEES**

Motion passed unanimously.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

-None.

8. PUBLIC HEARINGS

- 8a. RESOLUTIONS APPROVING PROPOSED SPECIAL ASSESSMENTS FOR NUISANCE ABATEMENT COSTS, TALL GRASS AND WEED ABATEMENT COSTS, DEAD AND DISEASED TREE ABATEMENT COSTS AND ADMINISTRATIVE FINES/CITATIONS**

Community Development Deputy Director/HRA Specialist Jesse Anderson requested City Council consideration of proposed special assessments related to Code enforcement activity: long grass and weeds; dead or diseased trees; and administrative citations. Nuisance abatements were originally included but are no longer outstanding and have been removed. Property owners were notified of the amount and received notice of the public hearing, but City Staff have not received any written requests for appeal.

Mr. Anderson reviewed payment options for administrative citations, issued for noncompliance with City Ordinance. He added numbers have decreased from last year, due to proactive neighborhood engagement. He noted City Staff recommends that the City Council remove reasonable appeals from the proposed levy roll to be reviewed and presented at the City Council's October 6, 2020 meeting, and adopt the remaining assessments.

Mr. Anderson stated the public hearings can be opened and closed concurrently.

Councilmember Graves requested clarification regarding administrative citations. Mr. Anderson stated most administrative citations are rental license violations, including rental without a license.

Councilmember Ryan moved and Councilmember Graves seconded to open the Public Hearing.

Motion passed unanimously.

No one appeared to address this item.

Mayor Elliott moved and Councilmember Graves seconded to close the Public Hearing.

Motion passed unanimously.

Councilmember Graves moved and Mayor Elliott seconded to adopt RESOLUTION NO. 2020-XX Certifying Special Assessments for Administrative Citations to the Hennepin County Property Tax Rolls.

Motion passed unanimously.

Councilmember Graves moved and Councilmember Butler seconded to adopt RESOLUTION NO. 2020-XX Certifying Special Assessments for Diseased Tree Removal Costs to the Hennepin County Property Tax Rolls.

Motion passed unanimously.

Councilmember Graves moved and Councilmember Ryan seconded to adopt RESOLUTION NO. 2020-XX Certifying Special Assessments for Weed Removal Costs to the Hennepin County Property Tax Rolls.

Motion passed unanimously.

8b. RESOLUTION NO. 2020-XX CERTIFYING SPECIAL ASSESSMENTS FOR DELINQUENT PUBLIC UTILITY SERVICE ACCOUNTS TO THE HENNEPIN COUNTY PROPERTY TAX ROLLS

Finance Director Mark Ebensteiner reviewed certification of special assessments for delinquent public utility service accounts, for which customers receive a quarterly utility bill. He added customers are notified of the delinquent account and payment information if they have not paid their bill by June 30, 2020. He noted there is an extended timeline this year due to the pandemic, which gave customers until October 8, 2020. No formal appeals have been received by City Staff.

Mr. Ebensteiner stated City Staff recommends that the public hearing be opened and closed, after which City Council action can be taken.

Councilmember Lawrence-Anderson asked why there are 6 cycles, if customers are billed quarterly for water. Mr. Ebensteiner stated all customers are not necessarily billed at the same time and may be on different cycles. He added customers are made aware of their billing cycle.

Councilmember Graves asked whether the increase in payments is due to the extended time frame. Mr. Ebensteiner confirmed this, adding another reason could be that the City started at a lower balance. He added City Staff are considering a review of this process, to determine whether the extended time frame to allow for additional payments should be added.

Councilmember Graves stated she was thinking that too, because when the bill gets assessed, there are additional costs to families. She added City Staff had mentioned instituting a level that customers have to reach before they are assessed.

Mr. Ebensteiner confirmed this, adding he believes it is over \$150 before assessment. He added residents who make partial payments would be removed from certification.

Councilmember Graves moved and Councilmember Ryan seconded to open the Public Hearing.

Motion passed unanimously.

No one appeared to address this item.

Councilmember Graves moved and Councilmember Butler seconded to close the Public Hearing.

Motion passed unanimously.

Mayor Elliott turned the meeting over to Mayor Pro Tem Butler. He left the meeting at 7:28 p.m.

Councilmember Graves moved and Councilmember Ryan seconded to adopt RESOLUTION NO. 2020-XX Certifying Special Assessments for Delinquent Public Utility Service Accounts to the Hennepin County Property Tax Rolls.

Motion passed 4-0 (Mayor Elliott was absent).

8c. RESOLUTION NO. 2020-XX VACATING ALL EASEMENTS WITHIN LOT 4, BLOCK 5, WANGSTAD'S BROOKLYN TERRACE, HENNEPIN COUNTY, MINNESOTA AND LOT 1, BLOCK 1, PEARSON'S NORTHPORT 3RD ADDITION, HENNEPIN COUNTY, MINNESOTA

Public Works Director Doran Cote reviewed two requests for vacation of easements related to the C-Alan Homes proposal for triplex townhomes on the 6000 and 6900 blocks of Brooklyn Boulevard. Sidewalk easements will be included in the new plat. He added City Staff is requesting that the City Council hold two public hearings for these requests and adopt the resolutions. He noted vacation of easements are contingent upon filing final plats and other development requirements.

Councilmember Graves moved and Councilmember Ryan seconded to open the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Luba Everts, a resident who lives at 69th Avenue and Major Avenue, expressed concern about excessive traffic and safety concerns at the 6900-block development site, as many children play out there. She added there is not enough room for parking on the site. She noted she does not like the proposal.

Mr. Cote stated the proposed developments have been reviewed by the City Council and Planning Commission. He added this Agenda Item is to clear easements to avoid conflict with the proposed plat. He noted notices were sent to homes within 350 feet of the site, but the development itself is not up for discussion tonight.

Ms. Everts stated she is talking about the easement, which will bring all sorts of traffic that the neighborhood does not need. She added the property's addresses will be Brooklyn Boulevard, so that is where their access should be.

Lisa Teske, a resident who lives on the corner of 69th Avenue and Lee Avenue, stated she agrees with everything Luba just said. She added they expressed all these same concerns months ago at the public meeting, but were not given an answer regarding parking and traffic. She noted cars will be parked illegally, overnight on the street.

Councilmember Graves moved and Councilmember Ryan seconded to close the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Councilmember Graves moved and Councilmember Ryan seconded to adopt RESOLUTION NO. 2020-XX Vacating Certain Easements that are Associated with the 6000 Triplex Site Redevelopment (C-Alan Homes) in Connection with the Proposed Final Plat of Robertson and Brekke's Brooklyn Boulevard First Addition.

Motion passed 4-0 (Mayor Elliott was absent).

8d. RESOLUTION NO. 2020-XX VACATING ALL EASEMENTS WITHIN LOT 1, BLOCK 1, SUNSET MANOR, HENNEPIN COUNTY, MINNESOTA AND LOT 3, BLOCK 1, SUNSET MANOR, HENNEPIN COUNTY, MINNESOTA

Councilmember Graves moved and Councilmember Lawrence-Anderson seconded to open the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Luba Everts stated she is still against the development.

Lisa Teske stated she thought the first public hearing was for the 6900 block, but it was not clearly communicated. She added neighbors have many concerns. She asked who she can address these concerns to.

Mr. Boganey stated Ms. Teske can contact City Hall and talk to either himself, the City Manager, or Community Development Director Meg Beekman. He added the developer is complying with all requirements related to parking. He noted he can have a conversation with Ms. Teske and explain why City Staff believes the parking issues will be adequately addressed.

Ms. Everts asked whether it has been approved.

Ms. Teske stated it has already been approved. She added 18 parking spots will not be enough for all the 3-bedroom apartments.

Mayor Pro Tem Butler stated the City Council had a lot of these same concerns, and that has all been discussed already. She urged Ms. Everts and Ms. Teske to reach out to City Staff and also the Councilmembers for additional information. She noted the issue that is before the City Council is the easement. She noted the City Council appreciates Ms. Everts and Ms. Teske bringing their comments to the Council meeting and urged them to contact City Staff.

Councilmember Graves moved and Councilmember Ryan seconded to close the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Councilmember Ryan moved and Councilmember Graves seconded to adopt RESOLUTION NO. 2020-XX Vacating Certain Easements that are Associated with the 6900 Triplex Site Redevelopment (C-Alan Homes) in Connection with the Proposed Final Plat of Robertson and Brekke's Brooklyn Boulevard Second Addition.

Motion passed 4-0 (Mayor Elliott was absent).

8e. RESOLUTION NO. 2020-XX VACATING ALL EASEMENTS WITHIN LOT 1 & 2, BLOCK 1, PANAYOTOFF ADDITION, HENNEPIN COUNTY, MINNESOTA

Mr. Cote reviewed a request for vacation of easements at Nompeng Academy, located at Noble Avenue and 63rd Avenue. The owners acquired 2 parcels north of the school and demolished homes on the property, so they could combine the three properties and create additional green space for the school. The request is for the vacation of underlying easements. There are no utilities within the easements. Notice of the public hearing was published in the newspaper and mailed to properties within 350 feet of the subject property. City Staff have not received any objections.

Mr. Cote stated City Staff recommends that the City Council hold a public hearing, and adopt resolutions approving the vacation of easements, contingent upon filing of final plat and other development requirements.

Councilmember Lawrence-Anderson moved, and Councilmember Ryan seconded to open the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Catherine Campos asked what will happen to access to the park and playground. Mr. Cote stated vacating the easements does not change anything about access to the property, but rather vacates rights to the property.

Councilmember Ryan moved and Councilmember Graves seconded to close the Public Hearing.

Motion passed 4-0 (Mayor Elliott was absent).

Councilmember Ryan moved and Councilmember Graves seconded to adopt RESOLUTION NO. 2020-XX Vacating Certain Easements that are Associated with the Panayotoff Addition in Connection with the Proposed Final Plat of Nompeng Addition.

Motion passed 4-0 (Mayor Elliott was absent).

Mayor Elliott returned to the meeting.

8f. CONSIDERATION OF HOSPITALITY ACCOMMODATION LICENSE RENEWAL REQUEST FOR RADISSON BROOKLYN CENTER

Deputy City Manager Dr. Reggie Edwards reviewed a request for renewal of a hospitality accommodations license for Radisson Brooklyn Center, the applicant. He added a letter was sent January 31, 2020, regarding the accommodations license which must be renewed, or it would expire by April 2020. He noted the hotel was notified by City Staff numerous times that their establishment has been operating without a license since January 31, 2020; additionally, the hotel owners did not pay lodging tax or utilities.

Dr. Edwards stated the hotel is currently being used as a homeless shelter, which is inconsistent with the City's zoning regulations. He added there has been an increase in police calls by 760% between June-August 2020 compared to the same time period in 2019. He noted the hotel owner

was notified of tonight's public hearing, and City Staff received a license application from the owner.

Dr. Edwards requested City Council consideration of two options related to this application, and an indication of Consensus so City Staff can prepare a Resolution for City Council review and approval: non-renewal of the license, or renewal with conditions. He added the hotel owner has made payments on utilities as well as taxes. He noted the outstanding issue is the use of the hotel as a homeless shelter and the increase in police calls.

Dr. Edwards stated City Staff recommends that the following conditions be considered for addition to a potential license renewal: no more than 35 lodging units will be made available and guests will be limited to stays of no longer than 60 days; and City Staff will be allowed to conduct regular inspections on a bi-weekly basis, with additional inspections as needed; representatives of the hotel and third-party service provider will attend regular update meetings with City Staff; the hotel owner will contract with a towing company to remove unregistered vehicles, engage parking lot cleaners and install related signage in the parking lot; require that the hotel; ensure that the service provider or their representative is available for contact by City Staff; always in communication with City Staff; and the license will be started at a Level 1, applying police calls from 2020 to the level of license that is determined for 2021.

City Attorney Troy Gilchrist stated this issue is brought to City Council due to noncompliance under unique circumstances due to the emergency situation. He added, as City Staff indicated, the hotel's current permitted use is a limited state hotel, with traditional, short-term guests, and it is not set up as a long-term dwelling facility, which raises issues from a zoning perspective. He noted, during the pandemic crisis, this City Council has expressed a willingness in the past to grant regulatory flexibility, which would be required in this case. He stressed that the City Council will not be violating the Zoning Ordinance by allowing this use to continue, but rather granting regulatory flexibility for a limited period of time.

Mayor Elliott asked what other remedies have been pursued by City Staff with regard to this issue.

Mr. Boganey stated there are no other remedies available to City Staff when a license holder has violated the licensing Ordinance other than a decision from the City Council regarding whether or not there should be action taken on the license, including nonrenewal, suspension or renewal with or without conditions.

Mayor Elliott asked whether the City Council can consider these licenses on a case-by-case basis. He expressed concern about using data from police calls to determine licenses. He stated it has been well-documented that Ordinances that determine licensing based on police calls are problematic and can lead to lawsuits. He urged the City Council to find another solution that does not rely unnecessarily on police calls. He added we all know the people who get the police called on them more frequently. He requested that the City Attorney and City Staff do more research to see if there are creative ways to address this important issue. He noted he will not support this approach.

Mayor Elliott stated Mayor Pro Tem Butler is still running the meeting.

Councilmember Ryan asked Mayor Elliott whether his objection is related to alleged police enforcement of certain Zoning Ordinances. He added City Staff can provide information about how they are implemented. He asked whether Mayor Elliott feels that enforcement actions are racially prejudiced, based on his comments. He noted City Staff has been tasked with identifying policies that may be considered racist, while continuing to attempt to be anti-racist. He requested clarification from Mayor Elliott.

Mayor Elliott stated he is unsure which aspect of his comment requires clarification.

Councilmember Ryan stated City Staff may want to mitigate homelessness and help people who are homeless, while also acknowledging violations to City Ordinances that must be enforced. He added he believes the way forward is to offer Option 2 and accept the renewal of the license with conditions. He stressed the importance of understanding that the hotel is suffering from the current extraordinary financial decline related to the pandemic. He noted the City Council should not impose greater hardship to a business that has been unfairly impacted by the pandemic.

Councilmember Ryan stated he supports moving forward with Option 2, and seeing what conditions are recommended by City Staff.

Mayor Elliott stated he is open to that approach. He added he implored that City Staff would think about the historical lens of police action being applied, and we all know who it affects the most, especially in the case of housing. He noted there has been an increase in data and lawsuits that prove that using police enforcement and actions to determine licensure disproportionately affects minorities and people of color. He added he is open to the recommendations of City Staff.

Councilmember Graves stated she has a few questions, but Mr. Gilchrist has been indicating that he would like to speak. Mayor Pro Tem Butler asked Mr. Gilchrist to proceed with his comments.

Mr. Gilchrist stated the issue before the City Council relates to noncompliance with Zoning Code for operating without a license; failure to pay lodging tax; failure to pay utility bills; and noncompliance with local zoning. He added police calls do affect the licensing level, but that issue would be addressed for this property in 2021. He noted the license, if renewed, would be a Level 1, so the only issue to be addressed are the violations, not based on police calls.

Councilmember Graves asked whether the delinquent payments have been made by the hotel. Mr. Boganey stated it is his understanding that the applicant paid lodging and utilities taxes, and has applied for a license. He added the only continuing violation would be compliance with Zoning regulations.

Councilmember Graves requested clarification regarding the nature of police calls to the hotel, and percentages per calls.

Mr. Boganey stated several Police staff have joined the meeting who may be able to answer those questions in more detail. He added it is his understanding that there have been a variety of

activities that have occurred on the property, some of which would be considered serious or violent crimes.

Police Commander Rick Gabler stated there has been an increase in a wide variety of calls for service to the Radisson Hotel, including violent crimes. He added the calls were related to robberies, assaults, domestic assault, drug overdose, auto thefts, trespassing, and burglary at neighboring hotels.

Councilmember Graves asked whether the calls come from a range of people, or mostly people who are staying at the hotel. Commander Gabler stated there have been a wide variety of calls from the hotel owners, hotel guests, and neighboring businesses.

Councilmember Graves stated her recollection is that the Radisson was in partnership with Hennepin County in deciding to provide a place to live for homeless people.

Mr. Boganey stated the City's initial understanding was the hotel was working in partnership with the County, but later it became known to City Staff that it was a contract with the State of Minnesota.

Councilmember Graves asked whether the property owner's current contract includes the State of Minnesota. Mr. Boganey confirmed this. He added a third-party provider administers the contract, and there has been a recent change in the provider.

Councilmember Graves asked whether the number of people staying at the hotel has increased or decreased since it has been used as a homeless shelter.

Mr. Boganey stated he would defer to the applicant who will be able to answer those questions during the public hearing.

Mayor Pro Tem Butler asked what will happen to the people who are living there if the license is not renewed.

Mr. Gilchrist stated the hotel would not be allowed to operate under City Code until they obtain a new license, for which there is a process.

Mayor Elliott asked whether there is an opportunity to work with the State of Minnesota to address security concerns in this situation.

Mr. Boganey stated City Staff have met with the third-party provider and hotel representatives over the past several months, with some representation by the State of Minnesota. He added conditions at the property have improved greatly over the past 4-6 weeks which is a positive result of the collective effort of all involved parties.

Mr. Boganey stated, as a point of clarification, City Staff's recommendation is that the activity would cease within 60 days of the end of the Governor's Emergency Peacetime Declaration. He added the hotel would then return to hotel use as allowed under the City's Zoning Ordinance.

Mayor Elliott asked what would happen to the people that are being housed there, when the hotel returns to its original use. He added the end of the Emergency Declaration will not be the same for everyone. He noted that well-intended condition has the impact of throwing people out who otherwise need housing.

Mayor Elliott stated the City can work with the hotel to develop a plan that will provide housing for people, so they do not end up back on the streets.

Mr. Boganey stated City Staff have been working with the provider for several weeks, to encourage them to transition individuals into more permanent housing. He added they have had some success with those efforts. He noted the number of people has reduced, although some people were asked to leave due to violations.

Mayor Elliott stated there is a need for this type of housing, and the third-party provider could request that more people are housed there. He added there is definitely a need for housing for the homeless.

Mr. Gilchrist stated the City Council can give direction to change the conditions, but the current use is not consistent with the PUD for this property nor local Zoning requirements. He added the owner would be required to go through the normal Zoning process if the property continues with this use which is not in compliance with the current PUD and current Zoning.

Mayor Elliott asked whether the number of units would be limited to 35 lodging units. He asked whether there were up to 100 individuals living there at one point.

Mr. Boganey stated he believes that there may have been 100 people, with one person in each unit.

Councilmember Graves requested that the City Council open the public hearing and move this issue forward. She added some of the Mayor's questions may be answered by the applicant.

Mayor Elliott stated he has legitimate questions for the City Manager and the City Attorney. He added he understands Councilmember Graves wants to get off the call because it is getting late, but this is a very important issue.

Councilmember Graves stated she has questions for the applicant. She added she is not trying to rush off the call, but rather keep the meeting moving along.

Mayor Elliott stated he wants Councilmember Graves to have her needs met, but he has questions for the City Manager and the City Attorney, and he feels that Councilmember Graves is rushing him along. He added he tries to make sure that everyone has ample opportunity to ask questions, at length and in depth, including Councilmember Graves. He noted he does not want to feel when he is asking questions that she is rushing him along.

Councilmember Graves apologized, stating that was not her intent. She added she is also thinking about the applicant, who is waiting to have their chance to speak at the public hearing, which should be opened, whenever the Mayor is ready.

Mayor Elliott stated he is trying to get an understanding of the number of units, and how many there are now, and the current trend for occupancy. He added he is fine with opening the public hearing. He noted Mayor Pro Tem Butler is still running the meeting.

Councilmember Ryan moved and Councilmember Lawrence-Anderson seconded to open the Public Hearing.

Motion passed unanimously.

Nathan Patel, owner of Radisson Brooklyn Center, stated he did not know there was a license renewal process. He apologized for this oversight. He added the City's utility bills were being sent to the management company, and not to the hotel. He noted the utility bill was paid immediately upon receipt by the hotel owners.

Mr. Patel stated he does not appreciate the statements regarding the hotel's guests' homelessness status. He added guests are not asked if they are homeless. He added the hotel is under contract with the State of Minnesota to facilitate a variety of emergency Covid-related operations.

Mr. Patel stated the State of Minnesota places people in the hotel for specific reasons, and security issues have been fixed. He added it will be difficult to run this program if there is a limit of 35 people who are allowed to stay there, and he is required to request permission from the City Council for additional guests.

Mr. Patel stated, with regard to cars in the parking lot, car registration information is recorded, and a towing company has been retained. He added health and fire inspections have been completed.

The General Manager of the Radisson Brooklyn Center stated all the outstanding items have been taken care of. He noted City, Police and Fire inspections have been scheduled and completed.

Councilmember Graves apologized for referring to the hotel guests as homeless people. She added it was not her intention to be insensitive to the reasons why people are temporarily displaced and staying at the hotel. She added all people are deserving of empathy and understanding.

Councilmember Graves asked how many people are currently staying at the hotel, and whether that number has increased or decreased. She asked what the average length of stay is.

Mr. Patel stated approximately 35-40 guest rooms are currently occupied by individuals and families. He added numbers were higher at the beginning of Covid-19 outbreak. He noted there are no permanent guests.

The hotel's General Manager confirmed there are currently 35 occupied rooms, and stays range from 1 week to 2 months, depending upon the guest's circumstances and housing needs. He added

the third-party provider, Second Chance, is a new provider, and their staff work very hard to ensure that clients are housed expeditiously. He noted there are 4-6 staff on site during the day, and 2 staff at night, to assist clients.

Mayor Elliott asked whether the hotel would be able to enforce restrictions if there are only 35 rooms made available. Mr. Patel stated requests for emergency housing comes from the State of Minnesota through the provider. He added he is unsure how to enforce a cap on the number of available rooms. He noted policies and procedures have been put in place, and additions have been made to the hotel, including laundry and food services on every floor.

Mayor Elliott stated there would be enforcement issues if no more than 35 guest rooms are made available. He added as long as there is proper management at the facility, it will be possible for the operator and the provider to increase safety and address other issues. He noted limits on the maximum number of units is the wrong focus, in his view.

Councilmember Ryan stated this is an important discussion, and the focus is that this hotel is not structured to be a homeless shelter. He added the hotel's business declined, and they have stepped up to fill a need during these extraordinary times. He noted this issue should be moved forward out of public hearing. He expressed his support for Option 2 – approval with conditions.

Councilmember Ryan stated the hotel has made a good faith effort to address these issues. He added, while compliance with City Ordinances is necessary, it is important to not penalize a good faith effort on the part of the hotel.

Councilmember Graves asked whether the hotel anticipates being able to make more or less revenue this year than in a normal year, in terms of their partnership with the State.

Mr. Patel stated the current arrangement is allowing the hotel to stay afloat, keep people employed, and assist the Minnesota Health Department respond to emergency housing needs due to the pandemic.

Councilmember Graves asked what the hotel's maximum capacity is. Mr. Patel stated there are 134 rooms, but the maximum that have been filled at one time for emergency housing is 67 rooms with 82 clients, including families.

Councilmember Graves stated the hotel's capacity would be a concern, with respect to Covid-related safety precautions.

Mr. Patel stated the Radisson is not classified as a Covid-19 hotel, and there would not be any clients who are Covid-positive. He added there are other local hotels that are classified for housing Covid patients.

Mayor Elliott stated, with regard to regular inspections, the hotel would be required to allow City Staff to inspect the accommodations as needed for the safety of the guests. He added the other option is regular meetings involving City Staff and representatives of the hotel to discuss public

safety and other concerns related to the operation. He noted the third-party provider would be required to attend these meetings.

Mr. Patel stated the hotel management has no problem with regular inspections, as long as they have notice.

Mayor Elliott asked the City Attorney whether there would be privacy issues, if inspectors would be required to inspect the hotel rooms. Mr. Gilchrist stated he has not reviewed this issue with City Staff. He added licensing ensures compliance with safety features, so this would be the same process as rental licensing which is regulated through the licensing Ordinance.

Councilmember Graves moved and Councilmember Elliott seconded to close the Public Hearing.

Motion passed unanimously.

Mayor Pro Tem Butler requested that the City Council arrive at a consensus on this issue. She added she heard from three Councilmembers that there is support for the second option.

Councilmember Lawrence-Anderson concurred, stating that is the most prudent and humanitarian course of action due to the pandemic. She added the zoning issue can be reviewed and any other issues related to the Emergency Declaration and allow the hotel to continue to provide shelter for those in need of it.

Councilmember Ryan concurred.

Councilmember Graves stated she is also in agreement, but she suggested an increase in the number of rooms to 50 rooms, and put increase the time limit to 90 days after the end of the Governor's Declaration, instead of 60 days.

Councilmember Lawrence-Anderson concurred.

Mayor Elliott stated it was his understanding that the consensus was to select option 2 but not impose any other recommendations, including a limit on the number of rooms. He added that is what he supports. He added limiting the number of rooms does not provide enough flexibility for emergency situations, and he does not support a limited number of rooms. He noted the Minnesota Department of Health is involved, and inspectors can ensure that health and public safety issues are addressed.

Councilmember Graves stated she agrees it would be better not to have a specific number of rooms, but rather have City Staff work with the owner and partners at the State level to figure out the details. She added the number of rooms seems arbitrary. She added she agrees there should be more rooms made available, but she is thinking of City Staff and the third-party provider and their capacity to serve the individuals and families that would be housed there, keeping it to a manageable level but leaving room for growth.

Mayor Elliott stated he agrees that the issue of capacity is important, but a limit on the number of rooms would prevent the State and third-party provider from being able to house people. He added it would be unacceptable if there was a limit on the number of rooms, and people would not have a place to go.

Councilmember Graves stated Mayor Elliott misunderstands her concerns. She added the third-party provider, Second Chance, is a new partnership and has only been doing this job for 1 week, with limited staff, which will have an impact on how many people can be housed. She noted the highest room occupancy they have had was 67 rooms, and she suggested 50 which is not the highest number but could still be within the capacity of the new third party provider to give support and assistance.

Mayor Elliott stated he is concerned about the second wave of the pandemic, and what will happen in the fall. He added putting a limit on the number of days or the number people will have a negative impact as the hotel would have to come back for approval if an extension is required. He noted, if the City Council is amenable, the number of available units should be increased, and have health and safety inspections in place to address these issues.

Mayor Pro Tem Butler asked input from the City Manager, and then requested a vote as a City Council regarding a consensus on adoption. She requested clarification on what the second option would be.

Mr. Boganey stated City Staff feels, based on recent experiences at the hotel as well as staff capacity, it would be difficult to provide effective solutions and follow-up inspections without limitations, that will be more likely to result in success for all parties and ensure a safe environment for people living at the hotel. He added increased capacity at the hotel will stretch the City's ability to provide support and increases potentially negative outcomes. He noted it will be more difficult to assure positive outcomes related to health and safety on the property.

Mr. Boganey stated he agrees with Councilmember Graves' comment about the new third party provider, Second Chance, who may not have the experience or capacity yet to serve residents appropriately, and the previous provider was operating beyond their capacity. He added some limitations are essential because neither the hotel, the third-party provider or the City have sufficient staff to provide unlimited necessary services.

Mr. Boganey stated, if there is a need for more units, the State has contracts across the State and across the region, and presumably they would find another location that would not be overburdened.

Councilmember Ryan stated he would like to move forward to a decision, and City Staff's recommendation should be respected. He added the fundamental point is that the City of Brooklyn Center, even with collaboration from the County and State, may not be able to solve this problem locally. He noted the hotel is not designed to be used as a homeless shelter, but has made a good faith effort, partly generated by the pandemic, to address the problem of homelessness in the community. He stressed the importance of relying on City Staff's guidance.

Mayor Elliott thanked Mayor Pro Tem Butler for running the meeting in his absence, and he is back now.

Mayor Elliott asked Councilmember Graves for her opinion on how to enforce limitations on the number of rooms that would be made available.

Councilmember Graves stated she is unsure of the contract specifics, but the business owner indicated there is an agreement in place with the State of Minnesota, and the owner can potentially add limitations.

Councilmember Graves stated she stands by her suggestion of a limit of 50 people, as that provides room for those in need and support for the business itself. She added she supports a 90-day limit on stays, as 3 months is a length of time that is adequate to ensure that people move on and find new housing. She noted Councilmember Lawrence-Anderson agreed with her, and she would like to hear Councilmember Butler's opinion. She complimented Councilmember Butler for doing an excellent job running the meeting.

Mr. Boganey stated, from a staff perspective, 50 people is a little higher than what would be preferred but it is a reasonable and manageable limitation.

Councilmember Butler stated she respects the insight and opinion of Councilmember Graves on this issue, in light of her professional experience. She added she is amenable to 50 people and 90 days. She noted the City Council needs to be respectful of City Staff's comments regarding their capacity for support. She reiterated her support for Councilmember Grave's suggestions.

Councilmember Lawrence-Anderson stated she still supports Councilmember Grave's suggestion which is also has support from City Staff.

Mayor Elliott stated he does not support the consensus. He added the City can assign more resources to this issue, from federal funding to respond to issues directly arising from the pandemic. He noted there should not be a cap on the number of people, as the City should be able to provide housing if people need it.

It was the majority consensus of the City Council to support the renewal of Radisson Brooklyn Center's license and amend the conditions to include the following: a maximum of 50 rooms will be made available for stays of no longer than 90 days.

9. PLANNING COMMISSION ITEMS

None.

10. COUNCIL CONSIDERATION ITEMS

None.

11. COUNCIL REPORT

None.

12. ADJOURNMENT

Councilmember Graves moved and Councilmember Ryan seconded adjournment of the City Council meeting at 9:48 p.m.

Motion passed unanimously.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/ECONOMIC
DEVELOPMENT AUTHORITY OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND
THE STATE OF MINNESOTA

WORK SESSION
OCTOBER 12, 2020

CALL TO ORDER

The Brooklyn Center City Council/Economic Development Authority (EDA) met in Work Session called to order by Mayor/President Mike Elliott at 6:16 p.m. The meeting was conducted via Webex.

ROLL CALL

Mayor/President Mike Elliott and Councilmembers/Commissioners Marquita Butler, April Graves, Kris Lawrence-Anderson, and Dan Ryan. Also present were City Manager Curt Boganey, Deputy City Manager Reggie Edwards, Community Development Deputy Director/HRA Specialist Jesse Anderson, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

SCHEDULE WORK SESSION TO DISCUSS HOUSING POLICY TOPICS

Community Development Deputy Director/HRA Specialist Jesse Anderson stated City Staff would like to schedule a session with the City Council to discuss the City's housing policy. He added this discussion, facilitated by Dr Lewis with Research in Action, would include City Staff, Ehlers Consulting staff, Haila Maze from Bolton Menk, and others.

Mr. Anderson stated City Staff is suggesting either November 10 or November 16, 2020, from 5:00-8:00 p.m. or 6:00-9:00 p.m.

Councilmembers/Commissioners Graves, Lawrence-Anderson, Butler and Ryan agreed that November 16, 2020 from 5:00-8:00 p.m. would work.

Mayor/President Elliott stated he is unavailable that evening as he is leading a training session. He suggested November 30, 2020.

It was the majority consensus of the City Council instruct City Staff to schedule a Housing Policy discussion on November 30, 2020 from 5:00-8:00 p.m.

Mr. Anderson stated he would confirm the date and time with the other people involved in the discussion, and report back if necessary.

**POLICY REGARDING INDIVIDUAL COUNCILMEMBER'S ACCESS TO CITY
ATTORNEY**

Mayor/President Elliott requested feedback and comment from the City Council on the draft policy regarding access to the City Attorney.

Councilmember/Commissioner Ryan stated, upon further reflection, this issue relates to a recent development that the Mayor/President has made a request for a **senior policy aide**. He added he is changing his position and regrets not being firm enough in saying no to the Mayor/President's request for direct access to the City Attorney. He noted he fails to see any instance when the City Council have not been adequately served under the previous arrangement.

Councilmember/Commissioner Ryan stated, in the interests of efficient, effective management of our limited staff resources, the City Council should continue the practice of directing legal inquiries to the City Manager, in the same way that other inquiries related to City business from the City Council are handled. He added the City Council should endorse the previous practice, which he sees as a precedent, through a formal policy statement, requiring that City Council access to the City Attorney must be through the City Manager. He noted he assumes there is not a consensus on this issue, but he wanted to make it clear that it is his position.

Councilmember/Commissioner Butler stated she stands by her previous comments. She added she believes it is fine for Councilmember/Commissioners to reach out to the City Attorney as long as there are no budget issues or capacity issues. She noted she thinks the policy is fine.

Councilmember/Commissioner Lawrence-Anderson stated she likes the policy as written, particularly Item D3, related to policy requests or alterations which must be discussed by the City Council before consulting the City Attorney and incurring fees. She added specific legal questions are fine, but if full City Council direction is not sought before someone proposes a policy and the City Council decides not to pursue it, unnecessary costs will have already been incurred. She noted she supports having the City Council discuss policy issues at work session first, and then referring the issue to City Staff and the City Attorney. She stressed the importance of everyone on the City Council being on the same page.

Councilmember/Commissioner Graves stated City Staff did a good job of capturing the consensus in the City Council's previous discussion. She added City Manager Curt Boganey would like to be recognized and she is curious to hear what he has to say.

City Manager Curt Boganey stated, to Councilmember/Commissioner Grave's comment, City Staff's goal with drafting this policy was to capture the essence of the City Council's conversation at the last meeting.

Mayor/President Elliott stated it sounds like there is consensus around the policy as written, which is a step forward. He added it will be new and different, but it will help him, and everybody else, do their jobs better.

City Attorney Troy Gilchrist stated, for the purposes of clarification, under the policy as written, Councilmember/Commissioners can directly contact the City Attorney before a matter is discussed at work session. He added he believes Councilmember/Commissioner Lawrence-Anderson had a different understanding of the policy. He noted the provision states that

Councilmember/Commissioners can contact the City Attorney before an issue is discussed by the City Council at work session.

Councilmember/Commissioner Lawrence-Anderson stated, due to Mr. Gilchrist's clarification, she is not necessarily pleased with the policy under Item B2 related to draft policy initiative. She added she supports Items A, C and D, but disagrees with Item B.

Mr. Boganey stated there are three Councilmember/Commissioners who have indicated that the policy as drafted is acceptable. He added City Staff will prepare this item and bring it back to the City Council for a vote.

Mayor/President Elliott stated he likes the policy, although it limits the City Council in terms of being able to act quickly, if there is a resolution or something that requires immediate Council action. He added it is generally a good idea to have Council consensus before putting something on the Council agenda, it can also be limiting. He noted it is important to allow for circumstances under which the City Council needs to act expeditiously, and not have to wait until the next meeting.

Councilmember/Commissioner Graves stated it is not always necessary to wait until the next meeting, as rough drafts can be submitted to the City Manager, who will prepare documents for presentation to the City Council. She added, in the past, she has presented an issue at a work session and the City Manager makes sure it is ready for the next meeting. She noted there are other ways to expedite issues if there is full Council agreement. She noted it is not necessary to include additional policy language to that effect, and she does not see it as an obstacle.

Mayor/President Elliott stated requiring every issue to go through work session is limiting as there may be circumstances when we have an urgent issue that we need to act on, rather than consider it for review at the next meeting which is two weeks later. He reiterated that is too limiting for him, but he can understand Councilmember/Commissioner Grave's position.

Councilmember/Commissioner Graves stated an important issue like a policy change that will change the way business is conducted in the City requires more deliberation. She added if you are meeting with the City Attorney about an issue that the City Council has no knowledge of, and then it gets placed on the Consent Agenda, in her opinion, that is not a democratic process.

Mayor/President Elliott agreed that is not a democratic process. He added it would go on the City Council agenda first.

Councilmember/Commissioner Graves referred to the example from early in the pandemic when extra Council meetings were scheduled to discuss an important issue, but the Mayor/President also had individual meetings with the involved parties to expedite the process. She added there are times when that is appropriate, and there are avenues that can be used for expedited action.

Mayor/President Elliott asked whether Councilmember/Commissioner Graves would be amenable to language that would stipulate cases where an item could be expedited. Councilmember/Commissioner Graves stated that is not necessary, as that was an emergency declaration, and emergency situations speak for themselves. She added that would leave too much

up to the Mayor/President or Councilmember/Commissioner's discretion, and the rest of the Council may not agree on whether it is an emergency.

Mayor/President Elliott stated he would like to move forward with the policy and have additional discussion at some point if necessary.

ADJOURN WORK SESSION TO INFORMAL OPEN FORUM WITH CITY COUNCIL

The Work Session adjourned to Open Forum at 6:45 p.m.

RECONVENE WORK SESSION

The Work Session reconvened at 6:50 p.m.

POLICY REGARDING INDIVIDUAL COUNCILMEMBER'S ACCESS TO CITY ATTORNEY (continued)

Councilmember/Commissioner Lawrence-Anderson stated, to clarify her position as stated earlier, the City Council has the ability to address emergency business in one of two ways: in a dire emergency, the Mayor/President has the ability to act on behalf of the City Council; or an emergency meeting can be called. She added she does not believe that a member of the City Council should act toward altering a policy without a consensus from the entire City Council. She noted she does not have any issue with a Councilmember/Commissioner reaching out to the City Attorney with a general legal question; however, if the issue relates to a policy, it is critical for the entire City Council to agree to pursue a policy change.

Councilmember/Commissioner Ryan stated he has concerns about the role of the Mayor/President as the Mayor/President perceives it relative to the City Council. He added these issues and concerns can be discussed at the City Council retreat that will take place after the election. He noted the policy should be adopted as written if it is the City Council's consensus, for reasons outlined by Councilmember/Commissioner Lawrence-Anderson, and other reasons given by Councilmember/Commissioner Graves.

Councilmember/Commissioner Ryan stated, under the policy, the City Council is entitled to equal time. He added there may be a concern in the future regarding competition for the City Attorney's time, or a concern about the Mayor/President receiving information that the rest of the City Council does not have. He noted any time a Mayor/President or Councilmember/Commissioner goes beyond asking for information from the City Attorney, it must come to the City Council first.

Mayor/President Elliott stated he is quite aware that Councilmember/Commissioner Ryan has a view on the role of the Mayor/President. He added he believes that view is the role of the Mayor/President and the Councilmember/Commissioners should be the same. He noted he wants Councilmember/Commissioner Ryan to know that he is heard and acknowledged. He noted, however, he does not agree with it.

Mayor/President Elliott stated he is fine with moving forward with this policy, which can be modified as necessary.

ADJOURNMENT

Mayor/President Elliott adjourned the Work Session at 6:55 p.m.

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Dr. Reggie Edwards, Deputy City Manager

BY: Alix Bentrud, Deputy City Clerk

SUBJECT: Approval of Licenses

Background:

The following businesses/persons have applied for City licenses as noted. Each business/person has fulfilled the requirements of the City Ordinance governing respective licenses, submitted appropriate applications, and paid proper fees.

Applicants for rental dwelling licenses are in compliance with Chapter 12 of the City Code of Ordinances, unless comments are noted below the property address on the attached rental report.

Mechanical Licenses

C&M Heating and Air Conditioning Inc	13862 Wintergreen St. Andover 55304
JayHawk Mechanical, Inc.	3307 N 2 nd Street Minneapolis 55412
Owens Companies Inc	930 E. 80 th St. Bloomington 55420
Riccar Heating & A/C	2387 Station Parkway NW Andover 55304
Stafford Home Service	6225 Cambridge Street St. Louis Park, 55416
Stern Heating & Cooling, Inc	34181 180 th Ave Red Wing 55066
Twin City Fireplace & Stone	6521 Cecilia Circle Edina 55439
United Heating & A/C Inc	1295 Hackamore Road Medina 55340
Wencl Services, Inc	8148 Pillsbury Ave S Bloomington 55420
Westair Corporation	11184 River Rd NE Hanover 55341

Tobacco Related Product

Patrick Awad / Premier Tobacco 6930 Brooklyn Blvd	10501 Van Buren Circle NE Blaine, 55434
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Strategic Priorities and Values:

Safe, Secure, Stable Community, Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Rental Criteria	7/7/2020	Backup Material
10-26-20 Rentals	10/20/2020	Backup Material

Property Code and Nuisance Violations Criteria		
License Category (Based on Property Code Only)	Number of Units	Property Code Violations per Inspected Unit
Type I – 3 Year	1-2 units	0-2
	3+ units	0-0.75
Type II – 2 Year	1-2 units	Greater than 2 but not more than 5
	3+ units	Greater than 0.75 but not more than 1.5
Type III – 1 Year	1-2 units	Greater than 5 but not more than 9
	3+ units	Greater than 1.5 but not more than 3
Type IV – 6 Months	1-2 units	Greater than 9
	3+ units	Greater than 3

b. Police Service Calls.

Police call rates will be based on the average number of valid police calls per unit per year. Police incidences for purposes of determining licensing categories shall include disorderly activities and nuisances as defined in Section 12-911, and events categorized as Part I crimes in the Uniform Crime Reporting System including homicide, rape, robbery, aggravated assault, burglary, theft, auto theft and arson.

Calls will not be counted for purposes of determining licensing categories where the victim and suspect are “Family or household members” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (b) and where there is a report of “Domestic Abuse” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (a).

License Category	Number of Units	Validated Calls for Disorderly Conduct Service & Part I Crimes (Calls Per Unit/Year)
No Category Impact	1-2	0-1
	3-4 units	0-0.25
	5 or more units	0-0.35
Decrease 1 Category	1-2	Greater than 1 but not more than 3
	3-4 units	Greater than 0.25 but not more than 1
	5 or more units	Greater than 0.35 but not more than 0.50
Decrease 2 Categories	1-2	Greater than 3
	3-4 units	Greater than 1
	5 or more units	Greater than 0.50

Rental Licenses for Council Approval on October 26, 2020								
Property Address	Dwelling Type	Renewal or Initial	Owner	Property Code Violations	License Type	Police CFS *	Final License Type **	Previous License Type ***
4811 Lakeview Ave N	Multi 1 Bldg 4 Units	Initial	Eileen Booker	12 3 per unit	III	0	III	
4213 63rd Ave N	Single	Initial	Buster Fallah/Angels Health & Home Care Services	7	III	N/A	III	
2606 65th Ave N	Single	Initial	HPA USA1 LLC	10	IV	N/A	IV	
3300 65th Ave N	Single	Initial	Elizabeth Dolomengi	1	I	N/A	II	
4506 71st Ave N	Single	Initial	Obafemi Oladeji / Koladex Venture	2	I	N/A	II	
6430 June Ave N	Single	Initial	Euphemia Brewer	3	II	N/A	II	
5337 -39 Queen Ave N	Two Family 2 Units	Renewal	Thanh Kim Oan	14	IV	0		II
1300 68th Ln N	Single	Renewal	Grant & Pam Osgood	1	I	0		II
2912 69th Ln N	Single	Renewal	Lydia Kim	0	I	0		II
6200 Brooklyn Blvd	Single	Renewal	Hayder Albatushi - Met Requirements	5	II	0		III
5333 Dupont Ave N	Single	Renewal	FYR SFR Borrower LLC	8	III	0		II
5827 Ewing Ave N	Single	Renewal	Juan Carlos Quito Villa	4	II	0		III
5408 Girard Ave N	Single	Renewal	Michael Gardner - Met Requirements	0	I	0		III
5250 Great View Ave	Single	Renewal	Chen Zhou	3	II	0		II
5618 Hillsvieview Rd	Single	Renewal	Nita Morlock - met requirements	11	IV	0		III
5302 Humboldt Ave N	Single	Renewal	MNSF II W1 LLC	5	II	0		II
5419 Humboldt Ave N	Single	Renewal	Cecilia Pineda	5	II	0		II
6765 Humboldt Ave N	Single	Renewal	Loan Nguyen	4	II	0		II
4201 Lakeside Ave #201	Single	Renewal	Justin Frederick	4	II	0		II
4201 Lakeside Ave #209	Single	Renewal	Robert Morgan	2	I	0		I
5443 Logan Ave N	Single	Renewal	Alfred Apata / Ultimate Care Group - Missing CPTED	2	I	0	I	III
5642 Logan Ave N	Single	Renewal	MNSF II W1 LLC - Missing CPTED Follow Up	4	II	0		IV
3301 Mumford Rd	Single	Renewal	Danny Vo	1	I	0		I
6400 Noble Ave N	Single	Renewal	Zam Zam Gesaade	14	IV	0		II
6807 Quail Ave N	Single	Renewal	Paul Pham - met requirements	7	III	0		III
6424 Scott Ave N	Single	Renewal	Chen Zhou	11	IV	0		II
6936 Unity Ave N	Single	Renewal	Paul Johnson - Met Requirements	1	I	0		III

* CFS = Calls For Service for Renewal Licenses Only (Initial Licenses are not applicable to calls for service and will be listed N/A.)

** License Type Being Issued

*** Initial licenses will not show Type I = 3 Year Type II = 2 Year Type III = 1 Year

Rental Licenses for Council Approval on October 26, 2020	
1	10/26/2020
2	10/26/2020
3	10/26/2020
4	10/26/2020
5	10/26/2020
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96	10/26/2020
97	10/26/2020
98	10/26/2020
99	10/26/2020
100	10/26/2020

Property Address	Dwelling Type	Renewal or Initial	Owner	Property Code Violations	License Type	Police CFS *	Final License Type **	Previous License Type ***
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All properties are current on City utilities and property taxes

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Doran Cote, Director of Public Works

BY: Mike Albers, City Engineer

SUBJECT: Resolution Establishing Improvement Project No. 2021-06, Northwest Area Mill and Overlay

Background:

In accordance with the City's Capital Improvements Plan (CIP), the area referred to as the Northwest Area is programmed for improvements in 2021. The Northwest Area Mill and Overlay project area extends from Perry Avenue to Toledo Avenue and from 69th Avenue to 71st Avenue (see attached map for specific street locations). The Northwest Area Mill and Overlay project consists of approximately 6,820 linear feet of roadway length. These roadways were reconstructed in 1994. The area consists of approximately 132 residential properties and two school properties. At this time, staff requests that the City Council establish this street improvement project so investigative engineering work may begin.

The CIP calls for these roadways to be improved with a 2-inch mill and overlay of the pavement surface with minor concrete curb and gutter replacements, minor sidewalk replacements, lining of the VCP sanitary sewer main, lining of the CIP water main pipe, and replacing approximately 50 percent of the existing hydrants and gate valves. The funding for the project is through a variety of sources as described in the CIP which are anticipated to include special assessments, street reconstruction funds and utility funds.

Typically, in order for a project to be completed within a specified calendar year, preliminary design must commence almost one year in advance. This includes initiation of the public notification and participation process that consists of informing affected property owners, conducting field surveys, at least one public informational meeting and an extensive amount of information and data collection.

Initial design also includes detailed technical engineering work, underground infrastructure inspections and assessments and soil/geotechnical investigations. Upon authorization by the City Council the following actions would take place:

- Collect data, including field surveys, review traffic counts and review maintenance records.
- Conduct televised inspections of the sanitary and storm sewers and soil/geotechnical investigations.
- Conduct a public informational meeting in the winter of 2020 to present initial findings to the neighborhood and gauge public interest in the improvement project.
- Prepare a feasibility report for review by the City Council. The City Council could then consider setting a date for the improvement hearing.
- The city's current Assessment Policy contemplates assessing a portion of the costs for this type of improvement to the benefitting properties. The City Council has discussed changing that portion of the policy as it relates to streets that had been reconstructed in the past and for which a portion of the reconstruction costs had already been assessed. The action before the City Council at this meeting is

not affected by the Council's future decision on special assessments.

Budget Issues:

The Northwest Area Mill and Overlay project is identified in the City's CIP with a preliminary project cost estimate of \$2,040,000. The estimated cost for preliminary field work, preparation of a project feasibility report and design is \$165,000.

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/16/2020	Cover Memo
CIP Map	10/16/2020	Cover Memo

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION ESTABLISHING IMPROVEMENT PROJECT NO. 2021-06,
NORTHWEST AREA MILL AND OVERLAY

WHEREAS, the City's Capital Improvement Program identifies specific streets for proposed infrastructure improvements in 2021; and

WHEREAS, the City Council has reviewed the scope of proposed improvements for the Northwest Area Mill and Overlay; and

WHEREAS, the City Council desires to begin the process of information gathering and solicitation of public comments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. Improvement Project No. 2021-06, Northwest Area Mill and Overlay is hereby established.
2. Staff is directed to begin field work, contact property owners in the neighborhood to obtain comments and input and hold public informational meetings for property owners in the neighborhood where improvements are proposed.
3. The City Engineer shall prepare a project feasibility report for review by the City Council in the winter of 2020.
4. Estimated project costs for preliminary field work, geotechnical investigations and sewer televising costs are as follows:

<u>COST</u>	<u>AMOUNT</u>
Televising	\$ 5,000
Field Survey	\$ 20,000
Geotechnical/Drainage Investigation	\$ 15,000
<u>Preliminary Design and Plan Prep.</u>	<u>\$125,000</u>
Estimated Costs Total	\$165,000

RESOLUTION NO. _____

<u>REVENUES</u>	<u>AMOUNT</u>
Sanitary Sewer Utility Fund	\$ 15,000
Water Utility Fund	\$ 30,000
Storm Sewer Utility Fund	\$ 35,000
Street Reconstruction Fund	\$ 85,000
Estimated Revenues Total	\$ 165,000

October 26, 2020
Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

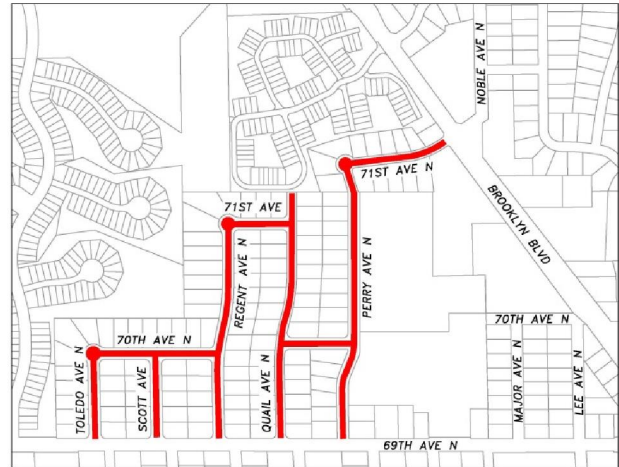
whereupon said resolution was declared duly passed and adopted.

Northwest Area Mill and Overlay - 2021

The Northwest project area extends from Toledo Avenue east to Perry Avenue and from 71st Avenue south to 69th Avenue. The total project length is 6,819-feet. The neighborhood consists of 132 residential properties (R1) and two school owned properties.

Streets

The streets in the project area were reconstructed in 1994. The streets are 30-feet wide with concrete curb and gutter. The current cost estimate assumes street improvements that consist of minor concrete repairs and a 2-inch mill and overlay.



Water main

When the neighborhood was reconstructed in 1994, approximately 65 percent of the water main was replaced with 6-inch diameter DIP. The remaining water main consists of 6-inch diameter CIP installed in 1955. Water records indicate two main breaks have occurred on the CIP water main and one property has experienced a frozen water service in past winters. The current project cost estimate includes lining the existing CIP pipe and replacing 50 percent of the existing hydrants and gate valves.

Sanitary Sewer

When the area was reconstructed in 1994, approximately 72 percent of the sanitary sewer was replaced with 8-inch and 10-inch diameter PVC. The remaining sanitary sewer consists of 8-inch VCP installed in 1956. The project cost estimate includes cured-in-place lining of the VCP sanitary sewer main and replacement of all castings.

Storm Sewer

The storm water runoff from the project area is collected in a storm water pond in the northwest corner of the project area. The storm sewer consists of 15-inch to 42-inch diameter RCP installed in 1994. The current project estimate includes minor storm sewer repairs.

Street Lighting

The existing street light system is overhead power, with wood poles and a cobra head light fixture. The current cost estimate includes replacing the nine wood poles with nine fiberglass poles with a cut-off type LED light fixture and underground power.

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Doran Cote, Director of Public Works

BY: Mike Albers, City Engineer

SUBJECT: Resolution Establishing Improvement Project No. 2021-07, Lyndale Avenue Area Pavement Rehabilitation

Background:

In accordance with the City's Capital Improvements Plan (CIP), the area referred to as the Lyndale Avenue Area is programmed for improvements in 2021. The Lyndale Avenue Area Pavement Rehabilitation project area includes Lyndale Avenue from 55th Avenue to 57th Avenue and the 55th Avenue and 56th Avenue cul-de-sacs area (see attached map for specific street locations). The Lyndale Avenue Area Pavement Rehabilitation project consists of approximately 1,905 linear feet of roadway length. These roadways were reconstructed in 1985. The area consists of approximately 10 residential properties. At this time, staff requests that the City Council establish this street improvement project so investigative engineering work may begin.

The CIP calls for these roadways to be improved with a full depth pavement replacement with minor concrete curb and gutter replacements and minor utility repairs. Lining of the trunk sanitary sewer on Lyndale Avenue may be necessary based on future televising inspections. The funding for the project is through a variety of sources as described in the CIP which are anticipated to include special assessments, street reconstruction funds, utility funds and Municipal State Aid revenues.

Typically, in order for a project to be completed within a specified calendar year, preliminary design must commence almost one year in advance. This includes initiation of the public notification and participation process that consists of informing affected property owners, conducting field surveys, at least one public informational meeting and an extensive amount of information and data collection.

Initial design also includes detailed technical engineering work, underground infrastructure inspections and assessments and soil/geotechnical investigations. Upon authorization by the City Council the following actions would take place:

- Collect data, including field surveys, review traffic counts and review maintenance records.
- Conduct televised inspections of the sanitary and storm sewers and soil/geotechnical investigations.
- Conduct a public informational meeting in the winter of 2020 to present initial findings to the neighborhood and gauge public interest in the improvement project.
- Prepare a feasibility report for review by the City Council. The City Council could then consider setting a date for the improvement hearing.
- The city's current Assessment Policy contemplates assessing a portion of the costs for this type of improvement to the benefitting properties. The City Council has discussed changing that portion of the policy as it relates to streets that had been reconstructed in the past and for which a portion of the

reconstruction costs had already been assessed. The action before the City Council at this meeting is not affected by the Council's future decision on special assessments.

Budget Issues:

The Lyndale Avenue Area Pavement Rehabilitation project is identified in the City's CIP with a preliminary project cost estimate of \$720,000. The estimated cost for preliminary field work, preparation of a project feasibility report and design is \$65,000.

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/16/2020	Cover Memo
CIP Map	10/16/2020	Cover Memo

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION ESTABLISHING IMPROVEMENT PROJECT NO. 2021-07,
LYNDALE AVENUE AREA PAVEMENT REHABILITATION

WHEREAS, the City's Capital Improvement Program identifies specific streets for proposed infrastructure improvements in 2021; and

WHEREAS, the City Council has reviewed the scope of proposed improvements for the Lyndale Avenue Area; and

WHEREAS, the City Council desires to begin the process of information gathering and solicitation of public comments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. Improvement Project No. 2021-07, Lyndale Avenue Area Pavement Rehabilitation is hereby established.
2. Staff is directed to begin field work, contact property owners in the neighborhood to obtain comments and input and hold public informational meetings for property owners in the neighborhood where improvements are proposed.
3. The City Engineer shall prepare a project feasibility report for review by the City Council in the winter of 2020.
4. Estimated project costs for preliminary field work, geotechnical investigations and sewer televising costs are as follows:

<u>COST</u>	<u>AMOUNT</u>
Televising	\$ 5,000
Field Survey	\$ 10,000
Geotechnical/Drainage Investigation	\$ 5,000
<u>Preliminary Design and Plan Prep.</u>	<u>\$ 50,000</u>
Estimated Costs Total	\$ 70,000

RESOLUTION NO. _____

<u>REVENUES</u>	<u>AMOUNT</u>
Sanitary Sewer Utility Fund	\$ 13,000
Water Utility Fund	\$ 2,000
Storm Sewer Utility Fund	\$ 15,000
Street Reconstruction Fund	\$ 40,000
Estimated Revenues Total	\$ 70,000

October 26, 2020
Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:
and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Lyndale Avenue Improvements - 2021

The Lyndale Avenue project area extends from 57th Avenue to 55th Avenue and includes the 56th Avenue and 55th Avenue cul-de-sacs. The current project length is 1,905-feet. The neighborhood consists of 9 residential properties (R2 and R4).

Streets

The streets in the project area were constructed in 1985. The existing streets are 30-feet wide with concrete curb and gutter. Proposed improvements include 30 percent curb replacement and installation of new street pavement.

Water Main

The existing water main in the project area consists of 6-inch diameter DIP installed in 1978 and 1985. The water main is in good condition based on current maintenance records. The current project cost estimate includes replacement of miscellaneous valves and hydrants as necessary.



Sanitary Sewer

The existing sanitary sewer consists of 24-inch diameter RCP installed in 1959. This sanitary sewer line is the main trunk line that carries the sanitary flow from the eastern third of Brooklyn Center to a lift station on Lyndale Avenue south of 55th Avenue. The condition of the sanitary sewer in the neighborhood is rated fair. The current project cost estimate includes replacement of sanitary services and replacement of sanitary sewer castings. Cured-in-place lining of the trunk sanitary sewer may be necessary based on future televising inspections.

Storm Sewer

A substantial portion of the southeast section of the City drains through the trunk storm sewer located along 55th Avenue. The existing trunk storm sewer line consists of 36-inch diameter RCP installed in 1952. The remainder of the project area consists of 12-inch diameter to 18-inch diameter reinforced pipe installed in 1955 and 1985. The current project cost estimate includes replacing the storm sewer structure castings and isolated portions of lateral storm sewer as necessary.

Street Lighting

The current cost estimate includes replacing the three wood poles with three fiberglass poles with a cut-off type LED light fixture and underground power.

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Doran Cote, Director of Public Works

BY: Mike Albers, City Engineer

SUBJECT: Resolution Establishing Improvement Project Nos. 2021-08, 09, 010 and 11, Ryan Lake Industrial Park Area Street and Utility Improvements

Background:

In 2021, the City will be entering the 28th year of its long-range street and utility rehabilitation program, referred to as the Neighborhood Street and Utility Improvement Program. The program has consisted of a systematic rehabilitation and/or replacement of the City's aging infrastructure. This program has included the reconstruction of public streets, replacement of deteriorating water and sanitary sewer facilities and construction of new storm sewer and drainage facilities. In addition, other neighborhood improvements are often considered as part of the projects, including park and lighting, landscape and traffic control improvements.

In accordance with the City's Capital Improvements Plan (CIP), the area referred to as the Ryan Lake Industrial Park Area is programmed for improvements in 2021 (see attached map for specific street locations). At this time, staff requests that the City Council establish this street and utility improvement project so investigative engineering work may begin.

The Ryan Lake Industrial Park Area Street and Utility Improvements project area consists of approximately 0.25 miles of streets and utilities. The area consists of approximately 10 industrial properties (I) and 3 multi-family properties (R5). The project is expected to include complete replacement of existing water main, complete replacement of existing sanitary sewer and replacement of a majority of the storm drainage systems in the project area.

Typically, in order for a project to be completed within a specified calendar year, preliminary design must commence almost one year in advance. This includes initiation of the public notification and participation process that consists of informing affected property owners, conducting field surveys, at least one public informational meeting and an extensive amount of information and data collection.

Initial design also includes detailed technical engineering work, underground infrastructure inspections and assessments and soil/geotechnical investigations. Upon authorization by the City Council the following actions would take place:

- Collect data, including field surveys, review traffic counts and review maintenance records.
- Evaluate project in accordance with the City's Complete Streets Policy.
- Conduct storm sewer system and water main distribution system analyses.
- Conduct televised inspections of the sanitary and storm sewers and soil/geotechnical investigations.
- Conduct a public informational meeting in the winter of 2020 to present initial findings to the

neighborhood and gauge public interest in the improvement project.

- Prepare a feasibility report for review by the City Council. The City Council could then consider setting a date for the improvement hearing.

To date, the City has completed 100.9 miles of local street and utility reconstruction since initiating the Neighborhood Street and Utility Improvement Program. This represents approximately 95 percent of the total local roadways within Brooklyn Center.

Budget Issues:

The Ryan Lake Industrial Park Area Street and Utility Improvements project is identified in the City's CIP with a preliminary project cost estimate of \$1,410,000. The estimated cost for preliminary field work, preparation of a project feasibility report and design is \$120,000.

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/21/2020	Resolution Letter
Map	10/21/2020	Backup Material

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION ESTABLISHING IMPROVEMENT PROJECT NOS. 2021-08, 09, 10 AND 11, RYAN LAKE INDUSTRIAL PARK AREA STREET AND UTILITY IMPROVEMENTS

WHEREAS, the City's Capital Improvement Program identifies specific streets for proposed infrastructure improvements in 2021; and

WHEREAS, the City Council has reviewed the scope of proposed improvements for the Ryan Lake Industrial Park Area; and

WHEREAS, the City Council desires to begin the process of information gathering and solicitation of public comments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. Improvement Project Nos. 2021-08, 09, 10 and 11, Ryan Lake Industrial Park Area Street and Utility Improvements are hereby established.
2. Staff is directed to begin field work, contact property owners in the neighborhood to obtain comments and input and hold public informational meetings for property owners in the neighborhood where improvements are proposed.
3. The City Engineer shall prepare a project feasibility report for review by the City Council in the winter of 2020.
4. Estimated project costs for preliminary field work, geotechnical investigations and sewer televising costs are as follows:

<u>COST</u>	<u>AMOUNT</u>
Televising	\$ 5,000
Field Survey	\$ 15,000
Geotechnical/Drainage Investigation	\$ 10,000
<u>Preliminary Design and Plan Prep.</u>	<u>\$ 90,000</u>
Estimated Costs Total	\$120,000

RESOLUTION NO. _____

<u>REVENUES</u>	<u>AMOUNT</u>
Sanitary Sewer Utility Fund	\$ 19,000
Water Utility Fund	\$ 27,000
Storm Sewer Utility Fund	\$ 22,000
Street Reconstruction Fund	\$ 52,000
Estimated Revenues Total	\$ 120,000

October 26, 2020
Date

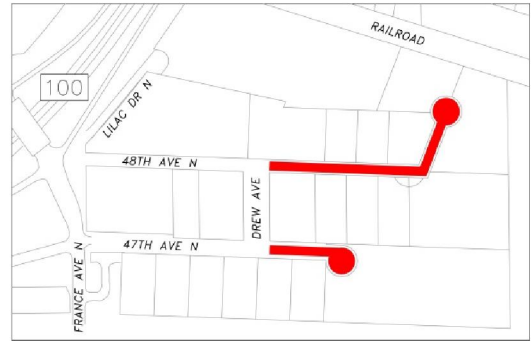
Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:
and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Ryan Lake Industrial Park Area Improvements - 2021

The Ryan Lake project area includes 48th Avenue and Dusharme Drive from Drew Avenue to the dead end and 47th Avenue from Drew Avenue to the dead end. The total project length is 1,288-feet. The neighborhood consists of approximately 10 industrial properties and three multi-family properties (R5).



Streets

The majority of the streets in the project area were originally constructed in 1958 and 1960. The western portion of 47th Avenue and Drew Avenue were reconstructed in 2002. The western portion of 48th Avenue was reconstructed in 2005. The remaining street sections are 30 to 45-feet wide with no curb and gutter. The street pavement is deteriorated and in poor condition. Proposed street improvements consist of the reconstruction of the street subgrade, installation of curb and gutter to improve drainage and placement of bituminous street pavement.

Water main

The existing water main on 48th Avenue and Dusharme Drive consists of 10-inch diameter CIP installed in 1958. The water main on 47th Avenue consists of 6-inch CIP installed in 1960. Water records indicate no main breaks have occurred within the neighborhood. The current project estimate assumes complete replacement of the water main in the project area. The cost estimate also includes the cost of jacking new water main under the railroad tracks from Dusharme Drive to 49th Avenue.

Sanitary Sewer

The sanitary sewer in the project area consists of 8-inch diameter VCP installed in 1960. The sanitary sewer along 47th Avenue and Dusharme Drive is subjected to frequent problems with root intrusion. Root sawing must be performed on an annual basis to maintain the system conveyance capacity. The condition of the sanitary sewer system within the neighborhood is rated as fair to poor. Complete replacement of all sanitary sewer pipes and access structures are proposed as part of the project.

Storm Sewer

All of the storm water runoff from the project area is collected in the existing storm sewer system and conveyed to Ryan Lake. The current project cost estimate assumes reconstruction of all the existing storm sewer system. The cost estimate also includes installation of a small storm water management pond at the intersection of 48th Avenue and Dusharme Drive within City owned property adjacent to Ryan Lake.

Street Lighting

The existing street light system is overhead power, with wood poles and a cobra head light fixture. The current cost estimate includes replacing the two wood poles with two fiberglass poles with a cut-off type LED light fixture and underground power.

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Meg Beekman, Community Development Director

BY:

SUBJECT: Resolution Authorizing a Sewer Availability Charge (SAC) Reduction Policy

Background:

The Metropolitan Council Environmental Services (MCES) Sewer Availability Charge (SAC) is a charge to customer communities, such as Brooklyn Center, for the reserved capacity costs of the metropolitan disposal system. The fee is charged by the Metropolitan Council directly to local governments at the time of building permit issuance based on estimated sewer use of new or expanded uses. In most cases, cities pass the fee directly through to the contractor, business owner, or developer of new or expanded use. SAC fees are charged when a residential, commercial, industrial or institutional property first connects to the regional wastewater system. SAC charges may also occur when a business grows or changes and creates a higher demand on the wastewater system.

When new development occurs there is a designated SAC fee set by the Met Council based upon the proposed use and size of that use. The Met Council calculates the number of SAC units each use will be required to have, and the fee is based on a set charge per unit. For example, a new single family residential home would have a SAC charge of 1 unit, while a new restaurant may have a SAC charge of 25 units. The 2020 rate for one SAC unit is \$2,485. Those SAC units, once paid by the city, stay with the property in perpetuity.

If at some point in the future, a building is demolished, a city would be able to reclaim a portion of preexisting SAC units on that property to be used elsewhere in the city; converting them into city-wide SAC credits. City-wide credits are paid-for credits that can be used throughout the entire city. City-wide credits can only be captured at the time a demolition permit is pulled or at the time a building permit for new construction is issued. Once a city has captured city-wide credits, they can be used as a means to reduce SAC charges for other development in the city, but they don't have to be used that way.

The City of Brooklyn Center made a practice of capturing city-wide SAC credits in the past; however, rule changes at the Met Council, along with staff changes meant that this has not been common practice for approximately the last ten years. There are EDA-owned parcels, which are currently vacant that contain unused SAC units. Current increases in development interest on many of these parcels has meant that the City has the potential to capture numerous credits and create a SAC Credit Program. Based on recent conversations with the Metropolitan Council, the properties which have the highest number of designated city-wide credits are the parcels located within the Opportunity Site and 1601 James Circle; however, the recent Casey's project also presented an opportunity to reclaim SAC credits.

The City currently has 31.99 SAC credits from excess units that were collected when the Casey's convenience store was developed on a former restaurant site. Staff is seeking direction on a policy for the

use of these credits.

Hypothetical Example

A restaurant bought and developed a parcel of land within a city. At the time of development, the restaurant's contractor paid the required 35 SAC units as determined by the Metropolitan Council. After 10 years, the restaurant closes and sells the building and land to a developer interested in redeveloping the site into retail. The retail center only requires 10 SAC units. At the time of demolition, the city's building official designates the remaining 25 SAC units on the site as city-wide credits. The Metropolitan Council issues the city-wide SAC credits in the form of a credit on the city's monthly SAC report and billing statement. With a SAC Credit Policy in place, eligible businesses looking to start or expand in the city would be able to apply for SAC fee relief at the time building permits are issued.

Proposed SAC Credit Policy

While the Metropolitan Council does not regulate how the credits must be used, staff has prepared a SAC Credit Policy that supports new and expanding small businesses in the community. The City currently has tools in place to incentivize new development, such as TIF; however, there are fewer tools to support small businesses. Once a building is constructed, it is common for tenants to be responsible for tenant improvements such as bathrooms and kitchen fixtures. These types of permits often are accompanied by SAC fees, which can be costly to small businesses and add up quickly.

The proposed policy would provide up to half of an eligible businesses SAC units, with a maximum of 3 units, as an incentive to opening or expanding their business in Brooklyn Center. The program focuses on small businesses with an emphasis on female, minority owned and DBE businesses. The full policy is attached to this memo.

The City Council reviewed the draft policy at their September 24 meeting and directed staff to work with the City Attorney to bring back a final policy for consideration.

ATTACHMENTS:

Description	Upload Date	Type
Sewer Availability Charge (SAC) Reduction Policy	10/20/2020	Backup Material
September 14, 2020 Work Session Minutes	10/20/2020	Backup Material



Sewer Availability Charge (SAC) Reduction Policy

Purpose: This policy aims to reduce the barriers to starting and expanding a business and completing strategic development or redevelopment projects in the City by reducing the number of Sewer Availability Charge (SAC) fees a qualified business or project is obligated to pay. It is the policy of the City of Brooklyn Center to pool paid SAC credits from demolished buildings where another use on the property is not planned within one year of demolition. The pooled credits can act as an economic development tool which can be offered to businesses and other qualified projects looking to start or expand in Brooklyn Center.

Brooklyn Center Pooling Credit Policy

A. Demolished properties that will not be rebuilt upon: If a property is demolished and there is no plan for development such as, but not limited to, property used for a roadway project, then the City will pool the SAC credits (when available) at the time the demo permit is issued.

B. Demolished property that could be rebuilt upon: If a property is demolished and development is not anticipated to occur or does not occur within one year, the City will pool the SAC (when available) credits at the time the demolition permit is issued or within a year from the issuance of demolition permit by appealing to the Met Council.

C. Net Credit addition: SAC credit(s), based on SAC previously paid, over the amount needed on a site being redeveloped. The City will accumulate these credits throughout the community as community-wide credits, to be used in any part of the community. These credits also may be retained for future use on a site from which they are derived (site-specific) when certain situations apply.

Business Fee Reduction

This policy aims to credit up to half of the SAC units incurred by an eligible project as assessed by the Metropolitan Council with a maximum of three (3) credits issued by the City of Brooklyn Center. For example, if a business is assessed 5 SAC units it would be eligible for a SAC fee reduction of 2.5 credits. With approval from the EDA, more credits can be awarded if the project demonstrates a financial need.

An eligible business must:

- a. Have been assessed at least 3 SAC units for a new business or assessed 1 SAC credit for an expanding business and
- b. Be owned (at least 25% stake) by a resident(s) of the seven-county metro area.
- c. Be an independently owned franchise, restaurant, or other commercial business
- d. Meet at least ONE of the additional requirements below:

- i. Businesses currently operating in the city and are planning to expand in order to add more capacity for employment (same or new location in Brooklyn Center)
- ii. Small businesses (25 or fewer full-time equivalent employees)
- iii. Business owned (at least 25% stake) by a woman, or be a certified Minority Business Enterprise, Woman Owned Business Enterprise, Disadvantaged Business Enterprise

Program Administration: Awards of credits - the policy will be administered by EDA staff with the Executive Director of the EDA signing-off on all final awards. Awards of credits in outside the parameters of this policy will be subject to the approval of the EDA.

Mayor Elliott asked whether Minnesota Department of Transportation (MnDOT) representatives had joined the meeting for the Highway 252 discussion.

Mr. Boganey stated MnDOT staff were informed that the Highway 252 update would be addressed close to the end of the meeting during the Work Session.

Mayor Elliott asked whether City residents involved in the Highway 252 Task Force were made aware of this Agenda item. Mr. Boganey stated he is not aware if direct contact was made with the residents.

Mayor Elliott stated that residents who have an interest in a particular discussion or project should be informed when there is a meeting agenda item. He noted the Highway 252 Task Force, in particular, should be notified when Highway 252 is a topic for discussion at a City Council meeting. Mr. Boganey agreed to provide notice to the task force.

Councilmember Lawrence-Anderson stated there is a meeting conflict on Tuesday, September 15, 2020. She added she plans to join the Housing Commission meeting, at which the Fair Housing Policy will be discussed with attorneys from Kennedy & Graven. She asked whether it would be acceptable if she leaves the Budget Work Session at 7:10 p.m. to join the Housing Commission meeting. Mayor Elliott agreed.

Mayor Elliott requested that City Staff ensure that meetings do not overlap. He added all the City Councilmembers serve on different committees and scheduling two meetings on the same night causes conflicts. He noted the City Council may want to take a recess from the Budget Work Session to participate in the Housing Commission meeting.

Mr. Boganey stated City Staff will ensure that the Housing Commission meeting is recorded so the City Council can view the discussion.

DISCUSSION OF WORK SESSION AGENDA ITEMS AS TIME PERMITS

SAC CREDIT POLICY

Economic Development Coordinator Jimmy Loyd reviewed the City's proposed SAC Credit Policy, through which businesses and property owners are able to use credits that have been captured by the City when a property's sewer access changes. He added credits run with the land. He noted the Sewer Access Charge (SAC) is a one-time fee that the Met Council charges local governments when a property is connected to the regional wastewater system or a business increases their demand for the wastewater system.

Mr. Loyd stated, under the proposed policy, the City would provide up to half of a business' SAC units as an incentive to open or expand their business in Brooklyn Center. He added the program would focus on businesses owned by women; black, indigenous, and person of color (BIPOC) businesses; and locally owned businesses.

Mr. Loyd stated City Staff recommends that the City Council/EDA consider adoption of the proposed SAC Credit Policy.

Mr. Loyd stated one SAC credit is approximately \$2,450, and the fee is paid by the business owner. The fee is paid to the City, and the City pays the Met Council. With leftover SAC credits, the City can support local businesses by offsetting the value of SAC credits as a concession incentive. It is hoped that this program will establish a protocol for helping small businesses in other ways as well.

Mr. Loyd stated the City currently has 31.9 credits, or approximately \$70,000.

Mayor Elliott asked whether the SAC credits are used to offset the costs of providing sewer lines, and for the Met Council to recoup costs of operations. Mr. Loyd confirmed this.

Mayor Elliott stated this policy will be a tool that the City can use to help disadvantaged businesses. He added, as he has mentioned in the past, studies have shown that 70% of Minnesota's future economic growth will come from businesses in its communities of color. He added the City is well-positioned to provide support for those businesses by being intentional using the tools at its disposal. He noted the proposed policy is well-regarded and aligns with the City Council's objectives.

Councilmember Graves stated she remembers that this program was reviewed by the City Council in the past. She added she is excited to move this forward, as it will be a good resource for the City's small businesses. She noted she is comfortable with the proposal.

Councilmember Ryan stated he is in favor of an approval of the direction of this policy recommendation.

Mr. Boganey stated, for additional clarification, the sewer access charge that an original owner is required to pay is based on an assumption that the Met Council must build systems that are large enough to serve the region. He added the SAC charge runs with the land, but the credits are used to ensure that the regional system is large enough to serve the entire City of Brooklyn Center, and not a specific location.

Mayor Elliott requested these cases should be reviewed by the City Council to ensure that execution of the policy is meeting its intended outcomes and goals.

Mayor Elliott stated the City of Oakland recently released their economic development strategy, which includes a focus on entrepreneurship to build wealth in communities of color. He added he recommends that the City of Brooklyn Center consider employing some of the different tools and strategies used in Oakland to achieve its outcomes and goals.

ADJOURN STUDY SESSION TO INFORMAL OPEN FORUM WITH CITY COUNCIL

Mayor Elliott adjourned the Study Session to Informal Open Forum at 6:47 p.m.

RECONVENE STUDY SESSION

Mayor Elliott reconvened the Study Session at 6:49 p.m.

SAC CREDIT POLICY - continued

Mayor Elliott asked whether the City Council had any additional comments or questions regarding the SAC Credit Policy.

There were no questions or comments.

ADJOURNMENT

Mayor Elliott adjourned the Study Session at 6:52 p.m.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed City Clerk of the City of Brooklyn Center, Minnesota, certifies:

1. That attached hereto is a full, true, and complete transcript of the minutes of the Study Session from the City of Brooklyn Center City Council held on September 14, 2020.
2. That said meeting was held pursuant to due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the City Council adopted said minutes at its September 28, 2020, Regular Session.



City Clerk



Mayor

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Mark Ebensteiner, Finance Director

SUBJECT: Fourth Amendment to the Easements with Covenants and Restrictions Affecting Land within Shingle Creek Crossing

Background:

The Liquor Store #1 property located within Shingle Creek Crossing is owned by the City and is subject to various easements, covenants, and restrictions that relate to various common elements such as parking lots, access roads, landscaping, etc. One of the documents that the City's Liquor Store property is subject to is called "Easements with Covenants and Restrictions Affecting Land" ("ECR"). This ECR has been amended several times since it was put into place back in 2011, and is now being amended again for the fourth time. Since the ECR affects the City's Liquor Store property, the City as property owner needs to consent to it and that is why the City Council is being asked to approve it.

The document is being amended so that the owners of outparcels within the development may opt to take over maintenance of the common areas on their particular outparcels so long as they obtain the consent of the Maintenance Director. This is being done to allow for Wal-Mart to take over the maintenance of its outparcel. Wal-Mart has constructed additional building improvements, parking spaces, a canopy, and directional signage for the implementation and operation of its online Pickup program. This amendment to the ECR allows Wal-Mart to be able to make these improvements without having to obtain the consent of the other parties to the ECR. Wal-Mart would then be responsible for taking care of the maintenance of these improvements. This will overall reduce the City and other property owners' proportionate share of the maintenance costs that they are obligated to pay under the ECR.

It should be noted that by giving this consent, the City is operating in its capacity as a property owner and *not* in its capacity as the zoning/land use authority. Any improvements that are desired by Wal-Mart (or any other property owner that wishes to utilize this new provision of the ECR) will still need to obtain any City approvals that may be applicable with respect to the desired improvements (i.e. site plan, special use permit, etc.), assuming that they are allowed by the City Code. By consenting to this amendment to the ECR, the City is by no means approving any land use approvals that may be necessary in this situation or any future situations.

Budget Issues:

None to consider at this time.

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Fourth Amendment to ECR	10/20/2020	Backup Material

**FOURTH AMENDMENT TO
EASEMENTS WITH COVENANTS AND
RESTRICTIONS AFFECTING LAND**

This Fourth Amendment to Easements with Covenants and Restrictions Affecting Land (this “Amendment”) is made as of the __ day of _____, 2020 by and between SHINGLE CREEK, LLC, a Delaware limited liability company (“Developer”) and WAL-MART REAL ESTATE BUSINESS TRUST, a Delaware statutory trust (“Anchor”).

WHEREAS, on or about June 28, 2011, Developer and Anchor executed a document entitled Easements with Covenants and Restrictions Affecting Land dated as of June 28, 2011 and recorded in the Office of the Hennepin County Registrar of Titles on June 30, 2011 as Doc. No. T4868197 (the “Original ECRs”). On or about August 22, 2014, Developer and Anchor executed a document entitled First Amendment to Easements with Covenants and Restrictions Affecting Land dated as of August 22, 2014 and recorded on September 9, 2014 in the Office of the Hennepin County Registrar of Titles as Document No. T05198198 (the “First Amendment”). On or about February 15, 2018, Developer and Anchor executed a document entitled Second Amendment to Easements with Covenants and Restrictions Affecting Land and Declaration of Restrictions dated as of February 15, 2018 and recorded on February 21, 2018 in the Office of the Hennepin County Registrar of Titles as Document No. T05512737 (the “Second Amendment”). Developer and Anchor have executed a document entitled Third Amendment to Easements with Covenants and Restrictions Affecting Land and Declaration of Restrictions dated as of November __, 2020 and together with the Original ECRs, the First Amendment, and the Second Amendment, the “ECRs”).

WHEREAS, capitalized terms used in this Amendment, but not otherwise defined herein, shall have the meanings set forth in the ECRs.

WHEREAS, Section 6.5(20) of the ECRs permits Majors to take over the Maintenance of the Common Areas on their Tract or Outparcel.

WHEREAS, Developer wants to modify the ECRs to permit the owner of any Outparcel to take over the Maintenance of the Common Areas on their Outparcel, even if such owner is not a Major, provided such owner obtains the consent of the Maintenance Director.

WHEREAS, Section 15 of the ECRs authorizes Anchor, as the “Anchor” and Developer as the “Developer” to modify the ECRs.

NOW THEREFORE, for and in consideration of the terms of this Amendment, the sufficiency of which is hereby acknowledged, Developer and Anchor do hereby agree as follows:

1. Limitations on Use-- A new section 5.2 (4) to be added as follows:

“Notwithstanding anything to the contrary contained in the ECR, the Parties hereto acknowledge that Walmart may implement an on-line grocery pickup program pursuant to which customers will order grocery products and other general merchandise online for pickup within a vehicular pickup area to be constructed and operated on the Anchor Tract (the "Online Grocery Pickup Program"). As part of such Online Grocery Pickup Program, Walmart may construct additional building improvements as part of the Building currently located on the Anchor Tract, together with designated vehicular parking spaces that may be covered by a canopy and directional signage all of which will be required by Walmart for the implementation and operation of such Online Grocery Pickup Program. In connection with the foregoing, all parties hereby acknowledge and agree that Walmart shall have the right to construct and install the following improvements on the Anchor Tract in connection with the implementation and operation of its Online Grocery Pickup Program without the requirement of further consent or approval of the Parties, or their successors or assigns:

(a) Expansion of the Building on the Anchor Tract of up to 2,500 square feet, which expansion shall be deemed to be within the Building Area;

(b) The installation and designation of vehicular parking spaces and a canopy required in connection with the operation of such Online Grocery Pickup Program; and

(c) The installation and maintenance of signage necessary to operate such Online Grocery Pickup Program including but not limited to pavement markings, parking lot signage, and updating building colors, signage, and elevations in accordance with Walmart’s current branding which may change from time to time.”

2. Maintenance Standards. Anchor and Developer agree that the first sentence of Section 6.5(1) of the ECRs is hereby replaced in its entirety with the following sentence:

“Following completion of any improvements on the Common Areas and subject to the right of a Major to take over maintenance of the Common Areas (other than the Maintenance Tract) on the Major’s Tract or Outparcel and the right of other Outparcel Owners, with the Maintenance Director’s consent, to take over maintenance of the Common Areas (other than the Maintenance Tract) on such Owner’s Outparcel as set forth in Section 6.5(20), the Maintenance Director shall maintain the Common Areas, excluding the Common Areas located on the Anchor Tract which are not part of the Maintenance Areas, which shall be maintained by Anchor, in good condition and repair, including any portions of the Common Areas included within the Maintenance Tract and Maintenance Areas.”

3. Appointment of Maintenance Director. Anchor and Developer agree that the first sentence of Section 6.5(5) of the ECRs is hereby replaced in its entirety with the following language:

“Anchor and Developer hereby recognize, approve and appoint Developer as the Maintenance Director of the Common Areas, including but not limited to the Maintenance Areas, and, in such capacity, the Maintenance Director shall have (and is hereby given) the full right and authority to operate, control and maintain the Maintenance Tract and the right to maintain the Common Areas, including the Maintenance Areas, subject to the provisions of this Agreement including, without limitation, the provisions of Section 6.5(20).”

4. Proportionate Share. Anchor and Developer agree that the first sentence of Section 6.5(13)(a) of the ECRs is hereby replaced in its entirety with the following sentence:

“The proportionate share of Maintenance Area Maintenance Expenses is to be borne and paid (quarterly or monthly) in accordance with Section 6.5(12), by the Owners of the Anchor Tract, the Developer Tracts and the Outparcels (subject to the rights of Majors to maintain the Common Areas (other than the Maintenance Tract) on the Major's Tract or Outparcel and the rights of other Outparcel Owners, with the consent of the Maintenance Director, to maintain the Common Areas (other than the Maintenance Tract) on their Outparcel as set forth in Section 6.5(20) of this Agreement) in the same ratio that the number of acres or portion thereof in such Tract or Outparcel, less those portions of such Tract or Outparcel consisting of Maintenance Areas, bears to the total number of acres contained in all such Tracts and Outparcels, as such ratios are set forth in Exhibit H attached hereto.”

5. Proportionate Share. Anchor and Developer agree that the first sentence of Section 6.5 (13)(b) of the ECRs is hereby replaced in its entirety with the following sentence:

“The proportionate share of Common Area Maintenance Expenses is to be borne and paid (quarterly or monthly) in accordance with Section 6.5(12), by the Owners of the Developer Tracts and the Outparcels (subject to the rights of Majors to maintain the Common Areas (other than the Maintenance Tract) on the Major's Tract or Outparcel and the rights of other Outparcel Owners, with the consent of the Maintenance Director, to maintain the Common Areas (other than the Maintenance Tract) on their Outparcel as set forth in Section 6.5(20) of this Agreement) in the same ratio that the number of acres or portion thereof in such Tract or Outparcel bears to the total number of acres contained in all such Tracts and Outparcels, as such ratios are set forth in Exhibit H attached hereto. The Owner of the Anchor Tract shall have no responsibility for any of the Common Area Maintenance Expense.”

6. Proportionate Share. Anchor and Developer agree that the first sentence of Section 6.5 (13)(c) of the ECRs is hereby replaced in its entirety with the following sentence:

“If a Major (or an Owner of an Outparcel, with the Maintenance Director's consent) elects to maintain the Common Areas on the Major's Tract or Outparcel, then the denominator for purposes of calculating the expenses for the Common Areas or Maintenance Areas shall be reduced by the number of acres in the Majors Tract or Outparcel or the Outparcel Owner's Outparcel, as applicable.”

7. Rights of Majors to take over Maintenance of Common Area on their Tracts or Outparcels. Anchor and Developer agree that Section 6.5(20) of the ECRs is hereby replaced in its entirety with the following language:

“(20) Rights of Majors and Owners to take over Maintenance of Common Area on their Tracts or Outparcels. Notwithstanding anything to the contrary set forth above, a Major, or, with the consent of the Maintenance Director, an Owner of any Outparcel, shall have the right to take over the Maintenance of the Common Areas (other than any Maintenance Tract) on their Tract or Outparcel by delivering written notice of its election to the Maintenance Director and, in such case, the Maintenance Director shall, as of the date which written notice is delivered (and in the case of a non-Major owned Outparcel, the date the Maintenance Director consents to the same), cease to maintain such areas and such electing Owner shall then be responsible for the maintenance of the Common Area (other than the Maintenance Areas) on its Tract or Outparcel in accordance with the Maintenance Standards set forth above and the electing Owner shall have no further obligation to pay the maintenance expenses attributable to the Common Areas but shall continue to be obligated to pay the maintenance expenses attributable to the Maintenance Areas and the Common Utility Facilities. If a Major or an Owner of an Outparcel (or any predecessor in title to such Major or Owner) has elected to take over the Maintenance of the Common Areas on their Tract or Outparcel as permitted above, the Major or, with the consent of the Maintenance Director, the Owner may require the Maintenance Director to take back over the maintenance of the Common Area located on the Major or Owner’s Tract or Outparcel, in which case all the provisions set forth above shall again apply. If the Maintenance Director consents to a non-Major Owner taking over the Maintenance of the Common Areas on such Owner’s Outparcel, the Maintenance Director may not thereafter revoke such consent without the prior written consent of the Owner of such Outparcel.”

8. Ratification of ECR. Except as amended by this Amendment the ECRs remain unmodified and in full force and effect.

9. Defined Term. From and after the execution and recording of this Amendment, the terms “ECRs” and “Agreement,” as used in the ECRs mean the ECRs as amended by this Amendment.

10. Counterparts. This Amendment may be signed in any number of counterparts, and signatures to all counterparts hereto, when assembled together, shall constitute signatures to this entire Amendment with the same effect as if all signatures were on the same document.

(signature page follows)

IN WITNESS WHEREOF, the parties have executed this Amendment as of this ____ day of _____, 2020.

WAL-MART REAL ESTATE BUSINESS
TRUST, a Delaware statutory trust

By: _____
Name: _____
Its: _____

STATE OF ARKANSAS)
)SS:
COUNTY OF BENTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____, the _____ of Wal-Mart Real Estate Business Trust, a Delaware statutory trust, on behalf of the trust.

Notary Public

IN WITNESS WHEREOF, the parties have executed this Amendment as of this ____ day of _____, 2020.

SHINGLE CREEK, LLC,
a Delaware limited liability company

By: _____
Franklin C. Gatlin III
Its: President

STATE OF FLORIDA)
)SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Franklin C. Gatlin III, the President of Shingle Creek, LLC, a Delaware limited liability company on behalf of the limited liability company.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Taft, Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
(612) 977-8400 (MGW)

**CONSENT OF THE
CITY OF BROOKLYN CENTER, MINNESOTA**

The undersigned, the City of Brooklyn Center, Minnesota, a Minnesota municipal corporation, in accordance with Section 25 of that certain Easements with Covenants and Restrictions Affecting Land by and between Shingle Creek, LLC, a Delaware limited liability company ("Developer") and Wal-Mart Real Estate Business Trust, a Delaware statutory trust ("Anchor") dated June 28, 2011 and recorded as Document No. T4868197 in the Office of the Registrar of Titles, Hennepin County, Minnesota (the "Land Records"), hereby consents to the execution and recording in the Land Records of the above Fourth Amendment to Easements with Covenants and Restrictions Affecting Land by Developer and Anchor.

**CITY OF BROOKLYN CENTER,
MINNESOTA,**
a Minnesota municipal corporation

By: _____
Name: _____
Its: _____

(Seal)

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____, the _____, and _____, the _____ of the City of Brooklyn Center, Minnesota, a Minnesota municipal corporation, on behalf of said municipal corporation.

Notary Public

CONSENT OF ORIX PUBLIC FINANCE, LLC
(Mortgagee)

ORIX Public Finance, LLC, a Delaware limited liability company (the “Mortgagee”), whose address is 1717 Main Street, Suite 1000, Dallas, TX 75201, is the holder and owner of that certain Mortgage (with Assignment of Leases and Rents, Security Agreement and Fixture Filing) dated March 10, 2015 and recorded in the office of the Hennepin County Registrar of Titles (the “Land Records”) on March 11, 2015 as Document No. T05239434 (the “Mortgage”), given by Shingle Creek, LLC, a Delaware limited liability company (the “Mortgagor”), to secure certain indebtedness of the Mortgagor to the Mortgagee under that certain Loan and Security Agreement dated as of March 10, 2015 by and between the Mortgagor and the Mortgagee as modified by the certain Settlement Agreement and Modification to Loan Documents dated October __, 2019 (the “Loan Agreement”). Pursuant to Section 5.1.5(d)(xv) of the Loan Agreement, the Mortgagor may not amend the Easements with Covenants and Restrictions Affecting Land dated as of June 28, 2011 and recorded in the Office of the Hennepin County Registrar of Titles on June 30, 2011 as Doc. No. T4868197 as amended by a First Amendment to Easements with Covenants and Restrictions Affecting Land dated as of August 22, 2014 and recorded on September 9, 2014 in the Office of the Hennepin County Registrar of Titles as Document No. T05198198 and as further amended by a Second Amendment to Easements with Covenants and Restrictions Affecting Land and Declaration of Restrictions dated as of February 15, 2018 and recorded on February 21, 2018 in the Office of the Hennepin County Registrar of Titles as Document No. T05512737 (collectively the “ECRs”) without the Mortgagee’s prior written consent.

The Mortgagee hereby consents to Mortgagor’s execution of the Fourth Amendment to Easements with Covenants and Restrictions Affecting Land to which this consent is attached and hereby agrees that all of the Mortgagee’s interests in the property subject to the Mortgage pursuant to the Mortgage and the Loan Agreement and any other related documents is and shall be subject to the terms and provisions of the Fourth Amendment to Easements with Covenants and Restrictions Affecting Land.

ORIX PUBLIC FINANCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____, the _____ of ORIX Public Finance, LLC, a Delaware limited liability company, on behalf of said company.

Notary Public

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Cornelius Boganey, City Manager

SUBJECT: Resolution Adopting an Amendment to the City Council Code of Policies Regarding Accessing City Attorney Services for Council Policy Development

Background:

At the Council work session held on October 12th 2020, there was consensus to adopt and amendment to City Council policies governing individual Council Access to the office of the City Attorney. A copy the proposed policy is attached for your consideration

Budget Issues:

The are no budget issues to consider.

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/21/2020	Resolution Letter
minutes. excerpt	10/21/2020	Cover Memo

Member
resolution and moved its adoption:

introduced the following

RESOLUTION NO. 2020-____

RESOLUTION ADOPTING AN AMENDMENT TO CITY COUNCIL CODE OF
POLICIES REGARDING ACCESSING CITY ATTORNEY SERVICES FOR COUNCIL
POLICY DEVELOPMENT

WHEREAS, the City Council discussed at its work sessions on September 28, 2020 and October 12, 2020 the issue of the Mayor and Councilmembers accessing the services of the City Attorney regarding the development of Council policy prior to the matter being discussed by the Council at a work session; and

WHEREAS, the City Council has adopted the City Council Code of Policies (“Code of Policies”) to address various items related to how the City Council conducts its business; and

WHEREAS, the Code of Policies makes limited reference to Councilmembers working directly with the City Attorney and does not address utilizing the services of the City Attorney to assist on policy matters that have not been discussed or given direction on by the City Council at a work session; and

WHEREAS, the City Council determines it is in the City’s best interests to amend the Code of Policies to specifically address the Mayor and Councilmembers accessing the services of the City Attorney on policy matters prior to them coming before the City Council.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Brooklyn Center as follows:

1. The Code of Policies is hereby amended by adding a new Section 2.08 Policy on Access to City Attorney for Council Policy Development, as shown on the attached Exhibit A, which is incorporated in and made part of this Resolution.
2. The City Manager and staff are authorized and directed to insert the new Section 2.08 into the Code of Policies, including updating the table of contents, and said updated document shall constitute the official Code of Policies.

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:
and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

EXHIBIT A
Language of New Section 2.8

2.08 Policy on Access to City Attorney for Council Policy Development

1. Purpose

This policy is intended to serve as guidance to both Council Members and the City Attorney on accessing City Attorney services for the development of Council Policy initiatives. Work by the City Attorney on Council Policy matters typically occurs at the request of City Staff in the preparation of matters to be presented to the City Council for direction, or at the direction of the City Council after discussion on the matter at a meeting. For the purposes of this policy, "Council Policy" means matters within the power and authority of the City Council under the City Charter, City Code, or state law to decide on behalf of the City. This policy is not intended to infringe upon the authority or responsibilities delegated to the Mayor or City Council under the City Charter, City Code, or state law.

2. Policy

- A. Council Members, including the Mayor, may contact the City Attorney as needed for general informational purposes or with specific questions on issues related to the exercise of their duties such as on the application of the law regarding the open meeting law, gifts, conflicts of interest, incompatible positions, liability, etc.
- B. Council Members, including the Mayor, may contact the City Attorney for the purpose of requesting assistance with the development of Council Policy including, but not limited to, the following:

 - 1. To gain a general understanding of the legal implications of a potential City Policy initiative;
 - 2. To request preparation of a draft Council Policy initiative, including new or amended City Policy, to be presented to the City Council;
 - 3. To request the preparation or review of a new or amended City ordinance; or
 - 4. To request the preparation or review of a new or amended Council resolution.

C. Council Members should be mindful of the costs associated with direct inquiries to the City Attorney and so should limit the use of that resource by being as efficient as practical in such contacts.

D. The requirements of this policy are as follows:

1. The City Attorney shall provide a report to the City on a quarterly basis of the time and costs associated with responding to individual Council Member requests made under this policy;
2. The City Attorney shall inform the City Manager of the Council Policy matters initiated by individual Council Members under this policy and the City Manager shall assess the administrative impacts or policy implications of the proposed Council Policy; and
3. Any Council Policy matter initiated by a Council Member under this policy shall be placed on a Council work session agenda with sufficient advanced public notice for review, deliberation, and direction by the City Council.

SCHEDULE WORK SESSION TO DISCUSS HOUSING POLICY TOPICS

Community Development Deputy Director/HRA Specialist Jesse Anderson stated City Staff would like to schedule a session with the City Council to discuss the City's housing policy. He added this discussion, facilitated by Dr Lewis with Research in Action, would include City Staff, Ehlers Consulting staff, Haila Maze from Bolton Menk, and others.

Mr. Anderson stated City Staff is suggesting either November 10 or November 16, 2020, from 5:00-8:00 p.m. or 6:00-9:00 p.m.

Councilmembers/Commissioners Graves, Lawrence-Anderson, Butler and Ryan agreed that November 16, 2020 from 5:00-8:00 p.m. would work.

Mayor/President Elliott stated he is unavailable that evening as he is leading a training session. He suggested November 30, 2020.

It was the majority consensus of the City Council instruct City Staff to schedule a Housing Policy discussion on November 30, 2020 from 5:00-8:00 p.m.

Mr. Anderson stated he would confirm the date and time with the other people involved in the discussion, and report back if necessary.

POLICY REGARDING INDIVIDUAL COUNCILMEMBER'S ACCESS TO CITY ATTORNEY

Mayor/President Elliott requested feedback and comment from the City Council on the draft policy regarding access to the City Attorney.

Councilmember/Commissioner Ryan stated, upon further reflection, this issue relates to a recent development that the Mayor/President has made a request for a senior policy aide. He added he is changing his position and regrets not being firm enough in saying no to the Mayor/President's request for direct access to the City Attorney. He noted he fails to see any instance when the City Council have not been adequately served under the previous arrangement.

Councilmember/Commissioner Ryan stated, in the interests of efficient, effective management of our limited staff resources, the City Council should continue the practice of directing legal inquiries to the City Manager, in the same way that other inquiries related to City business from the City Council are handled. He added the City Council should endorse the previous practice, which he sees as a precedent, through a formal policy statement, requiring that City Council access to the City Attorney must be through the City Manager. He noted he assumes there is not a consensus on this issue, but he wanted to make it clear that it is his position.

Councilmember/Commissioner Butler stated she stands by her previous comments. She added she believes it is fine for Councilmember/Commissioners to reach out to the City Attorney as long as there are no budget issues or capacity issues. She noted she thinks the policy is fine.

Councilmember/Commissioner Lawrence-Anderson stated she likes the policy as written, particularly Item D3, related to policy requests or alterations which must be discussed by the City Council before consulting the City Attorney and incurring fees. She added specific legal questions are fine, but if full City Council direction is not sought before someone proposes a policy and the City Council decides not to pursue it, unnecessary costs will have already been incurred. She noted she supports having the City Council discuss policy issues at work session first, and then referring the issue to City Staff and the City Attorney. She stressed the importance of everyone on the City Council being on the same page.

Councilmember/Commissioner Graves stated City Staff did a good job of capturing the consensus in the City Council's previous discussion. She added City Manager Curt Boganey would like to be recognized and she is curious to hear what he has to say.

City Manager Curt Boganey stated, to Councilmember/Commissioner Grave's comment, City Staff's goal with drafting this policy was to capture the essence of the City Council's conversation at the last meeting.

Mayor/President Elliott stated it sounds like there is consensus around the policy as written, which is a step forward. He added it will be new and different, but it will help him, and everybody else, do their jobs better.

City Attorney Troy Gilchrist stated, for the purposes of clarification, under the policy as written, Councilmember/Commissioners can directly contact the City Attorney before a matter is discussed at work session. He added he believes Councilmember/Commissioner Lawrence-Anderson had a different understanding of the policy. He noted the provision states that Councilmember/Commissioners can contact the City Attorney before an issue is discussed by the City Council at work session.

Councilmember/Commissioner Lawrence-Anderson stated, due to Mr. Gilchrist's clarification, she is not necessarily pleased with the policy under Item B2 related to draft policy initiative. She added she supports Items A, C and D, but disagrees with Item B.

Mr. Boganey stated there are three Councilmember/Commissioners who have indicated that the policy as drafted is acceptable. He added City Staff will prepare this item and bring it back to the City Council for a vote.

Mayor/President Elliott stated he likes the policy, although it limits the City Council in terms of being able to act quickly, if there is a resolution or something that requires immediate Council action. He added it is generally a good idea to have Council consensus before putting something on the Council agenda, it can also be limiting. He noted it is important to allow for circumstances under which the City Council needs to act expeditiously, and not have to wait until the next meeting.

Councilmember/Commissioner Graves stated it is not always necessary to wait until the next meeting, as rough drafts can be submitted to the City Manager, who will prepare documents for presentation to the City Council. She added, in the past, she has presented an issue at a work

session and the City Manager makes sure it is ready for the next meeting. She noted there are other ways to expedite issues if there is full Council agreement. She noted it is not necessary to include additional policy language to that effect, and she does not see it as an obstacle.

Mayor/President Elliott stated requiring every issue to go through work session is limiting as there may be circumstances when we have an urgent issue that we need to act on, rather than consider it for review at the next meeting which is two weeks later. He reiterated that is too limiting for him, but he can understand Councilmember/Commissioner Grave's position.

Councilmember/Commissioner Graves stated an important issue like a policy change that will change the way business is conducted in the City requires more deliberation. She added if you are meeting with the City Attorney about an issue that the City Council has no knowledge of, and then it gets placed on the Consent Agenda, in her opinion, that is not a democratic process.

Mayor/President Elliott agreed that is not a democratic process. He added it would go on the City Council agenda first.

Councilmember/Commissioner Graves referred to the example from early in the pandemic when extra Council meetings were scheduled to discuss an important issue, but the Mayor/President also had individual meetings with the involved parties to expedite the process. She added there are times when that is appropriate, and there are avenues that can be used for expedited action.

Mayor/President Elliott asked whether Councilmember/Commissioner Graves would be amenable to language that would stipulate cases where an item could be expedited. Councilmember/Commissioner Graves stated that is not necessary, as that was an emergency declaration, and emergency situations speak for themselves. She added that would leave too much up to the Mayor/President or Councilmember/Commissioner's discretion, and the rest of the Council may not agree on whether it is an emergency.

Mayor/President Elliott stated he would like to move forward with the policy and have additional discussion at some point if necessary.



2020 City Council Meeting Schedule

Regular City Council Meetings Council Chambers City Hall	
Study/Work Session	6:00 p.m.
Informal Open Forum	6:45 p.m.
Regular Session	7:00 p.m.
Work Session – After regular session	
Brooklyn Center City Council regularly meets the 2nd and 4th Monday each month, unless Monday is a holiday.	
January 13	
January 27	
February 10	
February 24	
March 9	
March 23	
April 13	
April 27	
May 11	
May 26 (Tuesday)	
June 8	
June 22	
July 13	
July 27	
August 10	
August 24	
September 14	
September 28	
October 12	
October 26	
November 9	
November 23	
December 14	
Additional Meetings	
Feb. 3	
Mar. 2	
May 4	
Sept. 8	

Special City Council Meetings	
All dates are Monday unless otherwise noted	
April 6	7:00 p.m.
Board of Appeal & Equalization	CC
May 18	6:00 p.m.
Board of Appeal & Equalization Reconvene	CC
June 1	6:30 p.m.
Work Session w/Auditor and Budget Work Session w/Financial Commission	CC
July 6	6:30 p.m.
Work Session w/Financial Commission	CC
Capital Improvement Plan & Capital Project Funds	
July 20	6:30 p.m.
Work Session w/Financial Commission	CC
2020 Budget Overview	
August 3	6:30 p.m.
Work Session w/Financial Commission	CC
General Fund – Department Requests	
August 14	6:00 p.m.
Canvass results from the Primary Election	CC
August 17	6:30 p.m.
Work Session w/Financial Commission	CC
General Fund – Department Requests	
September 2 (Wednesday)	6:30 p.m.
Work Session w/Financial Commission	CC
General Fund – Department Requests	
October 15	6:30 p.m.
Work Session w/Financial Commission, Special Revenue Funds, Debt Service Funds, Internal Service Funds	CC
October 19	6:30 p.m.
Work Session w/Financial Commission	CC
Utility/Enterprise Funds	
November 13	6:00 p.m.
Canvass results from the General Election	CC
November 30	5:00 p.m.
Housing Policy Discussion	CC
December 7	6:30 p.m.
2021 Budget Hearing and Special Meeting	CC

CC –Council Chambers located in upper level City Hall

All dates are subject to change.

Call City Hall at 763-569-3300 to verify dates and times.

Updated 10/26/2020

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Tim Gannon, Chief of Police

SUBJECT: Multi-Cultural Advisory Committee (MAC) Questionnaire

Background:

In early 2020, it was suggested that a questionnaire be presented to the membership of the Multi-Cultural Advisory Committee (MAC) regarding the current operations and practices. A questionnaire was prepared and then MAC members responded with their answers. A presentation has been prepared for the City Council with those results.

The MAC was formed as one of the pillars of the Joint Community Police Partnership (JCPP). In 2005-06 Brooklyn Center, Brooklyn Park, and Hennepin County formed the partnership to better build relationships between police and a growing immigrant population in both cities. The goal was to increase two-way communication as well as better understanding between all persons involved. Especially within communities where distrust and tension existed between police/ government and its people. Today, the JCPP has grown into 6 metro cities. Each city's own JCPP has a designated Community Liaison who facilitates the programming and coordinates MAC meetings. MAC membership is open to those who live, work, worship or learn in the respective city.

Budget Issues:

None

Strategic Priorities and Values:

Enhanced Community Image, Inclusive Community Engagement, Safe, Secure, Stable Community, Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Powerpoint	10/21/2020	Presentation

2020 Multicultural Advisory Committee Survey Results



Brooklyn Center City Council, 10/26/20
Tim Gannon, Chief of Police

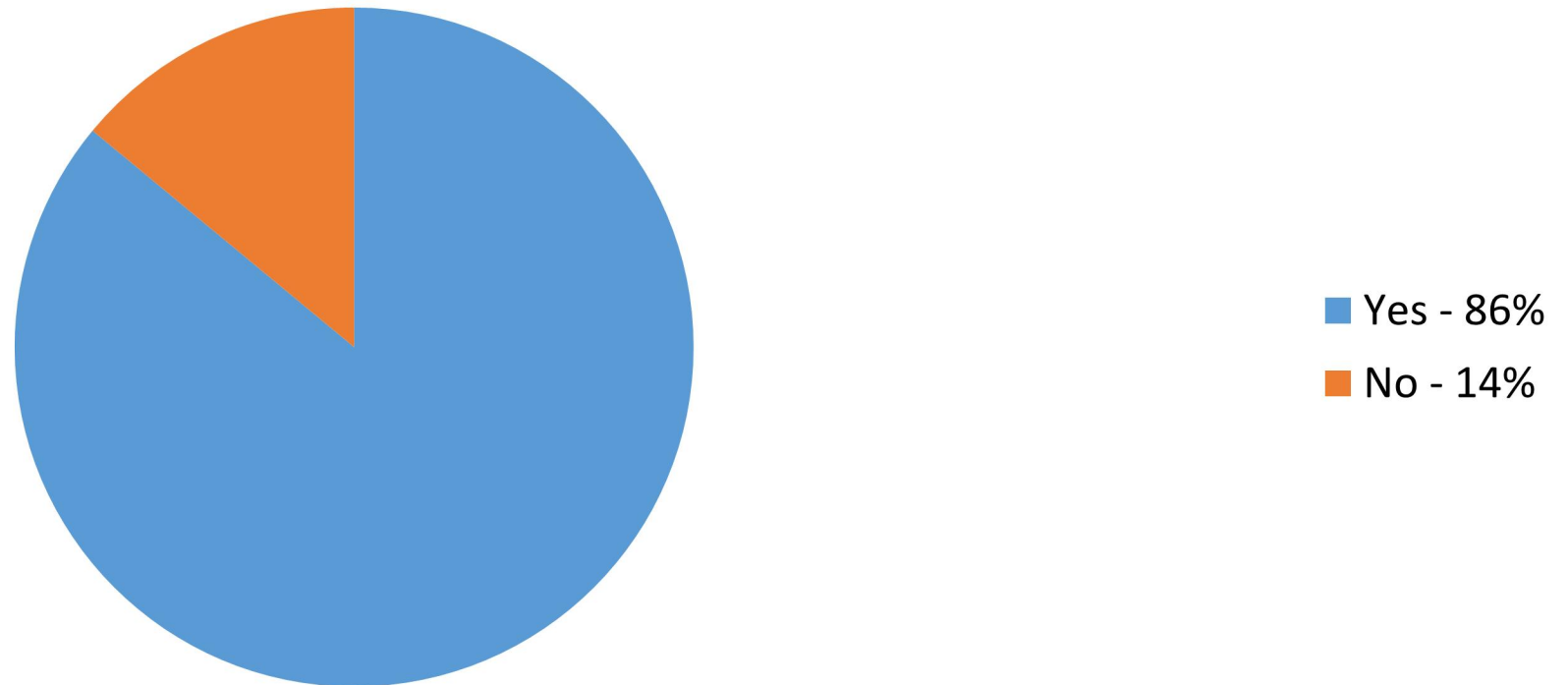
Overview

- Late June 2020, Multicultural Advisory Committee (MAC) members were surveyed.
- The purpose of the survey was to solicit feedback on MAC members experiences with the group and to identify possible areas of improvement.
- Responses were submitted anonymously to Community Liaison Carrie Crook.
- We received nine out of 15 responses.



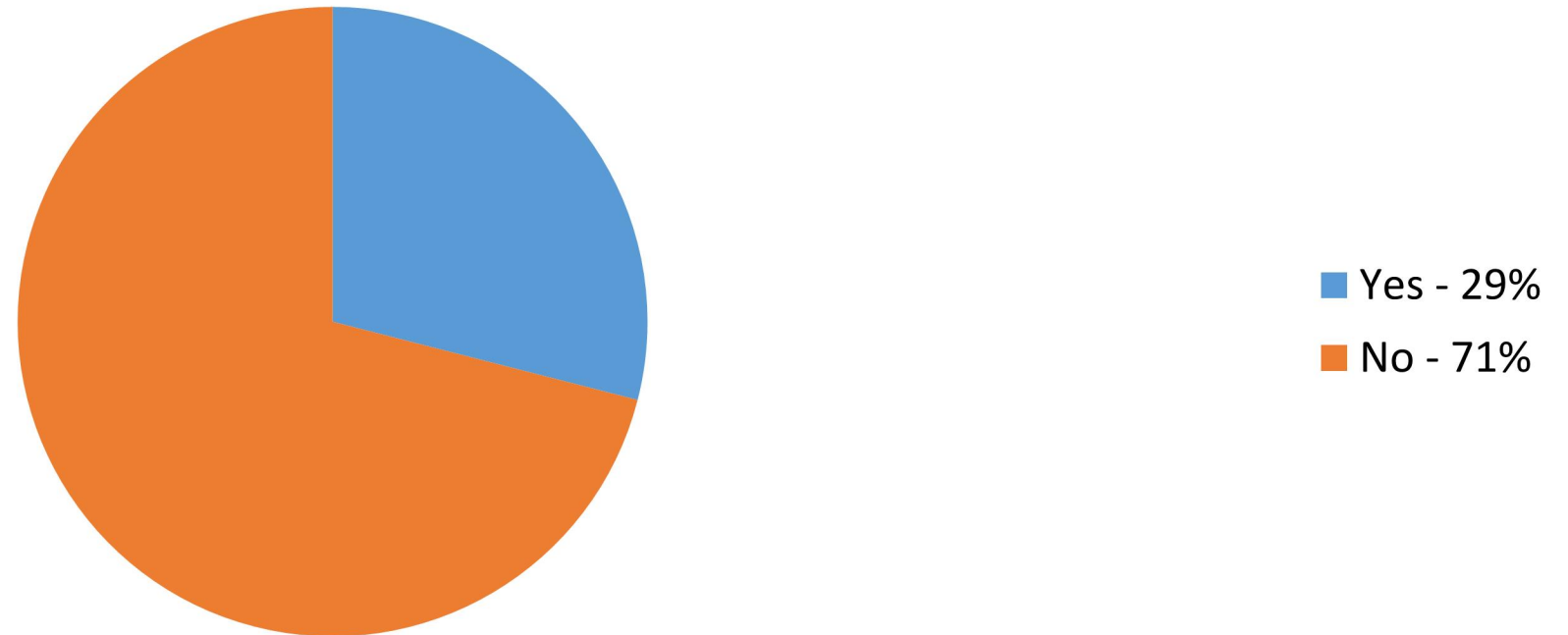
Question 1

Do you feel the police department building is a safe and comfortable location for MAC Meetings?



Question 2

Have you heard others in the community voice the meeting location as a concern?



Question 3

Please list possible alternative locations you would like to see MAC meetings held.

- Library meeting rooms
- Community Center
- City Hall
- Church buildings
- Council Chambers



Question 4

What topics regarding police, procedures, and activities would you like to learn more about or provide more input on?

- How do police train concerning black humans
- Continued police reform
- Cultural differences
- What the policies and procedures for officers that have complaints brought against them.
- School safety and education
- Policies in hiring new police officers and staff
- I want to see all of



Question 5

Our current application process to be a MAC member involves an application and a brief background check. Are there any improvements to this process you would like to see or are there any specifics about the application process you would like to learn more about? Is this process considered a barrier to join?

- Many come and leave without notice, and this makes difficult to know where they are, we need to be our keepers brothers. There should a place in the application form which mandated the MAC coordinator to follow up with them, also in case of death of a MAC member MAC members to show their solidarity.



Question 5

Continued

- It absolutely is a barrier from joining. Background checks make it so that undocumented people cannot join MAC. This may also be a barrier for those with past criminal records, who have changed their lives to join. Don't we want folks like that at the table? I suggest perhaps having references instead, or proof of work in the community be used instead.
- I would like to add a class on racism about the barriers.
- It was never explained why MAC members needed to have a background check. Also what are the police looking for or who is doing the checks and what is a factor to accept or deny someone.



Question 5

Continued

- Application and background check important.
- I don't know what a background check involves and why it is needed.
- Allow non-violent criminal offenders to participate.



Question 6

Do you have any suggestions as to how the MAC could play a bigger role in improving multi-cultural awareness within the police department?

- Yes, to build trust now, all community agencies should be at the police table to talk and see how they can talk as one voice.
- I think multicultural awareness includes an awareness of whiteness as a culture. I think studying up on that more is necessary. Critical Race Theory studies, Whiteness studies, etc. And yes, also more multicultural training would be great.



Question 6

Continued

- We need a round table discussion and lecture about police brutality and Go beyond to invite community activists.
- Fire departments have open houses. Do the police department have them to show themselves in a more authoritative figure and someone people can trust?
- Suggest applicants for police academy and police force.
- MAC and law enforcement staff should treat and consider each other as a considerate family - not as two different entities.
- Educate the Brooklyn center residents about the importance of the MAC.
- Hold workshops that raise awareness on day to day issues.



Question 7

Please describe the level of communication you feel you receive from the police department regarding department updates and updates to significant events.

- We should have our MAC what's up.
- I think the communication is great.
- Let everyone play a role and communicate more effectively within department.
- Seems to be working well.
- Been helpful already.



Question 7

Continued

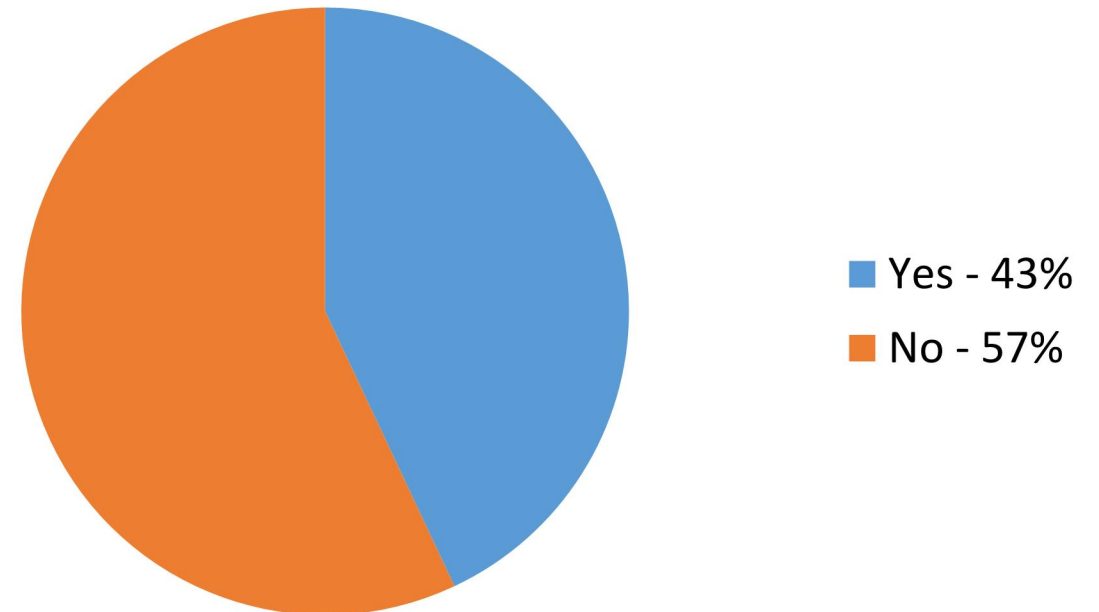
- Been helpful already.
- It was better before, now days not many communications or updates from police to MAC members. It concerns me.
- Not sufficient.
- Communication is proactive, transparent and honest.



Question 8

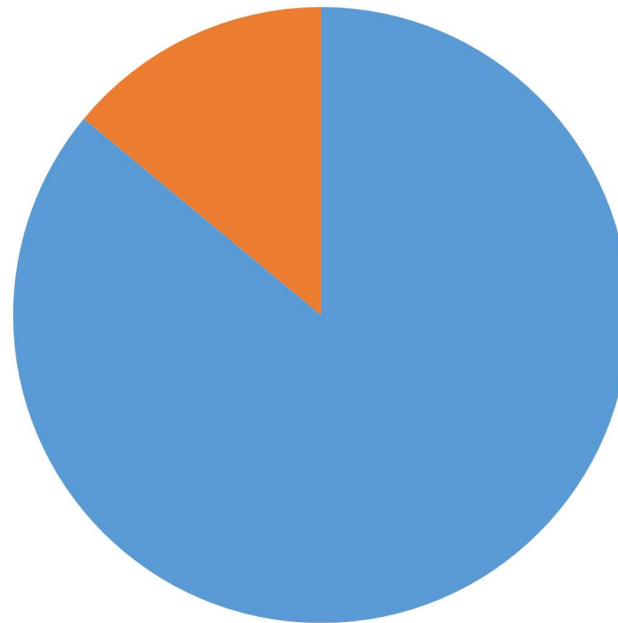
Do you feel the MAC adequately represents the different cultures represented in Brooklyn Center?

- Need more youth
- LGBTQ
- Southeast Asian
- Minority business owners



Question 9

Do you feel comfortable attending a MAC meeting or other community meetings with officers in uniform?



■ Yes - 86%

■ No - 14%



Question 10

Would you like to see additional officers present at MAC meetings as a way to better know the department?



Additional Comments

- Encourage MAC members to actively bring information to their neighbors and communities.
- Encourage PD to show vulnerability and concern and continue to have a plan that allows community input (even when uncomfortable).



Questions



Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Curt Boganey, City Manager

SUBJECT: Resolution Expressing Recognition and Appreciation to Jim Glasoe for Over 25 Years of Dedicated Public Service to the City of Brooklyn Center

Background:

On August 17th 2020 Jim Glasoe retired from the City of Brooklyn Center after serving the residents with distinction over a period of more than twenty-five years.

In accordance with Council Policy 2.94; it is my distinct pleasure to recommend that the City Council recognize the outstanding service Mr. Glasoe has provided by adopting the accompanying resolution. In accordance with said policy Mr. Glasoe will be provided with his choice of an engraved wall clock or wrist watch along with a personalized letter from the City Manager

Jim has been and will continue to be missed by the residents and staff of Brooklyn Center.

Budget Issues:

Any costs necessary are provided within the adopted Administration Department budget.

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/21/2020	Resolution Letter

Member
and moved its adoption:

introduced the following resolution

RESOLUTION NO. _____

RESOLUTION EXPRESSING RECOGNITION AND APPRECIATION TO
JAMES GLASOE FOR OVER 25 YEARS OF DEDICATED PUBLIC SERVICE
TO THE CITY OF BROOKLYN CENTER

WHEREAS, James Glasoe was hired as Public Services Coordinator in the Public Services Department on August 22, 1994; and

WHEREAS, James Glasoe was appointed as Director of Community Activities, Recreation on December 15, 1997; and

WHEREAS, during more than 25 years with Public Services and Community Activities, Recreation and Services Departments, James provided superb leadership to staff and directly supported each Department's and Division's mission; and

WHEREAS, James served as staff liaison to the Parks Commission providing expert guidance and support for development and implementation of exceptional park planning and recreational programming; and

WHEREAS, James was instrumental in the development of several signature projects including but not limited to the Centennial Park Amphitheater, City Council Chambers Remodel, Brooklyn Bridge Alliance development, Centerbrook Golf Course improvements, Earle Brown Heritage Center Improvements, Recreation Center development at Brooklyn Community Schools and numerous important projects and initiatives; and

WHEREAS, under the guidance James, the Community Center continues to be outstanding local and regional amenity for swimming, exercise, healthy living, crafts, arts, dance, community meetings, celebrations; and

WHEREAS, under James' guidance and direction the Recreation Division, Centerbrook Golf Course and The Earl Brown Heritage Center have received several well-deserved State and National awards and recognition; and

WHEREAS, James provided consistent and dependable management in the daily operations of his office to deliver positive and efficient customer service; and

WHEREAS, the City Council of the City of Brooklyn Center wishes to recognize the dedication and professionalism James has displayed in discharging his duties and the positive impact he has made on the City and its citizens.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, upon the recommendation of the City Manager, that we recognize

RESOLUTION NO. _____

the retirement of James Glasoe on October 26, 2020, with more than 25 years of service and express sincere appreciation for his dedicated public service.

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Dr. Reggie Edwards, Deputy City Manager

BY: Barb Suciu, City Clerk

SUBJECT: Proclamation Declaring October 26, 2020, to be Designated as Random Acts of Kindness Day

Background:

The City of Brooklyn Center has celebrated Random Acts of Kindness since 1997. Each year the nominees by the City Council at this second meeting in October. The attached proclamation encourages residents to celebrate Random Acts of Kindness.

Budget Issues:

There are no budget issues to consider.

Strategic Priorities and Values:

Enhanced Community Image, Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Proclamation	10/19/2020	Proclamation

City of Brooklyn Center

Proclamation

DECLARING OCTOBER 26, 2020, TO BE DESIGNATED AS RANDOM ACTS OF KINDNESS DAY

WHEREAS, *Random Acts of Kindness are the expression of our empathy and compassion for one another; and*

WHEREAS, *the daily acts of kindness of most of the citizens of Brooklyn Center often go unrecognized; and*

WHEREAS, *by recognizing these daily acts of kindness, all citizens of Brooklyn Center will become more aware of the importance of being kind to others throughout the year; and*

WHEREAS, *the City of Brooklyn Center celebrated the first Random Acts of Kindness in 1997, and is celebrating its 24th Annual Random Acts of Kindness by encouraging schools, employees, and community groups to participate in Random Acts of Kindness.*

NOW, THEREFORE, I, AS MAYOR OF THE CITY OF BROOKLYN CENTER, State of Minnesota, with the consent and support of the Brooklyn Center City Council, do hereby proclaim October 26, 2020, to be Random Acts of Kindness Day and urge all residents of the City of Brooklyn Center to join in celebrating and performing Random Acts of Kindness.

October 26, 2020

Date

Mayor

Council Members

ATTEST: _____
City Clerk



Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: Doran Cote, Director of Public Works

BY: Mike Albers, City Engineer

SUBJECT: Resolution Ordering Improvements and Authorizing Preparation of Plans and Specifications for Improvement Project Nos. 2021-01, 02, 03 and 04, Grandview South Area Street, Storm Drainage and Utility Improvements

Background:

A public hearing is scheduled on October 26, 2020 to consider ordering improvements and authorize preparation of plans and specifications for Improvement Project Nos. 2021-01, 02, 03 and 04. All potentially affected property owners have been notified by mail of the date of the improvement public hearing and the amount of proposed special assessments.

An assessment public hearing to consider certification of proposed special assessments for street and storm drainage improvements for Improvement Project Nos. 2021-01 and 2021-02 will be held on December 14, 2020. A separate Notice of Public Hearing on proposed special assessments will be sent to properties that are proposed to be assessed in November 2020.

I. Explanation of Improvements

The proposed project includes roadway, storm drainage and utility improvements for the residential neighborhood area commonly referred to as the Grandview South Area. The project was previously established by the City Council on May 13, 2019, by Resolution 2019-74. On September 28, 2020, the City Council received the project feasibility report and called for a public hearing to be held on October 26, 2020, to consider these improvements.

The project feasibility report provides a description of recommended improvements for the neighborhood and an estimated project budget. The proposed improvements are as follows:

1. **Street Improvements** – Full street reconstruction of all streets including regrading, base preparation, installation of concrete driveway aprons, bituminous paving, installation of concrete curb and gutter, replacement of street signs, replacement of free-standing street lights with LED light fixtures and boulevard restoration. The existing concrete sidewalks within the project area on 59th Avenue, Humboldt Avenue and Logan Avenue/Lilac Drive will be repaired as needed or as impacted by utility replacements. New 6 foot wide sidewalks are proposed along the south side of 59th Avenue from Knox Avenue to Dupont Avenue, the east side of Irving Avenue from 59th Avenue to 200' south of 59th Avenue, and the northern portion of the Grandview Park parking lot.
2. **Storm Drainage Improvements** – Includes the installation of new storm sewers and installation of concrete curb and gutter on all streets, and repair and replacement of existing storm sewers, installation of new and repair and replacement of existing catch basins and manholes.
3. **Water Main Improvements** – Includes the replacement of approximately 40 percent of existing cast iron

water main and installation of new valves, hydrants and water services to the shut off valve where impacted. The existing 16-inch and 24-inch steel water main is proposed to be replaced in its entirety.

4. **Sanitary Sewer Main Improvements** – Includes the complete replacement of sanitary sewer pipe, access structures and residential sewer services to property lines. The sanitary sewer trunk line that runs within easements on the Xcel Energy properties from Logan Avenue to Dupont Avenue is proposed to be lined with a cured in-place pipe liner.

II. Summary of Assessments

Special assessments are proposed as one of several funding sources for the improvements located within the Grandview North Area. The 2021 special assessment rates for street and storm drainage improvements will be established in accordance with the City's Special Assessment Policy. The 2021 rates are anticipated to be established by the City Council on November 9, 2020.

The feasibility report includes a preliminary assessment roll identifying approximately 179 residential properties that are zoned "R1", 1 school property that is zoned "R1", 2 church properties that are zoned "R1", 8 multi-family properties that are zoned "R3", 1 multi-family property that is zoned "R4", 1 multi-family property that is zoned "R5", and 1 church property that is zoned "C1", 3 commercial properties that are zoned "C2". See attached Appendix D–Pending Assessment Roll and Figure 8–Assessment Map from the project feasibility report. The special assessments will not exceed the amounts on the attached special assessment roll.

Assessments for Full Street Reconstruction

Special assessments for non-subdividable single-family residential properties that are zoned R1 were calculated at full unit assessment rates of \$4,730 for street improvements and \$1,419 for storm drainage improvements. Other R1 zoned properties that are larger than the standard single-family lot were assessed based on computing a maximum number of subdividable lots times full R1 unit assessment amount for street and storm drainage improvements. The multi-family properties that are zoned R3 were assessed based on unit assessments prorated per total lot frontage for street and storm drainage improvements. The multi-family properties that are zoned R4, R5, C1 and C2 were assessed based on an acreage basis for street and storm drainage improvements.

III. Public Comments

Public comments were included in the Feasibility Report (Appendix B). Staff has not received any additional comments.

IV. Recommended Council Procedure

Public Hearing to Order Improvements: Staff recommends that a presentation be provided to the City Council prior to holding the improvement public hearing. Following the presentation, a public hearing to consider ordering the improvement project should be conducted to receive public comments. Public comments concerning special assessments should be deferred to the assessment public hearing in December 2020. A resolution ordering the improvements and authorizing preparation of plans and specifications is provided for City Council consideration upon closing of the public hearing. A four-fifths majority vote of the City Council present for the hearing is required for the improvements to proceed.

Budget Issues:

The proposed street and utility improvements are included in the 2021 Capital Improvement Program for the City of Brooklyn Center. The total project cost is estimated to be \$11,800,000. Funding sources for the project are budgeted from sources as described in the project feasibility report previously accepted by the City Council on September 28, 2020. The funding source amounts that were included in the September 28,

2020 Feasibility Report are listed below:

Special Assessments	\$1,556,783.81
Sanitary Sewer Utility Fund	\$1,640,000.00
Water Utility Fund	\$2,090,000.00
Storm Drainage Utility Fund	\$1,786,742.96
Street Light Utility Fund	\$60,000.00
Street Reconstruction Fund	\$3,156,473.23
Municipal State Aid Fund	\$1,510,000.00
Total	\$11,800,000.00

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	10/16/2020	Cover Memo
Feasibility Report Assessment Map	10/16/2020	Cover Memo
Proposed Draft Levy Roll	10/16/2020	Cover Memo
Presentation	10/16/2020	Cover Memo

Member introduced the following resolution and moved
its adoption:

RESOLUTION NO. _____

RESOLUTION ORDERING IMPROVEMENTS AND AUTHORIZING
PREPARATION OF PLANS AND SPECIFICATIONS FOR IMPROVEMENT
PROJECT NOS. 2021-01, 02, 03 AND 04, GRANDVIEW SOUTH AREA
STREET, STORM DRAINAGE AND UTILITY IMPROVEMENTS

WHEREAS, the Brooklyn Center City Council on May 13, 2019, authorized consideration of street, storm drainage and utility improvements in the area generally described as “Grandview South Area”, more specifically described as follows: 58th Avenue N from Dupont Avenue N to Logan Avenue N; 59th Avenue N from Dupont Avenue N to Knox Avenue N; Emerson Avenue N from 57th Avenue N to 59th Avenue N; Fremont Avenue N from 57th Avenue N to 59th Avenue N; Girard Avenue N from 57th Avenue N to 330’ north of 58th Avenue N; Humboldt Avenue N from 57th Avenue N to 59th Avenue N; Irving Avenue N from 57th Avenue N to 59th Avenue N; James Avenue N from 57th Avenue N to 59th Avenue N; Knox Avenue N from 57th Avenue N to 59th Avenue N; Lilac Drive N from Knox Avenue N to Logan Avenue N; and Logan Avenue N from 57th Avenue N to Lilac Drive; and

WHEREAS, the City Council has received and accepted a feasibility report for said proposed improvements, as prepared under the City Engineer’s supervision; and

WHEREAS, said improvements are necessary, cost effective and feasible as detailed in the feasibility report; and

WHEREAS, the City Council on September 28, 2020, adopted a resolution setting a date for a public hearing regarding the proposed improvements for Grandview South Area; and

WHEREAS, ten days published notice of hearing was given and the hearing was held on October 26, 2020, at which time all persons desiring to be heard were given the opportunity to be heard thereon; and

WHEREAS, the City Council has considered all comments, testimony, evidence and reports offered at or prior to the October 26, 2020, hearing; and

WHEREAS, the City reasonably expects to spend monies from the Infrastructure Construction Fund on a temporary basis to pay the expenditures described in this resolution; and

WHEREAS, the City reasonably expects to reimburse itself for such expenditures from the proceeds of taxable or tax-exempt bonds, the debt service of which is expected to be paid from property taxes, special assessments or utility fees. The maximum amount of special assessment obligations expected to be issued for such project is \$1,556,783.81; and

RESOLUTION NO. _____

WHEREAS, the City Engineer is prepared to develop plans and specifications for said public improvement project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that:

1. Improvement Project Nos. 2021-01, 02, 03 and 04, Grandview South Area Street, Storm Drainage and Utility Improvements, are hereby ordered and the City Engineer is authorized to prepare plans and specifications for said improvements.
2. This resolution is intended to constitute official intent to issue taxable or tax exempt reimbursement bonds for purposes of Treasury Regulations and any successor law, regulation, or ruling. This resolution will be modified to the extent required or permitted by Treasury Regulations or any successor law, regulation, or ruling.

October 26, 2020

Date

Mayor

ATTEST: _____
City Clerk

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

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Legend

- Proposed Single R1 Assessment
- Proposed Multiple R1 Assessments
- Proposed R3 Assessment
- Proposed R4 Assessment
- Proposed R5 Assessment
- Proposed Commercial Assessment
- City Owned Property
- Previously Assessed



Assessment Map
Grandview South Area Street and Utility Improvements



CITY OF BROOKLYN CENTER PROPOSED PENDING ASSESSMENT ROLL
September 21, 2020
2021 GRANDVIEW SOUTH AREA RECONSTRUCTION
IMPROVEMENT PROJECT NOS. 2021-01 AND 02

DRAFT

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	LEVY #	STORM	NOTES
0111821230026	1108	57th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230020	1208	57th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230007	1400	57th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140003	1800	57th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140004	1808	57th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230077	1210	58th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821110012	1500	59th AVE N		\$ 56,760.00		\$ 17,028.00	Subdividable R1 = 12 equivalent parcels
0211821140097	1703	59th AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821130033	22	Address Pending		\$ 27,819.28		\$ 11,972.58	Commerical C2 Brooklyn Center EDA Property (A) 46,740.52 sf, (B) 20,143.26 sf
0211821140007	22	Address Unassigned		\$ 18,920.00		\$ 5,676.00	Subdividable R1 = 4 equivalent parcels
0111821230106	22	Address Unassigned		\$ 33,110.00		\$ 9,933.00	Subdividable R1 = 7 equivalent parcels
0111821230027	5706	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230018	5707	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230028	5712	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230017	5715	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230066	5724	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230032	5725	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230067	5730	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230031	5731	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230068	5736	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230030	5737	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230069	5742	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230029	5743	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230098	5800	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230076	5801	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230099	5806	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230075	5807	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230074	5815	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230100	5818	EMERSON AVE N		\$ 9,460.00		\$ 2,838.00	Subdividable R1 = 2 equivalent parcels
0111821230073	5823	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230101	5824	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230072	5829	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230102	5830	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230071	5835	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230103	5836	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230070	5843	EMERSON AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230021	5706	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230012	5707	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230022	5714	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230011	5715	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230033	5724	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230040	5725	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230034	5730	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230039	5731	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230035	5736	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230038	5737	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230036	5742	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230037	5743	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230048	5801	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1

CITY OF BROOKLYN CENTER PROPOSED PENDING ASSESSMENT ROLL
September 21, 2020
2021 GRANDVIEW SOUTH AREA RECONSTRUCTION
IMPROVEMENT PROJECT NOS. 2021-01 AND 02

DRAFT

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	LEVY #	STORM	NOTES
0111821230047	5807	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230078	5808	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230046	5813	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230079	5814	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230045	5819	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230080	5820	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230061	5825	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230081	5828	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230060	5831	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230082	5834	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230083	5840	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230059	5843	FREMONT AVE N		\$ 9,947.52		\$ 4,280.76	Multi Family R4 (A) 19,800.00 sf, (B) 0 sf
0111821220024	5900	FREMONT AVE N		\$ 4,730.00		\$ 1,419.00	R1 - Corner Property
0111821230015	5706	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230006	5707	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230016	5712	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230005	5715	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230041	5724	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230090	5725	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230042	5730	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230089	5731	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230043	5736	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230088	5737	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230044	5742	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230087	5743	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230049	5800	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230056	5801	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230050	5806	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230055	5807	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230051	5812	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230054	5813	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230052	5818	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230053	5819	GIRARD AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230009	5700	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140073	5701	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230008	5706	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140072	5707	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230010	5712	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140071	5713	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140092	5727	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230003	5732	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140091	5733	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230084	5738	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140090	5743	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230085	5748	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230086	5754	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140089	5755	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230002	5800	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140067	5801	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140066	5807	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230057	5812	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140065	5815	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230058	5818	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1

CITY OF BROOKLYN CENTER PROPOSED PENDING ASSESSMENT ROLL
September 21, 2020
2021 GRANDVIEW SOUTH AREA RECONSTRUCTION
IMPROVEMENT PROJECT NOS. 2021-01 AND 02

DRAFT

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	LEVY #	STORM	NOTES
0211821140110	5821	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0111821230105	5826	HUMBOLDT AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140109	5827	HUMBOLDT AVE N		\$ 33,110.00		\$ 9,933.00	Subdividable R1 = 7 equivalent parcels
0111821230104	5840	HUMBOLDT AVE N		\$ 28,380.00		\$ 8,514.00	Subdividable R1 = 6 equivalent parcels
0211821140074	5700	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140079	5701	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140075	5706	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140078	5707	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140076	5712	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140077	5713	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140060	5725	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140093	5728	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140059	5731	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140094	5734	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140058	5737	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140095	5740	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140057	5743	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140096	5746	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140068	5800	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140048	5801	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140069	5806	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140047	5807	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140070	5812	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140046	5813	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140045	5819	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140044	5825	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140043	5831	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140042	5837	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140041	5843	IRVING AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140080	5700	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140085	5701	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140081	5706	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140084	5707	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140083	5713	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140082	5716	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140036	5721	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140061	5724	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140035	5727	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140062	5730	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140034	5733	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140063	5736	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140033	5739	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140064	5742	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140049	5800	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140031	5801	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140050	5806	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140030	5807	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140051	5812	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140029	5815	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140052	5818	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140013	5823	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140053	5824	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1

CITY OF BROOKLYN CENTER PROPOSED PENDING ASSESSMENT ROLL
September 21, 2020
2021 GRANDVIEW SOUTH AREA RECONSTRUCTION
IMPROVEMENT PROJECT NOS. 2021-01 AND 02

DRAFT

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	LEVY #	STORM	NOTES
0211821140054	5830	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140014	5831	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140055	5836	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140098	5837	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140056	5842	JAMES AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140086	5700	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140087	5706	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140001	5707	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140005	5711	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140088	5712	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140008	5715	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140037	5720	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140009	5721	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140038	5726	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140012	5727	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140039	5732	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140011	5733	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140040	5738	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140028	5800	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140020	5801	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140021	5807	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140027	5808	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140022	5813	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140026	5814	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140023	5819	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140024	5825	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140017	5834	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140018	5840	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140016	5850	KNOX AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140019	5840	LILAC DRIVE		\$ 16,235.96		\$ 6,986.89	Commerical C1 (A) 32,316.80 sf, (B) 0 sf
0211821140002	5706	LOGAN AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140006	5712	LOGAN AVE N		\$ 4,730.00		\$ 1,419.00	R1
0211821140107	5716	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140106	5720	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821130032	5721	LOGAN AVE N		\$ 40,778.44		\$ 17,551.12	Commerical C2 (A) 57,172.28 sf, (B) 55,92.08 sf
0211821140105	5724	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140104	5728	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140103	5732	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140102	5736	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140101	5740	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140100	5744	LOGAN AVE N		\$ 3,371.63		\$ 1,011.49	Multi Family R3, Unit Rate
0211821140025	5800	LOGAN AVE N		\$ 26,802.25		\$ 11,533.93	Multi Family R5 (A) 53,348.43 sf, (B) 0 sf
0211821130031	5801	LOGAN AVE N		\$ 18,020.28		\$ 7,754.84	Commerical C2 Brooklyn Center EDA Property (A) 35,064.43 sf, (B) 1,876.05 sf
Total Assessments				\$ 1,183,526.77		\$ 373,257.04	

Public Hearing on Proposed Improvements

Grandview South Area Street and Utility Improvements (2021)



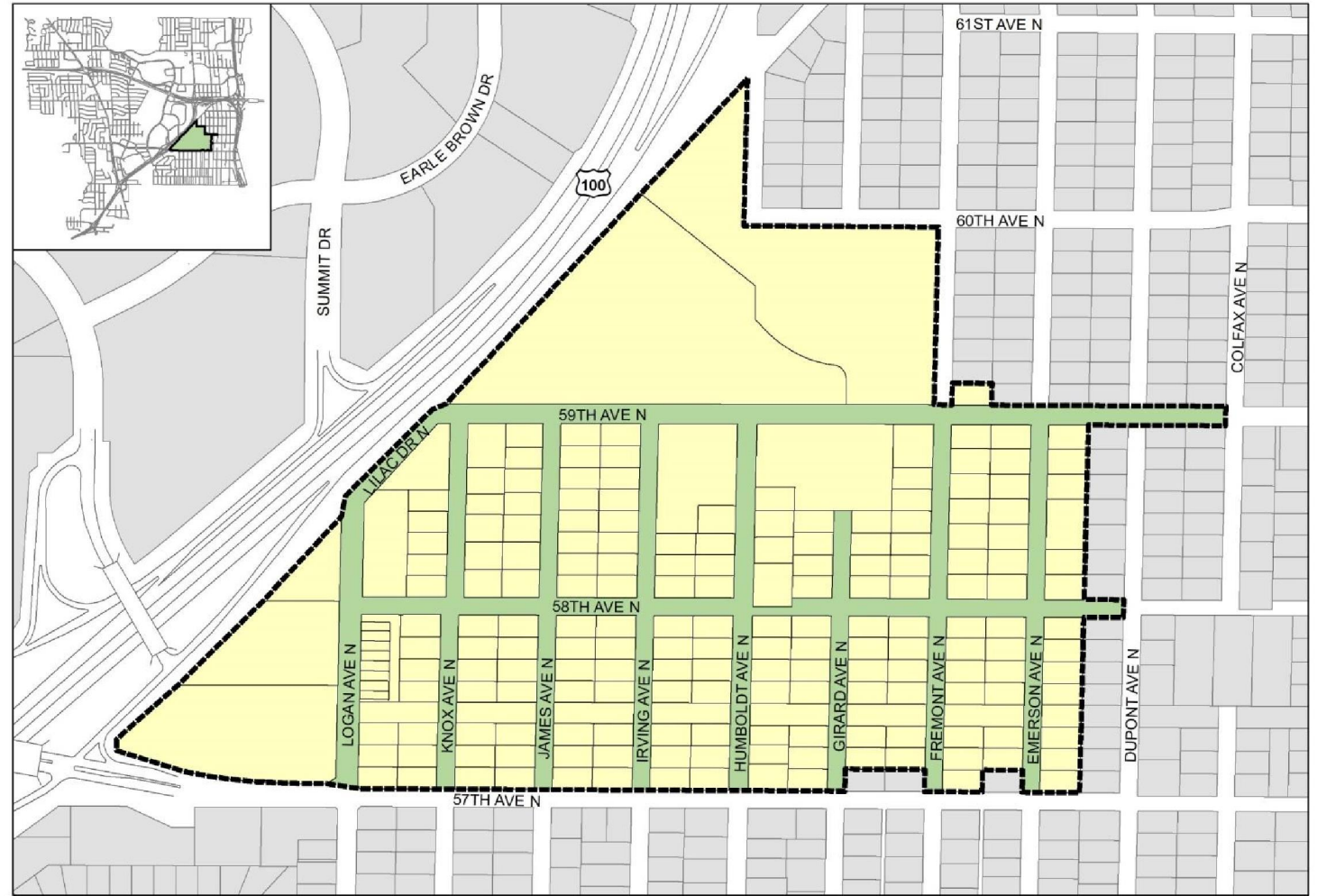
City Council Meeting, October 26, 2020
Mike Albers, City Engineer

Public Hearing to Order Improvements

- Grandview South Area Street and Utility Improvements, Improvement Project Nos. 2021-01, 02, 03 and 04
- Local public improvements to the City's infrastructure based on State of Minnesota Statute Chapter 429

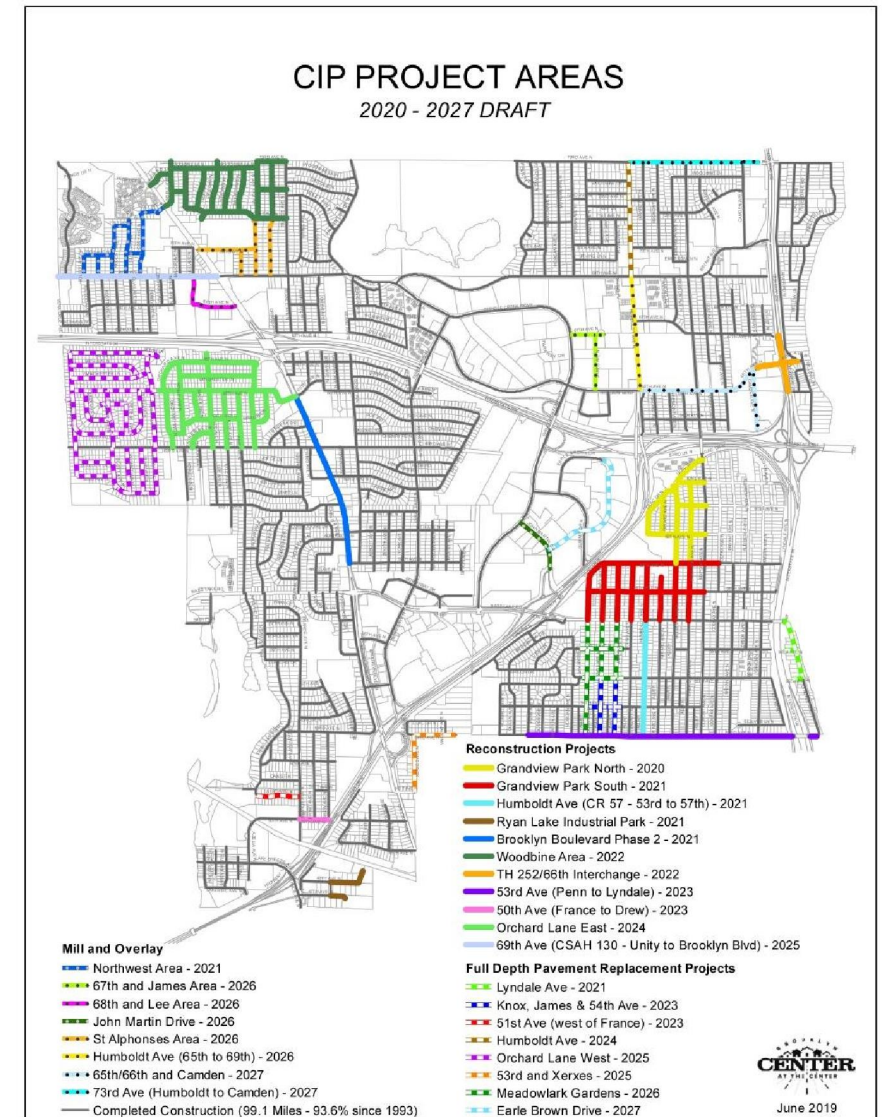


Grandview South Area Street and Utilities Improve



Capital Improvement Program

- City Initiated Program in 1993
- Reconstruct Aging Public Streets and Utilities
- 100.9 miles (95.3%) Completed
- 2021 will be the 28th Year
- Projected Completion 2024
- 5.0 Miles Remaining
- Est. Cost 2021-2035 CIP: \$199.7 million



Project Planning

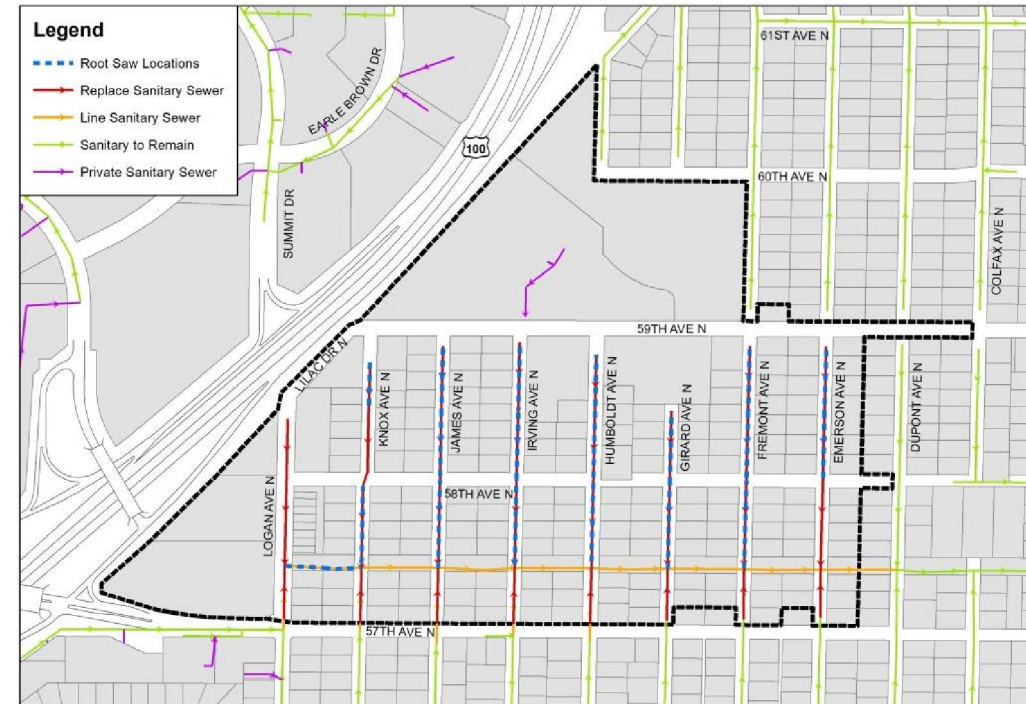
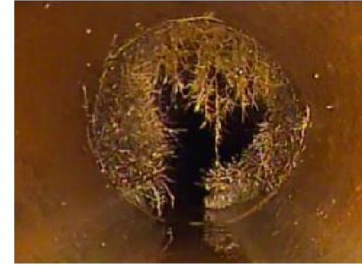
Project Evaluation

- Sanitary Sewer
 - Root intrusion, inflow and infiltration, sags, broken pipe
- Water Main
 - Corrosion, leaks, frozen water services, water quality, pipe material
- Storm Drainage
 - Local flooding, pavement preservation
- Streets, Sidewalks and Trails
 - Pavement deterioration, curb and gutter condition, sidewalk and trail system gaps
- Street Lights
 - Evaluate condition of lighting system



Utility Improvements: Sanitary Sewer System

- Collection System Installed between 1959 and 1960
- Mainly 8"-10" VCP, some 12" RCP
- **Root Intrusion**- root sawing required to maintain conveyance capacity (85%)
- Condition Survey / Televising Inspections (**cracked pipe, sags**)
- Proposed Improvements
 - New trunk sewers within streets
 - Line trunk sewers within easement areas
 - Replace service lines up to property line within streets



Sanitary Sewer Root Saw Locations
Grandview South Area Street and Utility Improvements

Figure 6

Utility Improvements: Water Distribution System

- Distribution System Installed between 1964 and 1968
 - 6", 8", 10" and 16" CIP
 - 16" and 24" Steel on 59th Ave/Emerson Ave
- Cast Iron Pipe with cement liner – in relatively good condition (couple issue areas)
- Issues - Undermining Cast Iron Pipe (during sanitary sewer replacement)
- Proposed Improvements
 - Replace valves and hydrants throughout project area
 - Replacement of Water Main: approx. 40-60% (where adjacent to deep sanitary sewer replacement and steel line on 59th Ave/Emerson Ave)
 - Replace service lines up to property line and new Curb Stops



Water Main Break Locations
Grandview South Area Street and Utility Improvements

Figure 7



Utility Improvements: Storm Sewer System

- Existing storm sewer system is developed throughout neighborhood – some standing water on road edges and at intersections
- Expansion of system needed
- Coordination with water and sewer replacement
- Proposed Improvements
 - Remove and Replace Storm Structures and Pipe As Needed
 - Extend new catch basins and storm sewer pipe where feasible
 - Water quality treatment: sump catch basins, rain gardens, other improvements where feasible

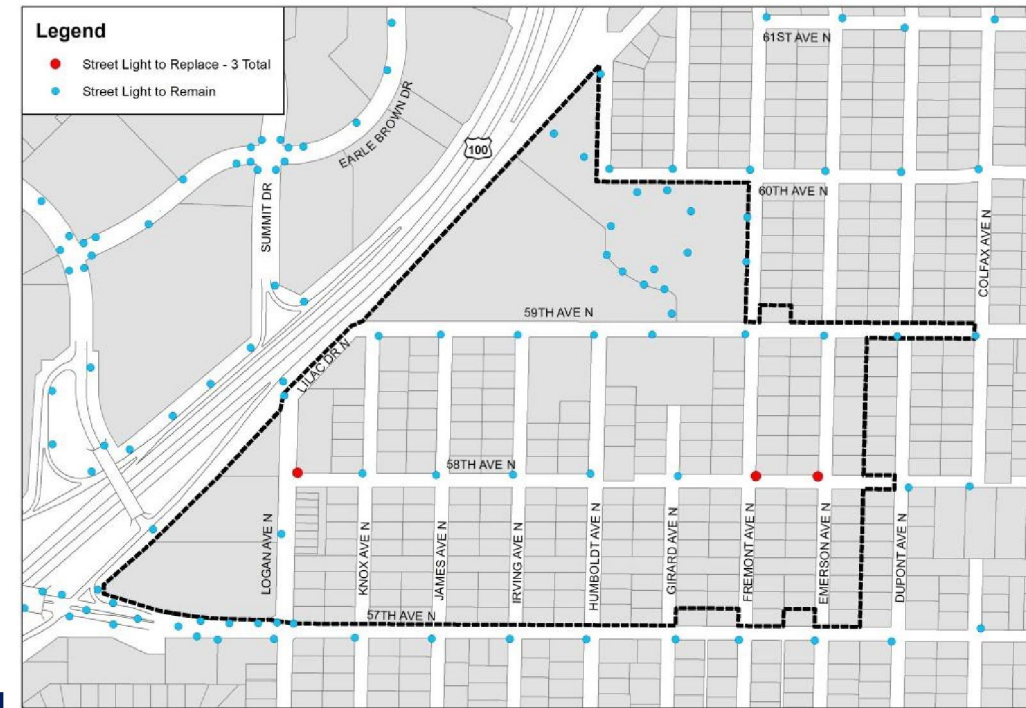


Existing Storm Sewer
Grandview South Area Street and Utility Improvements

Figure 4

Utility Improvements: Street Lighting

- 16 street lights on multi-use poles
- 3 street lights on free standing wood poles
 - All street lights have been converted to LED light fixtures
- Proposed Improvements
 - Existing Lights on Multi-Use Poles to Remain
 - Replace 3 Free-Standing Street Lights with Fiberglass Poles and LED light fixtures



Street Lights
Grandview South Area Street and Utility Improvements



Figure 3



Street Improvements

- Roadway constructed between 1961 and 1968. Most streets don't have concrete curb and gutter
- Subgrade (Foundation) Condition – good condition
- Some edge drainage issues
- Pavement Material Deterioration
- Proposed Improvements
 - Reconstruction 30 feet wide for all streets except 32 feet wide on Humboldt Ave, 59th Ave & Lilac Dr and except 37 feet wide on Logan Ave
 - Full Depth Pavement and Aggregate Base
 - Full Curb and Gutter Installation



Sidewalk Improvements

- Sidewalks exist along the north side of 59th Ave, the west side of Humboldt Ave, and east side of Logan Ave/Lilac Dr.
- Adjacent sidewalks on both sides of Dupont Ave, bituminous trails on south side of 57th Ave and in Grandview park
- Pedestrian and Bicycle Plan identified sidewalk gap along south side of 59th Ave
- Safe Routes to School identified the same sidewalk gap along south side of 59th Ave and sidewalk gaps on the east side of Irving Ave and along the north side of the parking loop in Grandview Park
- Proposed Improvements
 - New 6' concrete sidewalk on south side of 59th Ave from Dupont Ave to Knox Ave
 - New 6' concrete sidewalk on east side of Irving Ave from 59th Ave to first driveway 200' south of 59th Ave
 - New 6' concrete sidewalk along the northern portion of the Grandview Park parking loop
 - Sidewalk replacement/repairs as needed/impacted
 - Pedestrian Curb Ramps will be reconstructed at all cross streets with the Project



Sidewalks and Trails
Grandview South Area Street and Utility Improvements



Figure 2



Restoration

- Driveways that are disturbed due to the street reconstruction will be replaced.
- Disturbed boulevard areas will be restored with topsoil and sod.
- Tree replacement on 1:1 ratio in fall



During Construction



Preliminary Project Budget

	CIP – Est. <u>Project Amount</u>	Percent <u>Total</u>
Special Assessments	\$ 1,556,783.81	13.2%
Sanitary Sewer Utility	\$ 1,640,000.00	13.9%
Water Utility	\$ 2,090,000.00	17.7%
Storm Drainage Utility	\$ 1,786,742.96	15.1%
Street Reconstruction Fund	\$ 3,156,473.23	26.8%
MSA Fund	\$ 1,510,000.00	12.8%
<u>Street Light Utility</u>	<u>\$ 60,000.00</u>	<u>0.5%</u>
Total	\$11,800,000.00	100%

Note: These are only preliminary estimated amounts – these amounts will change. Costs and funding will be further updated and revised in the final design stage and bidding of the project.



Preliminary Assessment Area



Assessment Map
Grandview South Area Street and Utility Improvements



Special Assessments - Estimated Amounts & Payment Options

The City has an Assessment Policy that outlines how street improvement projects are funded. Each year the City Council establishes assessment rates for residential and commercial zoned properties based on the City's Special Assessment Policy. It is anticipated that the assessment and interest rates will be adopted by the City Council at the November 9, 2020 Council Meeting. The following are estimated 2021 assessment amounts for properties zoned R1.

Assessment Rate for Street and Utilities Improvement Projects:

- Tentative 2021 Assessment Rates for R1 properties: Street assessment = **\$4,730 Per Property*** Storm assessment = **\$1,419 Per Property*** Total assessment = **\$6149 Per Property***
 - Estimated 1.5% increase from 2020 assessment rates
- 2021 Assessment Rates for R3 properties: based on front foot basis, divided by total number of units
- 2021 Assessment Rates for R4/R5/Commercial properties: based on acreage with a "A" zone rate and a "B" zone rate
- Tentative 2021 Interest Rate: 3.5% (no change from 2020)

*For properties which may be legally subdivisible into two or more lots, the assessment to be applied shall equal the maximum number of lots allowable times the unit R1 assessment

Payment Options:

1. Pay in full - No interest between April 15 & Sept. 30, 2021
 2. Pay in full from Oct. 1 to Nov. 21, 2021 with interest from Oct. 1
 3. Pay in installments with property taxes over a 10-year period starting in 2022
- Partial prepayments cannot be accepted
 - If the project is approved an Assessment Reminder Letter will be sent
 - Deferment Questions: Contact Engineering at 763-569-3340



Estimated Payment Amount

Assessment Amount: \$6,149.00

Assessment Interest Rate: 3.50%

Assessment Term: 10 Years

Year	Annual Payment	Principle	Interest	Balance
1	\$883.92	\$614.90	\$269.02	\$5,534.10
2	\$808.59	\$614.90	\$193.69	\$4,919.20
3	\$787.07	\$614.90	\$172.17	\$4,304.30
4	\$765.55	\$614.90	\$150.65	\$3,689.40
5	\$744.03	\$614.90	\$129.13	\$3,074.50
6	\$722.51	\$614.90	\$107.61	\$2,459.60
7	\$700.99	\$614.90	\$86.09	\$1,844.70
8	\$679.46	\$614.90	\$64.56	\$1,229.80
9	\$657.94	\$614.90	\$43.04	\$614.90
10	\$636.42	\$614.90	\$21.52	\$0.00
Totals:	\$7,386.48	\$6,149.00	\$1,237.48	

Note: These are only preliminary estimated amounts – these amounts will change dependent on when interest starts accruing. Approximate monthly payment ranges from \$53 - \$74.



Preliminary Project Schedule

- Neighborhood Informational Meeting September 10, 2020
- City Council Receives Feasibility Report September 28, 2020
- **Improvement Public Hearing/Order Plans** **October 26, 2020**
- Establish 2021 Assessment Rates November 9, 2020
- **Assessment Public Hearing/Certify Assessment Roll** **December 14, 2020**
- Approve Plans/Advertise for Bids January 2021
- Accept Bids/Award Project February/March 2021
- Begin Construction April 2021
- Tree Replacements Fall 2021
- Substantial Completion October 2021



Recommended Action

Public Hearing to Order Improvements – 4/5 Vote to Pass

- Motion to open Public Hearing to Order Improvements
- Take public input on the improvements
- Motion to close Public Hearing
- Consideration of comments and motion to adopt resolution Ordering Improvements and Authorizing Preparation of Plans and Specifications



Council Regular Meeting

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Mark Ebensteiner, Finance Director

SUBJECT: Resolution Awarding the Sale of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment

Background:

On September 28, 2020 the City Council adopted a resolution setting the date for the competitive negotiated sale of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A. The bond proceeds will be used to finance the construction of Grandview North Area Improvements and the rehabilitation of water tower 1.

We have attached a copy of the Preliminary Official Statement which describes the bond sale in more detail. We anticipate that Standard & Poor's will confirm that the bonds will continue to be rated AA. The rating report will be sent to the Council when received prior to the Council meeting. Competitive proposals will be received by the City's financial advisor, Baker Tilly at 10:30am on October 26, 2020. Doug Green, Director at Baker Tilly will be present at the Council meeting to discuss the recommendations for the sale.

Grandview North Area Improvements

- The Grandview North project area extends from Dupont Avenue to Humboldt Avenue and 59th Avenue to 63rd Lane. The area contains a total of 9,504 linear feet of local streets. The project area consists of approximately 110 residential properties, 32 townhomes, two senior housing buildings and one church property.

On May 13, 2019 the City Council approved resolutions establishing improvement projects for the Grandview Area. On October 28, 2019 the City Council approved a resolution ordering improvements and authorizing preparation of plans and specifications for the Grandview North Area street, storm drainage and utility improvements.

The City Council also approved a resolution certifying the special assessments on this project on December 9, 2019. On February 24, 2020 the City Council accepted the bid and awarded the contract of the Grandview North project to the lowest responsible bidder. The estimated total cost of the project (amended per low bid) is \$6,080,894.

Water Tower 1 Rehabilitation

- Water Tower No. 1, a 500,000 gallon elevated storage tank located at 69th Avenue and France Avenue, was constructed in 1958. In 1988 spot repairs of the existing interior were completed (wet area repaired with coal tar/epoxy coating) and the exterior coating system was completely replaced. In 1999 the interior wet

coating system was completely replaced and the exterior coating was spot repaired, power washed and a urethane top coat was applied to the existing system. The tower was again inspected in 2014 and was determined to be in satisfactory condition but needing full replacement within five to six years. On March 9, 2020 the accepted the bid and awarded the contract for the Water Tower 1 Rehabilitation to the lowest responsible bidder. The estimated total cost of the project (amended per low bid) is \$850,000.

Budget Issues:

The total estimate combined cost (amended per low bid) of the two projects is \$6,930,894. Of this total cost, \$5,005,000 of street, sanitary sewer, storm drainage and water infrastructure costs will be financed through bond proceeds and paid from a combination of future special assessments, property taxes and utility revenues. This equates to approximately 72% of the total project cost.

The Grandview North Improvements Water Tower 1 Rehabilitation were included in the 2020 adopted budget. The Street Reconstruction fund which is the primary source of funding for the City's share of street reconstruction improvements receives approximately \$689,000 per year in franchise fees. Franchise fees are not adequate to cover the City's share of street reconstruction expenditures which have an estimated average annual cost of \$4.0 million for the years 2020 through 2022 as identified in the Capital Improvement Plan (CIP).

The proposed 2020A bond issue includes approximately \$2.0 million in street reconstruction costs that will be repaid from an additional debt service property tax levy. The street improvement portion of the bond issue is structured to result in a lower property tax levy in the first year annual payments, followed by an approximate \$244,000 increase in annual levy requirements to wrap around the tax levies on the City's outstanding general obligation improvement bonds. The estimated required levy for the new debt service in 2021 is approximately \$84,000, which equates to an approximate 0.4% levy increase for taxes payable in 2021.

The Special Assessments Capital Project fund accounts for infrastructure replacement costs that are funded entirely by special assessments. Because special assessments are repaid over ten years, bonds are frequently issued to provide immediate funding for the project costs. The 2020A bond issue includes approximately \$900,000 in street/storm drainage improvements that will be funded by special assessment revenue.

The utility funds pay for infrastructure replacement costs through utility charges. Issuing debt to provide funding for the infrastructure improvements will allow the City to minimize the impact on these charges. The 2020A bond issue includes \$1.83 million in water utility costs and \$1.125 million in sanitary sewer utility costs that will be funded through water and sanitary sewer utility fees.

Debt Summary (By Repayment Source)	
Property Tax Levy	\$2,050,000
Water Charges	1,830,000
Sanitary Sewer Charges	1,125,000
Total Debt Issue	\$5,005,000

Proceeds from the bonds will be received November 24th, 2020.

Strategic Priorities and Values:

Safe, Secure, Stable Community

ATTACHMENTS:

Description	Upload Date	Type
Bond Award Resolution	10/22/2020	Resolution Letter
Preliminary Official Statement 2020A Bonds	10/20/2020	Backup Material

Extract of Minutes of Meeting
of the City Council of the City of
Brooklyn Center, Hennepin County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Brooklyn Center, Minnesota, was duly called and held by teleconference in said City on Monday, the 26th day of October, 2020, at 7:00 o'clock P.M. The teleconference was held in accordance with Minnesota Statutes, Section 13D.021.

The following members were present:

and the following were absent:

* * *

* * *

* * *

The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's approximately \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A.

The City Manager presented a tabulation of the proposals that had been received in the manner specified in the Official Terms of Proposal for the Bonds. The proposals are as set forth in **Exhibit A** attached.

After due consideration of the proposals, Member _____ then introduced the following resolution, and moved its adoption:

RESOLUTION _____

**RESOLUTION AWARDING THE SALE OF \$5,005,000
GENERAL OBLIGATION IMPROVEMENT AND
UTILITY REVENUE BONDS, SERIES 2020A
FIXING THEIR FORM AND SPECIFICATIONS;
DIRECTING THEIR EXECUTION AND DELIVERY;
AND PROVIDING FOR THEIR PAYMENT.**

BE IT RESOLVED By the City Council of the City of Brooklyn Center, Hennepin County, Minnesota (the “City”) in regular meeting assembled as follows:

Section 1. Background.

1.01 The City is authorized by Minnesota Statutes, Chapters 429 and Minnesota Statutes, Chapter 475, as amended (collectively, the “Improvement Act”) to provide financing for various public street improvements in the City (the “Improvements”).

1.02 The City is authorized by Minnesota Statutes, Section 444.075 and Minnesota Statutes, Chapter 475, as amended (collectively, the “Utility Act”), to finance all or a portion of the cost of certain utility improvements of the City (the “Utility Improvements”) by the issuance of general obligation bonds of the City payable from the net revenues of the water, sanitary sewer, and storm drainage utility systems of the City.

1.03 The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and the City’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of Bonds.

2.01 Authorization. It is hereby determined that it is necessary to provide financing for the Improvements and the Utility Improvements and to finance those improvements through the issuance of the City’s \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A (the “Bonds”).

2.02. Acceptance of Offer. The proposal of _____, _____, _____ (the “Purchaser”) to purchase the Bonds is hereby found and determined to be the most favorable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$ _____ (\$5,005,000.00 par amount, plus original issue premium of \$ _____, less underwriter’s discount of \$ _____), for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2022	%	2027	%
2023		2028	
2024		2029	
2025		2030	
2026		2031	

2.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the accounts in the Construction Fund hereinafter created, as determined by the City Finance Director after consultation with the City’s municipal advisor. The City Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Manager are authorized to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

2.04. Terms and Principal Amounts of Bonds. The City will forthwith issue and sell the Bonds pursuant to the Improvement Act and the Utility Act (collectively, the “Act”), in the total principal amount of \$5,005,000, originally dated the date of delivery, the Bonds being in fully registered form in the denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$345,000	2027	\$ 520,000
2023	505,000	2028	520,000
2024	505,000	2029	525,000
2025	510,000	2030	530,000
2026	510,000	2031	535,000

\$2,050,000 of the Bonds (the “Improvement Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the cost of the Improvements:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$60,000	2027	\$220,000
2023	215,000	2028	220,000
2024	215,000	2029	225,000
2025	220,000	2030	225,000
2026	220,000	2031	230,000

\$2,955,000 of the Bonds (the “Utility Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the cost of the Utility Improvements:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	285,000	2027	\$300,000
2023	290,000	2028	300,000
2024	290,000	2029	300,000
2025	290,000	2030	305,000
2026	290,000	2031	305,000

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

2.05. Optional Redemption. The City may elect on February 1, 2028, and on any day thereafter to prepay Bonds maturing on or after February 1, 2029. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 3. Form; Registration.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof is payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2021, to the registered owners thereof of record as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds

and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered in the bond register as the absolute owner of such Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the

ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) in accordance with the requirements of DTC to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Appointment of Initial Registrar. The City appoints Zions Bancorporation, National Association, Chicago, Illinois, as the initial Registrar. The Mayor and the City Manager are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director must transmit to the Registrar monies sufficient for the payment of all principal and interest then due.

3.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on a Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser thereof upon payment of the purchase price

in accordance with the contract of sale heretofore made and executed, and the Purchaser will not be obligated to see to the application of the purchase price.

3.07. Form of Bonds. The Bonds will be printed or typewritten in substantially the form set forth in **Exhibit B** attached hereto.

3.08. Approving Legal Opinion. The City Finance Director is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which will be complete except as to dating thereof and will cause the opinion to be printed on or accompany each Bond.

Section 4. Funds and Accounts; Security; Payment.

4.01. Debt Service Fund and Accounts Maintained Therein. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the “General Obligation Improvement and Utility Revenue Bonds, Series 2020A Debt Service Fund” (the “Debt Service Fund”). The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Debt Service Fund will be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The City will maintain the following accounts in the Debt Service Fund: the “Assessable Improvements Account” and the “Utility Improvements Account.” Amounts in the Assessable Improvements Account are irrevocably pledged to the Improvement Bonds and amounts in the Utility Improvements Account are irrevocably pledged to the Utility Bonds.

(a) Assessable Improvements Account. To the Assessable Improvements Account in the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) proceeds of the ad valorem taxes levied under Section 4.03(a) or hereafter levied (the “Taxes”), which ad valorem taxes are pledged to the Assessable Improvements Account; (ii) capitalized interest financed from Improvement Bond proceeds, if any; (iii) a pro rata portion of the amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof; (iv) all investment earnings on amounts in the Improvements Account of the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Improvement Bonds.

(b) Utility Improvements Account. The City will continue to maintain and operate its water, sanitary sewer, and storm drainage utility fund or funds, to which will be credited all gross revenues of the water, sanitary sewer, and storm drainage utility systems (the “Utility Systems”), and out of which will be paid all normal and reasonable expenses of current operations of such systems. Any balances therein are deemed net revenues (the “Net Revenues”) and will be transferred, from time to time, to the Utility Improvement Account of the Debt Service Fund in an amount sufficient to pay the principal of and interest on the Utility Bonds, which Utility Improvements Account will be used only to pay principal of and interest on the Utility Bonds, and any other bonds similarly authorized. There is also

appropriated to the Utility Improvements Account (i) any collections of taxes hereafter levied for the payment of the Utility Bonds and interest thereon, (ii) a pro rata portion of any amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof, (iii) all investment earnings on funds in the Utility Improvements Account of the Debt Service Fund; and (iv) any other funds appropriated for the payment of principal or interest on the Utility Bonds. The Finance Director must report to the City Council any current or anticipated deficiency in the Utility Improvements Account or in the availability of Net Revenues to pay principal of and interest on the Utility Bonds and any other bonds similarly authorized. If a payment of principal or interest on the Utility Bonds becomes due when there is not sufficient money in the Utility Improvements Account in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of Net Revenues and taxes when collected.

4.02. Construction Fund. The City hereby creates the “General Obligation Improvement and Utility Revenue Bonds, Series 2020A Construction Fund” (the “Construction Fund”) to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Construction Fund: the “Assessable Improvements Account” and the “Utility Improvements Account.” Amounts in the Assessable Improvements Account will be used to construct the Improvements and amounts in the Utility Improvements Account will be used to construct the Utility Improvements.

(a) Assessable Improvements Account. Proceeds of the Improvement Bonds, less the appropriations made in Section 4.01(a) hereof, together with any other funds appropriated for the Improvements and the Taxes collected during the construction of the Assessable Improvements, will be deposited in the Assessable Improvements Account of the Construction Fund to be used solely to defray expenses of the Improvements and the payment of principal of and interest on the Improvement Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Assessable Improvements Account after the Improvements are completed and the cost thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Assessable Improvements Account of the Construction Fund is to be closed and any balance remaining therein and any subsequent collections of the Taxes for the Improvements are to be deposited in the Assessable Improvements Account of the Debt Service Fund.

(b) Utility Improvements Account. Proceeds of the Utility Improvements Bonds, less the appropriations made in Section 4.01(b) hereof, will be deposited in the Utility Improvements Account of the Construction Fund to be used solely to defray expenses of the Utility Improvements. Any balance remaining in the Utility Improvements Account after the Utility Improvements are completed and the cost thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Utility Improvements Account of the Construction Fund is to be closed and

any balance remaining therein is to be deposited in the Utility Improvements Account of the Debt Service Fund.

4.03. Tax Levy for Improvement Bonds. For the purpose of paying the principal of and interest on the Improvement Bonds, there is hereby levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. Such Taxes will be credited to the Assessable Improvements Account of the Debt Service Fund above provided and will be in the years and amounts as set forth in **Exhibit C**.

The tax levy herein provided will be irrepealable until all of the Improvement Bonds are paid, provided that the City Finance Director may annually, at the time the City makes its tax levies, certify to the Taxpayer Services Division Manager the amount available in the Assessable Improvements Account of the Debt Service Fund to pay principal and interest due during the ensuing year on the Improvement Bonds, and the Taxpayer Services Division Manager will thereupon reduce the levy collectible during such year by the amount so certified.

4.04. City Covenants with Respect to the Improvement Bonds. It is hereby determined that the Improvements will directly and indirectly benefit certain property in the City, and the City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause and special assessments levied or to be levied against the property specially benefited by the Improvements (the "Assessments") to be promptly levied so that the first installment will be collectible not later than 2020 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Improvement Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in the Assessments and Taxes, the City Council will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

(e) At least 20% of the cost to the City of the Improvements described herein has been or will be specially assessed against benefited properties.

(f) In lieu of pledging the Assessments to the payment of the principal of and interest on the Bonds, the City will pay costs of the Improvements, and thereby reduce the cost thereof financed by the Bonds, from its Special Assessment Construction Fund in an amount equal to the amount of the Assessments and will utilize the Assessments, when received to replenish Special Assessment Construction Fund in such amount.

4.05 City Covenants with Respect to the Utility Bonds. The City Council covenants and agrees with the holders of the Bonds that so long as any of the Utility Bonds remain outstanding and unpaid, it will keep and enforce the following covenants and agreements:

(a) The City will continue to maintain and efficiently operate the Utility Systems as public utilities and conveniences free from competition of other like municipal utilities and will cause all revenues therefrom to be deposited in bank accounts and credited to the accounts of the Utility Systems as hereinabove provided, and will make no expenditures from those accounts except for a duly authorized purpose and in accordance with this resolution.

(b) The City will also maintain the Debt Service Fund as a separate account in the Utility Improvements Account and will cause money to be credited thereto from time to time, out of Net Revenues from the Utility Systems in sums sufficient to pay principal of and interest on the Utility Improvements Bonds when due.

(c) The City will keep and maintain proper and adequate books of records and accounts separate from all other records of the City in which will be complete and correct entries as to all transactions relating to the Utility Systems and which will be open to inspection and copying by any bondholder, or the bondholder's agent or attorney, at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor, and said account will be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to all bondholders upon request.

(d) The City Council will cause persons handling revenues of the Utility Systems to be bonded in reasonable amounts for the protection of the City and the bondholders and will cause the funds collected on account of the operations of the Utility Systems to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Council will keep the Utility Systems insured at all times against loss by fire, tornado and other risks customarily insured against with an insurer or insurers in good standing, in such amounts as are customary for like plants, to protect the holders, from time to time, of the Utility Bonds and the City from any loss due to any such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The City and each and all of its officers will punctually perform all duties with reference to the Utility Systems as required by law.

(g) The City will impose and collect charges of the nature authorized by Minnesota Statutes, Section 444.075 at the times and in the amounts required to produce Net Revenues adequate to pay all principal and interest when due on the Utility Bonds and to create and maintain such reserves securing said payments as may be provided in this resolution.

(h) The City Council will levy general ad valorem taxes on all taxable property in the City, when required to meet any deficiency in pledged Net Revenues.

(i) The City hereby determines that the estimated collection of net revenues herein pledged for the payment of principal and interest on the Utility Bonds will produce at least 5% in excess of the amount needed to meet, when due, the principal and interest payments on such portion of the Bonds.

4.06 Registration of Resolution. The City Clerk is directed to file a certified copy of this resolution with the Taxpayer Services Division Manager of Hennepin County and to obtain the certificate required by Section 475.63 of the Act.

4.07. Debt Service Coverage. It is hereby determined that the estimated collection of the foregoing Taxes and Assessments will produce at least 5% in excess of the amount needed to pay when due, the principal and interest payments on the Improvement Bonds and the Net Revenues herein pledged will produce at least 5% in excess of the amount needed to pay when due the principal and interest payments on the Utility Bonds.

4.08. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, City Manager and Finance Director, or any of them, are hereby authorized and directed to certify that they have examined the Official Statement, prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof,

a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor, City Manager, and Finance Director, or either of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, City Manager, and Finance Director, or either of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04 Electronic Signatures. The electronic signature of the Mayor and/or the City Administrator to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01 Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bond under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States unless the Bonds qualify for an exception to the rebate requirement under the Code and related Treasury Regulations.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04 Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2020 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2020 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 2.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (DTC). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar,) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of

principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Manager of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the City Manager will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and

appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

8.02. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 9. Defeasance. When all Bonds (or all of either the Improvement Bonds or Utility Bonds portion thereof) and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution (with respect to the Improvement Bonds or Utility Bonds portion of the Bonds, as the case may be) to holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds (or all of either the Improvement Bonds or Utility Bonds portion thereof) which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN) SS.
)
CITY OF BROOKLYN CENTER)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Brooklyn Center, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council held on Monday, October 26, 2020, with the original minutes on file in my office on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A of the City.

WITNESS My hand officially as such City Clerk of the City this _____ day of _____, 2020.

City Clerk
City of Brooklyn Center, Minnesota

EXHIBIT A
PROPOSALS

**EXHIBIT B
FORM OF BOND**

No. R-_____ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF BROOKLYN CENTER

GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE
BOND, SERIES 2020A

Rate	Maturity Date	Date of Original Issue	CUSIP
	February 1, 20____	November ____, 2020	

Registered Owner: Cede & Co.

The City of Brooklyn Center, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual Rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing August 1, 2021, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Zions Bancorporation, National Association, Chicago, Illinois, as Registrar, Authenticating Agent and Paying Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$5,005,000, all of like original issue date and tenor, except as to number, maturity date, denomination, redemption privilege, and interest rate, issued pursuant to a resolution adopted by the City Council on October 26, 2020 (the “Resolution”), for the purpose of providing monies in part for various street improvements and various utility improvements and pursuant to and in full conformity with its home rule charter, the Constitution, and the laws of the State of Minnesota, including Minnesota Statutes, Chapters 429, 444 and 475. The principal hereof and interest hereon are payable from certain special assessments against property specially benefited by local improvements, net revenues of the water, sanitary sewer, and storm drainage utility systems and from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and

the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in special assessments, net revenues and ad valorem taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City may elect on February 1, 2028, and on any date thereafter to prepay Bonds maturing on or after February 1, 2029. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

IT IS HEREBY CERTIFIED AND RECITED that in and by the Resolution, the City has covenanted and agreed that it will continue to own and operate the water, sanitary sewer, and storm drainage utility systems free from competition by other like municipal utilities; that adequate insurance on said systems and suitable fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing all receipts and disbursements relating to the Utility Systems fund, into which it will pay all of the gross revenues from the water, sanitary sewer, and storm drainage utility systems; that it will also create and maintain a Utility Improvements Account within the General Obligation Improvement and Utility Revenue Bonds, Series 2020A Debt Service Fund, into which it will pay, out of the net revenues from the water, sanitary sewer, and storm drainage utility systems, a sum sufficient to pay principal of and interest on the Utility Revenue Bonds when due; and that it will provide, by ad valorem tax levies, for any deficiency in required net revenues of the water, sanitary sewer, and storm drainage utility systems.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner, that prior to the issuance of this bond the City Council of the City has provided funds for the payment of principal and interest on the bonds of this issue as the same become due, but the full faith and credit of the City is pledged for their payment and additional taxes will be levied, if required for such purpose, without limitation as to the rate of amount; and that this bond, together with all other indebtedness of the City outstanding on the date of its issuance, does not exceed any constitutional or statutory limitation thereon.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Brooklyn Center, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Manager and has caused this Bond to be dated as of the date set forth below.

Dated: _____, 2020

CITY OF BROOKLYN CENTER, MINNESOTA

City Manager

Mayor

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION**

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants
in common

TEN ENT -- as tenants
by entireties

JT TEN -- as joint tenants
with right of
survivorship and
not as tenants in
common

UNIF GIFT MIN ACT
____ Custodian ____
(Cust) (Minor)
under Uniform Gift or Transfer to
Minors Act
of.....
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners
if this Bond is held by joint account)

Please insert social security or
other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Registrar</u>
_____, 2020	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT C

IMPROVEMENT BONDS TAX LEVY

STATE OF MINNESOTA
COUNTY OF HENNEPIN

TAXPAYER SERVICES DIVISION MANAGER'S
CERTIFICATE AS TO
TAX LEVY AND
REGISTRATION

I, the undersigned Taxpayer Services Division Manager of Hennepin County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Brooklyn Center, Minnesota, on October 26, 2020, levying taxes for the payment of \$5,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2020A, of said municipality dated November __ , 2020 has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this _____ day of _____, 2020.

(SEAL)

Taxpayer Services Division Manager
Hennepin County, Minnesota

Deputy

**NEW ISSUE
BANK QUALIFIED****S&P Rating: Requested**

In the opinion of Kennedy & Graven, Chartered, Bond Counsel for the Bonds, based on present federal and Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Kennedy & Graven, Chartered regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations. See "TAX EXEMPTION" and "OTHER FEDERAL AND STATE TAX CONSIDERATIONS" herein.

\$5,005,000*

City of Brooklyn Center, Minnesota
General Obligation Improvement and Utility Revenue Bonds, Series 2020A
(the "Bonds")
(Book Entry Only)

Dated Date: Date of Delivery**Interest Due: Each February 1 and August 1,
commencing August 1, 2021**

The Bonds will mature February 1 in the years and amounts* as follows:

2022	\$345,000	2024	\$505,000	2026	\$510,000	2028	\$520,000	2030	\$530,000
2023	\$505,000	2025	\$510,000	2027	\$520,000	2029	\$525,000	2031	\$535,000

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above.

The City may elect on February 1, 2028, and on any day thereafter, to redeem Bonds due on or after February 1, 2029 at a price of par plus accrued interest.

The Bonds are general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge net revenues of the City's water, sanitary sewer, and storm drainage utility funds for repayment of a portion of the Bonds. The proceeds of the Bonds, along with available City funds, will be used to finance street and utility improvement projects throughout various areas of the City.

Proposals shall be for not less than \$4,954,950 plus accrued interest, if any, on the total principal amount of the Bonds. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Following receipt of proposals, a good faith deposit will be required to be delivered to the City by the lowest bidder as described in the "Terms of Proposal" herein. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) Zions Bancorporation, National Association, Chicago, Illinois will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about November 24, 2020.

PROPOSALS RECEIVED: Monday, October 26, 2020 until 10:30 A.M., Central Time
CONSIDERATION OF AWARD: Council meeting commencing at 7:00 P.M., Central Time on
Monday, October 26, 2020



Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* Preliminary; subject to change.

CITY OF BROOKLYN CENTER, MINNESOTA

CITY COUNCIL

Mike Elliott	Mayor
Marquita Butler	Council Member/Mayor Pro Tem
April Graves	Council Member
Kris Lawrence-Anderson	Council Member
Dan Ryan	Council Member/Acting Mayor Pro Tem

CITY MANAGER

Cornelius L. Boganey

FINANCE DIRECTOR

Mark Ebensteiner

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Kennedy & Graven, Chartered
Minneapolis, Minnesota

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time, may be treated as a Preliminary Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in the Terms of Proposal.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the City. The City is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the City that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

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THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$5,005,000*

**CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL OBLIGATION IMPROVEMENT AND
UTILITY REVENUE BONDS, SERIES 2020A**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Bonds”) will be received by the City of Brooklyn Center, Minnesota (the “City”) on Monday, October 26, 2020, (the “Sale Date”) until 10:30 A.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at its meeting commencing at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts* as follows:

2022	\$345,000	2024	\$505,000	2026	\$510,000	2028	\$520,000	2030	\$530,000
2023	\$505,000	2025	\$510,000	2027	\$520,000	2029	\$525,000	2031	\$535,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

Zions Bancorporation, National Association will serve as registrar for the Bonds, which shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2028, and on any day thereafter, to redeem Bonds due on or after February 1 2029. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge net revenues of the City's water, sanitary sewer, and storm drainage utility funds for repayment of a portion of the Bonds. The proceeds of the Bonds, along with available City funds, will be used to finance street and utility improvement projects throughout various areas of the City.

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$4,954,950 plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. [However, such Issue Price Certificate may indicate that the Purchaser has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public.] Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating

to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$50,050 (the “Deposit”) no later than 1:30 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other

than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about November 24, 2020, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bond, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bond will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bond.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated September 28, 2020

BY ORDER OF THE CITY COUNCIL

/s/ Barb Suci
City Clerk

OFFICIAL STATEMENT

\$5,005,000*

CITY OF BROOKLYN CENTER, MINNESOTA GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2020A

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

General

This Official Statement contains certain information relating to the City of Brooklyn Center, Minnesota (the “City”) and its issuance of \$5,005,000* General Obligation Improvement and Utility Revenue Bonds, Series 2020A (the “Bonds”). The Bonds are general obligations of the City for which it pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge net revenues of the City’s water, sanitary sewer, and storm drainage utility funds for repayment of a portion of the Bonds.

Inquiries may be directed to Mr. Mark Ebensteiner, Finance Director, City of Brooklyn Center, 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430, by telephoning (763) 569-3345, or by e-mailing mebensteiner@ci.brooklyn-center.mn.us. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bondservice@bakertilly.com.

Potential Impacts Resulting from Coronavirus (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. As the federal, state, and local governments, including the City, continue efforts to contain and limit the spread COVID-19 disease, future tax and other revenue collections may deviate from historical or anticipated collections and may have an adverse impact on the financial position and operations of the City and its ability to fund debt obligations, including the Bonds in accordance with its terms. The City is not able to predict and makes no representations as to the economic impact of the COVID-19 pandemic on the City or its financial position. As of the date of this Official Statement, the City has received a total of \$2,433,415 of CARES funding, which has been allocated to the City’s General Fund.

* Preliminary; subject to change.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 (the “Rule”), pursuant to the Awarding Resolution, the City has covenanted to comply with the continuing disclosure undertaking (the “Undertaking”) for the benefit of holders or beneficial owners of the Bonds to provide certain financial information and operating data relating to the City to the Municipal Securities Rulemaking Board annually, and to provide notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board and to any state information depository. The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, is set forth in the Undertaking in substantially the form attached hereto as Appendix II, subject to such modifications thereof or additions thereto as: (i) consistent with requirements under the Rule, (ii) required by the purchaser of the Bonds from the City, and (iii) acceptable to the Mayor and the Manager of the City.

Except to the extent the following deficiencies are deemed to be material, the City believes it has complied for the past five years in all material respects in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. In reviewing its past disclosure practices, the City notes the following:

- Prior continuing disclosure undertakings entered into by the City included language stating that the City’s audited financial statements would be filed “as soon as available.” Although not always filed “as soon as available,” the audited financial statements were timely filed within the required twelve (12) month timeframe as provided for in each undertaking.

A failure by the City to comply with the Undertaking will not constitute an event of default on the Bonds (although holders or other beneficial owners of the Bonds will have the sole remedy of bringing an action for specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2021. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled “Book Entry System.” Zions Bancorporation, National Association, Chicago, Illinois will serve as Registrar for the Bonds, and the City will pay for registrar services.

Redemption Provisions

Mailed notice of redemption shall be given to the registered owner(s) of the Bonds in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The City may elect on February 1, 2028, and on any day thereafter, to redeem Bonds due on or after February 1, 2029. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444, and 475. The proceeds of the Bonds, along with available City funds, will be used to finance street improvement projects (the “Improvement Portion”) and utility improvement projects (the “Utility Portion”) throughout various areas of the City.

SOURCES AND USES OF FUNDS

The composition of the Bonds is estimated to be as follows:

	<u>Improvement Portion</u>	<u>Utility Portion</u>	<u>Total</u>
Sources of Funds:			
Principal Amount	\$2,050,000	\$2,955,000	\$5,005,000
Available City Funds	<u>1,075,000</u>	<u>66,212</u>	<u>1,141,212</u>
Total Sources of Funds	\$3,125,000	\$3,021,212	\$6,146,212
Uses of Funds:			
Deposit to Project Fund	\$3,075,000	\$2,959,212	\$6,034,212
Costs of Issuance	29,500	32,450	61,950
Allowance for Discount Bidding	<u>20,500</u>	<u>29,550</u>	<u>50,050</u>
Total Uses of Funds	\$3,125,000	\$3,021,212	\$6,146,212

SECURITY AND FINANCING

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds are discussed below.

Improvement Portion

The City will make its first levy for the Improvement Portion of the Bonds in 2020 for collection in 2021. Each year’s collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

The City will cash fund the assessable portion of the Improvement Portion of the Bonds from its Special Assessment Construction Fund in the amount of approximately \$905,000, which has been included as a source of funds and has been used to reduce the amount the City needs to borrow. Special assessments in the principal amount of approximately \$873,568 are expected to be filed in 2020 for first collection in 2021, and will be filed over a term of ten years with equal annual payments of principal. Interest on the unpaid balance will be charged at an interest rate of 3.50%. The collection of special assessments, as described above, will be used to repay the City’s Special Assessment Construction Fund.

Utility Portion

Pursuant to Minnesota Statutes, Chapter 444, and the resolution awarding the sale of the Bonds, the City will covenant to impose and collect charges for the service, use, availability and connection to the water, storm drainage, and sanitary sewer utilities (the "Utilities") to produce net revenues in amounts sufficient to support the operation of the Utilities and to pay 105% of debt service on obligations to which it has pledged the net revenues of the Utilities, including the Utility Portion of the Bonds. The City is required to annually review the budget of the Utilities to determine whether current rates and charges are sufficient and to adjust such rates and charges as necessary. The City does not anticipate the need to levy taxes for repayment of the Utility Portion of the Bonds.

FUTURE FINANCING

The City does not anticipate issuing any additional long-term general obligation debt for at least the next 90 days.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix I herein will be delivered at closing.

TAX EXEMPTION

At closing Kennedy & Graven, Chartered, of Minneapolis, Minnesota, Bond Counsel for the Bonds, will render an opinion that, at the time of their issuance and delivery to the original purchaser, under present federal and State of Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect), the interest on the Bonds is excluded from gross income for purposes of United States income tax and is excluded, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Kennedy & Graven regarding other federal or state tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of Bonds. Preservation of the exclusion of interest on the Bonds from federal gross income and state gross and taxable net income, however, depends upon compliance by the

City with all requirements of the Internal Revenue Code of 1986, as amended, (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from federal gross income and state gross and taxable net income.

The City will covenant to comply with requirements necessary under the Code to establish and maintain the Bonds as tax-exempt under Section 103 thereof, including without limitation, requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Bonds.

Original Issue Premium

Certain maturities of the Bonds (the “Premium Bonds”) may be sold to the public at an amount in excess of their stated redemption price at maturity. Such excess of the purchase price of such Premium Bonds over the stated redemption price at maturity constitutes original issue premium with respect to such Premium Bonds. A purchaser of a Premium Bond must amortize any original issue premium over the term of such Premium Bond using constant yield principles, based on the purchaser’s yield to maturity. As original issue premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or a decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Original Issue Discount

Certain maturities of the Bonds (the “Discount Bonds”) may be sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner’s federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

If a Discount Bond is purchased at a price that exceeds the sum of the Issue Price plus accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Bond.

No opinion is expressed as to state and local income tax treatment of original issue discount. It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual, and may be deemed to accrue differently than under federal law.

Holders of Discount Bonds should consult their tax advisors with respect to the computation and accrual of original issue discount for federal income tax purposes and with respect to the state and local tax consequences of owning such Discount Bonds.

OTHER FEDERAL AND STATE TAX CONSIDERATIONS

Property and Casualty Insurance Companies

Property and casualty insurance companies are required to reduce the amount of their loss reserve deduction by the applicable percentage of the amount of tax-exempt interest received or accrued during the taxable year on certain obligations, including interest on the Bonds.

Foreign Insurance Companies

Foreign companies carrying on an insurance business in the United States are subject to a tax on income which is effectively connected with their conduct of any trade or business in the United States, including "net investment income." Net investment income includes tax-exempt interest such as interest on the Bonds.

Branch Profits Tax

A foreign corporation is subject to a branch profits tax imposed by Section 884 of the Code. A branch's earnings and profits may include tax-exempt municipal bond interest, such as interest on the Bonds.

Passive Investment Income of S Corporations

Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than a certain percentage of the gross receipts of such S corporation is passive investment income.

General

The preceding is not a comprehensive list of all federal or State tax consequences which may arise from the receipt or accrual of interest on the Bonds. The receipt or accrual of interest on the Bonds may otherwise affect the federal income tax (or Minnesota income tax or franchise tax) liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items of income or deductions. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

RATING

Application for a rating of the Bonds has been made to S&P Global Ratings (“S&P”), 55 Water Street, New York, New York. If a rating is assigned, it will reflect only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the “Municipal Advisor” or “BTMA”). BTMA is a registered municipal advisor and a wholly-owned subsidiary of Baker Tilly US, LLP (“BTUS”), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

BTUS was engaged to conduct the executive recruitment search for the Finance Director of the City within the 24-month period ending on the date of this Official Statement. BTUS performed this search under a separate engagement contract and received a separate fee from the City pursuant to that contract.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the Issuer, but is neither a placement agent to the Issuer nor a broker/dealer and cannot participate in the underwriting of the Obligations.

The offer and sale of the Obligations shall be made by the Issuer, in the sole discretion of the Issuer, and under its control and supervision. The Issuer has agreed that BTMA does not undertake to sell or attempt to sell the Obligations, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC (“BTIS”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC (“BTC”), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC (“BTF”), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser will be furnished with a certificate signed by the appropriate officers of the City stating that the City examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

CITY PROPERTY VALUES

Trend of Values^(a)

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio ^(b)	Economic Market Value ^(c)	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2019/20	\$2,448,176,800	N/A	N/A	\$135,015,397	\$2,304,437,403	\$29,240,979
2018/19	2,234,245,900	89.6%	\$2,499,069,716	144,494,942	2,081,039,958	26,538,221
2017/18	2,054,586,200	94.5	2,178,582,990	154,116,646	1,892,639,554	25,120,921
2016/17	1,870,150,101	92.5	2,028,801,815	163,771,285	1,699,535,316	22,841,269
2015/16	1,778,802,900	93.7	1,898,823,284	166,968,111	1,605,660,789	21,570,419

^(a) For a description of the Minnesota property tax system, see Appendix III.

^(a) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values>.

^(c) Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values>.

Source: Hennepin County, Minnesota, September 2020, except as otherwise noted.

2019/20 Adjusted Taxable Net Tax Capacity: \$29,240,979

Real Estate:		
Residential Homestead	\$14,497,688	50.32%
Commercial/Industrial, Railroad, and Public Utility	10,230,781	35.51
Residential Non-Homestead	3,580,042	12.43
Seasonal Recreational and Other	12,200	0.04
Personal Property	489,976	1.70
2019/20 Net Tax Capacity	\$28,810,687	100.00%
Less: Captured Tax Increment	(4,795,248)	
Contribution to Fiscal Disparities	(3,186,988)	
Plus: Distribution from Fiscal Disparities	8,412,528	
2019/20 Adjusted Taxable Net Tax Capacity	\$29,240,979	

Ten of the Largest Taxpayers in the City

Taxpayer	Type of Property	2019/20 Net Tax Capacity
The Luther Company LLC	Car Dealer	\$ 676,210
The Molasky Group of COS	FBI Regional Headquarters	484,650
Marvin F Poer and Company	Property Tax Advisors	388,250
Lake Point Apartments LLC	Apartments	306,138
TLN Lanel Ltd Partnership	Apartments	300,318
Medtronic Inc.	Industrial	280,430
Brooklyn Hotel Partners	Hotel	277,830
Brookdale Corner LLC	Retail	276,050
G B Homes LLC	Custom Home Builders	271,438
Melrose Gates LLC	Apartments	233,400
Total		\$3,494,714*

* Represents 12.0% of the City's 2019/20 adjusted taxable net tax capacity.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2019/20 Estimated Market Value)	\$73,445,304
Less: Outstanding Debt Subject to Limit	<u>0</u>
Legal Debt Margin as of November 24, 2020	\$73,445,304

* The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTES: Certain types of debt are not subject to the legal debt limit. See Appendix III – Debt Limitations.

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-24-20</u>
12-19-13	\$4,920,000	Improvements	2-1-2024	\$ 1,495,000
7-9-15	5,240,000	Improvements	2-1-2026	3,205,000
10-13-16	1,820,000	Street Improvements	2-1-2027	1,320,000
6-8-17	3,735,000	Street Improvements	2-1-2028	3,035,000
7-10-18	3,835,000	Street Improvements	2-1-2029	3,490,000
9-12-19	4,050,000	Street Improvements	2-1-2030	3,355,000
11-24-20	2,050,000	Improvements (the Improvement Portion)	2-1-2031	<u>2,050,000</u>
Total				\$17,950,000

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-24-20</u>
12-19-13	\$6,040,000	Taxable Tax Increment	2-1-2022	\$4,335,000
12-8-16	2,075,000	Tax Increment Refunding	2-1-2029	2,075,000
12-8-16	1,725,000	Taxable Tax Increment Refunding	2-1-2023	<u>890,000</u>
Total				\$7,300,000

General Obligation Utility Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-24-20</u>
7-9-15	\$1,660,000	Utility Revenue Refunding	2-1-2025	\$ 860,000
10-13-16	3,605,000	Utility Revenue	2-1-2027	2,615,000
6-8-17	4,880,000	Utility Revenue	2-1-2028	3,805,000
7-10-18	4,350,000	Utility Revenue	2-1-2029	4,005,000
9-12-19	5,800,000	Utility Revenue	2-1-2030	4,790,000
11-24-20	2,955,000	Utility Revenue (the Utility Portion)	2-1-2031	<u>2,955,000</u>
Total				\$19,030,000

Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-24-20</u>
1-20-15	\$19,662,798	Taxable GO PFA Water Loan	8-20-2034	\$14,791,445

Liquor Enterprise Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-24-20</u>
9-26-19	\$2,620,000	Lease Revenue	2-1-2035	\$2,520,000*

* These bonds are being issued through means of an operating lease-purchase agreement between the City and the Economic Development Authority of Brooklyn Center, Minnesota (the "EDA"). This issue is repaid with annual appropriation lease payments to be made by the City.

Estimated Calendar Year Debt Service Payments

<u>Year</u>	<u>G.O. Special Assessment Debt</u>		<u>G.O. Tax Increment Debt</u>	
	<u>Principal</u>	<u>Principal & Interest^(a)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2020 (at 11-24)	(Paid)	(Paid)	(Paid)	(Paid)
2021	\$ 2,110,000	\$ 2,625,292	\$2,430,000	\$2,596,520
2022	2,245,000	2,697,003	2,490,000	2,582,680
2023	2,220,000	2,602,799	305,000	355,333
2024	2,255,000	2,568,334	330,000	373,525
2025	2,085,000	2,329,185	335,000	371,875
2026	2,120,000	2,295,953	340,000	369,700
2027	1,600,000	1,718,644	350,000	371,938
2028	1,420,000	1,494,150	355,000	368,563
2029	1,040,000	1,077,013	365,000	369,563
2030	625,000	637,225		
2031	230,000	231,438		
Total	\$17,950,000 ^(b)	\$20,277,036	\$7,300,000	\$7,759,697

^(a) Includes estimated debt service on the Improvement Portion of the Bonds.

^(b) 98.7% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

Year	G.O. Utility Revenue Debt		Revenue Debt	
	Principal	Principal & Interest ^(a)	Principal	Principal & Interest
2020 (at 11-24)	(Paid)	(Paid)	(Paid)	(Paid)
2021	\$ 1,560,000	\$ 2,123,360	\$ 992,000	\$ 1,140,310
2022	2,000,000	2,512,734	1,002,000	1,140,390
2023	2,055,000	2,504,611	1,012,000	1,140,370
2024	2,120,000	2,503,690	1,022,000	1,140,250
2025	2,175,000	2,489,699	1,033,000	1,141,030
2026	2,185,000	2,426,909	1,043,000	1,140,700
2027	2,275,000	2,446,704	1,053,000	1,140,270
2028	1,935,000	2,043,607	1,064,000	1,140,740
2029	1,455,000	1,511,023	1,075,000	1,141,100
2030	965,000	983,843	1,085,000	1,140,350
2031	305,000	306,906	1,096,000	1,140,500
2032			1,107,000	1,140,540
2033			1,118,000	1,140,470
2034			1,089,445	1,100,735
Total	\$19,030,000 ^(b)	\$21,853,086	\$14,791,445 ^(c)	\$15,927,755

Year	Liquor Enterprise Debt	
	Principal	Principal & Interest
2020 (at 11-24)	(Paid)	(Paid)
2021	\$ 100,000	183,600
2022	135,000	213,900
2023	140,000	213,400
2024	145,000	212,700
2025	155,000	216,700
2026	160,000	215,400
2027	165,000	213,900
2028	170,000	213,050
2029	175,000	212,875
2030	180,000	212,550
2031	185,000	212,075
2032	195,000	216,375
2033	200,000	215,450
2034	205,000	214,375
2035	210,000	213,150
Total	\$2,520,000 ^(d)	\$3,179,500

^(a) Includes estimated debt service on the Utility Portion of the Bonds.

^(b) 98.4% of this debt will be retired within ten years.

^(c) 70.2% of this debt will be retired within ten years.

^(d) 60.5% of this debt will be retired within ten years.

Other Debt Obligations

Operating Leases

The City has leased a portion of the police second floor expansion area to the Local Government Information Systems Association (LOGIS) as a backup computer facility. The lease has a term of ten years, commencing on January 12, 2016 and calls for monthly lease payments based on square-footage. Lease revenue for the year ended December 31, 2019 was \$12,000. Future minimum lease revenues under the current agreement is as follows:

Year Ending December 31

2020	\$12,000
2021	12,000
2022	12,000
2023	12,000
2024	12,000
2025	<u>12,000</u>
Total	\$72,000

The City has entered into two operating leases for its municipal liquor stores. Rent expenses for the fiscal year ended December 31, 2019 were \$332,456. The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2019:

Year Ending December 31

2020	\$164,124
2021	93,360
2022	93,360
2023	<u>93,360</u>
Total	\$444,204

The City has a lease for golf carts used at Centerbrook Golf Course. The lease was signed in 2019 with a four-year term. Total rental expenses under the lease agreements for the year ended December 31, 2019 was \$15,329. Future minimum base rent payments under the current agreement are as follows:

Year Ending December 31

2020	\$12,012
2021	12,012
2022	12,012
2023	<u>12,012</u>
Total	\$40,048

The City has a lease for a building being used as a sit-down restaurant. The lease was signed in 2011 with a ten-year term, with an option to extend the lease for an additional five years. Rental revenue for the year ended December 31, 2019 was \$104,556. Future minimum base rent revenues under the current agreement are as follows:

Year Ending December 31

2020	\$112,048
2021	<u>96,190</u>
Total	\$108,238

The City has a lease for a building known as “Building D”, consisting of approximately 4,100 square feet and located within the Earle Brown Heritage Center. The lease was signed in 2009 with a ten-year term, with an option for two renewals of five years each. Rental revenue for the year ended December 31, 2019 was \$78,810. Future minimum base rent revenues under the current agreement are as follows:

Year Ending December 31

2020	\$ 78,810
2021	78,810
2022	78,810
2023	<u>78,810</u>
Total	\$315,240

Overlapping Debt

<u>Taxing Unit^(a)</u>	<u>2019/20 Adjusted Taxable Net Tax Capacity</u>	<u>Est. G.O. Debt As of 11-24-20^(b)</u>	<u>Debt Applicable to Tax Capacity in City</u>	
			<u>Percent</u>	<u>Amount</u>
Hennepin County	\$2,112,707,400	\$ 985,890,000	1.4%	\$ 13,802,460
Hennepin County Regional Railroad	2,112,707,400	98,385,000	1.4	1,337,390
Three Rivers Park District	1,487,545,247	57,495,000	2.0	1,158,900
I.S.D. No. 11 (Anoka-Hennepin)	285,890,418	258,745,000	20.7	53,560,215
I.S.D. No. 279 (Osseo)	212,201,535	146,965,000	4.6	6,760,390
I.S.D. No. 281 (Robbinsdale)	125,512,735	176,235,000	5.1	8,987,985
I.S.D. No. 286 (Brooklyn Center)	9,289,611	47,814,000	100.0	47,814,000
Metropolitan Council	4,576,186,304	12,435,000 ^(c)	0.6	74,610
Metropolitan Transit	3,662,962,426	221,425,000	0.8	<u>1,771,400</u>
Total				\$135,267,350

^(a) Only those units with outstanding general obligation debt are shown here.

^(b) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.

^(c) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.

Debt Ratios*

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
To 2019/20 Estimated Market Value (\$2,448,176,800)	1.152%	6.677%
Per Capita - (32,722 – 2019 MN State Demographer Estimate)	\$862	\$4,996

* Excludes general obligation utility revenue debt, revenue debt, liquor enterprise debt, and other debt obligations.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in Independent School District No. 286 (Brooklyn Center)

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
Hennepin County	45.356%	44.087%	42.808%	41.861%	41.084%
City of Brooklyn Center	73.292	71.904	68.432	71.860	66.589
I.S.D. No. 286					
(Brooklyn Center) ^(a)	54.573	40.438	46.098	50.075	47.372
Special Districts ^(b)	<u>9.530</u>	<u>9.319</u>	<u>8.973</u>	<u>8.550</u>	<u>8.219</u>
Total	182.751%	165.748%	166.311%	172.346%	163.264%

(a) In addition, Independent School District No. 286 (Brooklyn Center) has a 2019/20 market value tax rate of 0.16664% spread across the market value of property in support of an excess operating levy.

(b) Special districts include Metropolitan Council, Metropolitan Transit, Metropolitan Mosquito Control, Hennepin Park Museum, Hennepin County Regional Rail Authority, Three Rivers Park District, and the Hennepin County Housing and Redevelopment Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix III.

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy*</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 6-1-20</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2019/20	\$19,914,733	(In Process of Collection)			
2018/19	18,757,679	\$18,623,860	99.3%	\$18,629,934	99.3%
2017/18	17,415,844	17,320,084	99.5	17,397,946	99.9
2016/17	16,455,160	16,342,413	99.3	16,452,672	99.9
2015/16	15,577,940	15,464,594	99.3	15,540,727	99.8

* The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.

FUNDS ON HAND
As of August 31, 2020

General Fund	\$14,021,511
Special Revenue Funds	5,939,904
Debt Service Funds	3,184,388
Capital Project Funds	7,752,905
Enterprise Fund	18,007,805
Internal Service	<u>6,033,909</u>
 Total Cash and Investments	 \$54,940,422

INVESTMENTS

The City's investment policy, last revised in April 2016, has the objectives of preserving safety of principal, retaining sufficient liquidity, providing a market rate of return, and yielding stable earnings on invested City funds.

Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Safety of principal is the foremost objective.

Liquidity and yield are also important considerations. It is essential that the investment portfolio remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

The investment portfolio of the City shall be designed to attain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs. Return on investment is of least importance compared to the objectives for safety and liquidity. Securities shall be held to maturity with the exceptions of meeting the liquidity needs of the portfolio and minimizing loss of principal for a security of declining credit.

Minnesota Statutes, Chapter 118A, authorizes and defines an investment program for municipal governments. The City may invest in the following instruments allowed by Minnesota Statutes:

- a. United States Securities: including bonds, notes, bills or other securities which are direct obligations of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, which carry the full faith and credit of the United States.
- b. Commercial paper issued by U.S. corporations or their Canadian subsidiaries that is rated in the highest quality by at least two nationally recognized rating agencies and matures in 90 days or less.
- c. Certificates of Deposit (Time Deposits) that are fully insured by the Federal Deposit Insurance Corporation.
- d. Repurchase agreements and reverse repurchase agreements may be entered into with financial institutions identified by Minnesota Statutes, Chapter 118A. Reverse repurchase agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs.
- e. Securities lending agreements may be entered into with financial institutions identified by Minnesota Statutes, Chapter 118A.

- f. Minnesota joint powers investment trusts may be entered into with trusts identified by Minnesota Statutes, Chapter 118A
- g. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of short-term securities permitted by Minnesota Statutes, Chapter 118A.
- h. Bonds of the City of Brooklyn Center issued in prior years may be redeemed at current market price, which may include a premium, prior to maturity using surplus funds of the debt service fund set up for that issue. Such repurchased bonds shall be canceled and removed from the obligation of the fund.
- i. General obligation bonds of state or local governments rated A or better by a national bond rating services.
- j. Revenue obligations of state or local governments rated AA or better by a national bond rating agency.
- k. The Minnesota Municipal Money Market Fund (4M) that was established by the League of Minnesota Cities to address the investment needs of the Minnesota cities.

Authority to manage the investment program is vested in the City Manager and City Treasurer/Director of Fiscal and Support Services, with the City Treasurer responsible for establishing and maintaining an internal control structure to provide reasonable assurance that the objectives of the investment policy are met.

As of August 31, 2020, the City had \$56,124,380 invested, with a market value of \$56,762,498 (101.14%). The market value of the City's investments includes the following: \$6,120,619 (10.78%) in government agency securities; \$25,197,768 (44.39%) in certificates of deposit; \$15,569,049 (27.43%) in money market accounts; and \$9,875,062 (17.40%) in municipal bonds. All of the investments in the City's portfolio mature within 72 months or less. The longest investment held by the City is currently scheduled to mature in February 2026.

GENERAL INFORMATION CONCERNING THE CITY

The City is a northern suburb of the Minneapolis/Saint Paul metropolitan area, adjacent to the City of Minneapolis. The City is wholly within Hennepin County and encompasses an area of approximately 8.5 square miles (5,440 acres). The Mississippi River forms the City's eastern boundary.

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2019 Metropolitan Council Estimate	32,722	8.7%
2010 U.S. Census	30,104	3.2
2000 U.S. Census	29,172	1.0
1990 U.S. Census	28,887	(7.5)
1980 U.S. Census	31,230	--

Sources: Metropolitan Council, <https://metro council.org> and
United States Census Bureau, <http://www.census.gov/>.

The City's population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2019/20	9,031	7,596	11,342	3,976
2018/19	9,050	7,607	11,312	3,938
2017/18	8,970	7,568	11,254	3,896
2016/17	8,956	7,650	11,255	3,879
2015/16	8,906	7,664	11,211	3,847

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Transportation

Major transportation routes in and through the City, including Interstate Highways 94 and 694 and State Highways 100 and 252, have provided a continued impetus for the development of the City's commercial tax base.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Hennepin County	Government	9,300 ^(a)
Promeon, Inc. (a division of Medtronic)	Medical devices	1,100
Luther Auto Group (five locations)	Automobile dealership	555 ^(b)
Independent School District No. 286 (Brooklyn Center)	Education	396
City of Brooklyn Center	Government	342 ^(b)
Walmart	Retail	278 ^(b)
University of Minnesota Physicians	Healthcare	212
Caribou Coffee (Headquarters)	Coffee retailer	200
Maranatha Care Center, Presbyterian Homes	Continuing care/retirement community	200 ^(b)
TCR Corporation	Metal components	150
Cass Screw Machine Products	Screw machine parts	124
Cub Foods	Grocery	125
Health Partners-Brooklyn Center	Medical and dental clinic	97

^(a) Not all employees are located within the City.

^(b) Includes full-time and part-time employees.

Source: This does not purport to be a comprehensive list and is based on a September 2020 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	Annual Average				August
	2016	2017	2018	2019	2020
Labor Force:					
City of Brooklyn Center	15,280	15,349	15,428	15,612	16,274
Hennepin County	687,472	698,548	703,310	711,530	724,363
Minneapolis-Saint Paul MSA	1,938,642	1,979,780	2,016,208	2,023,566	2,039,663
State of Minnesota	3,035,241	3,057,358	3,071,433	3,109,647	3,121,133
Unemployment Rate:					
City of Brooklyn Center	4.3%	3.9%	3.3%	3.6%	12.3%
Hennepin County	3.3	3.0	2.5	2.8	8.6
Minneapolis-Saint Paul MSA	3.6	3.3	2.7	3.0	7.9
State of Minnesota	3.9	3.4	2.9	3.2	7.1

Source: Minnesota Department of Employment and Economic Development,
<https://apps.deed.state.mn.us/lmi/laus>. 2020 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Brooklyn Center

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2019/20	\$690,888	\$685,562	\$50,024
2018/19	650,264	630,186	46,331
2017/18	571,339	582,953	43,718
2016/17	623,655	545,667	40,885
2015/16	561,219	550,267	41,469

Hennepin County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2019/20	\$37,920,168	\$50,058,891	\$66,440
2018/19	35,994,743	46,545,289	63,176
2017/18	32,491,357	43,417,597	60,957
2016/17	33,502,543	40,956,757	57,190
2015/16	26,004,909	38,495,032	55,756

The 2019/20 Median Household EBI for the State of Minnesota was \$60,916. The 2019/20 Median Household EBI for the United States was \$54,686.

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Permits Issued by the City

Year	Total Permits		Commercial Permits		Residential Permits	
	Number	Value	Number	Value	Number	Value
2020 (to 8-31)	1,982	\$50,285,946	302	\$36,180,526	1,679	\$14,105,420
2019	3,623	79,076,831	923	67,320,334	2,700	11,756,497
2018	3,181	77,347,546	481	63,424,938	2,700	13,922,608
2017	5,758	59,017,940	3,042	41,405,474	2,716	17,612,466
2016	4,745	71,232,941	2,547	48,819,051	2,198	22,413,890
2015	4,834	51,457,015	2,655	34,769,633	2,179	16,687,382
2014	5,251	125,369,473	2,844	109,829,770	2,407	15,539,703
2013	7,309	67,228,061	3,874	42,049,442	3,435	25,178,619
2012	5,188	31,227,915	2,811	21,729,528	2,377	9,498,387
2011	4,852	29,571,594	2,556	21,424,919	2,296	8,146,675

Includes all permits except for temporary land use and vacant building registrations. Classification is based on zoning type.

Source: City of Brooklyn Center.

Growth and Development

Successful redevelopment continues to be the key to commercial and industrial tax base growth including:

The 80-acre Opportunity Site, which is planned for a mix of commercial and residential redevelopment, along with regional recreational and entertainment amenities.

- Since 2008, the EDA has acquired 44 acres of land within the Opportunity Site. This includes the former Brookdale Square shopping center site, former Brookdale Ford dealership property, and former Target store.
- In 2016, the City Council approved the creation of a 25 year tax increment redevelopment district and completed the soil corrections and final demolition of the former Brookdale Ford building, floor lifts, and underground LP tank.
- The EDA entered into a Preliminary Development Agreement (PDA) with Alatus, LLC, a Minneapolis-based developer, in April 2018 for the southern 35 acres of the Opportunity Site. The PDA identified Alatus as the master developer to plan the site and initiate a Phase I development. The EDA renewed its PDA with Alatus in April of 2019, taking the lead on the master planning for the entire 80-acre Opportunity Site in collaboration with Alatus. The timing was structured to allow Alatus to move forward with a Phase I in conjunction with the creation of a master plan.
- Alatus is in predevelopment on a Phase I of the development, which is anticipated to include 400 units of multi-family housing with a mix of market-rate and affordable, a movie theater, and 36,000 square feet of additional commercial space. A movie theater group has signed onto the project, and the City is supporting a retail incubator and public market in 16,000 square feet of the commercial space. Alatus is seeking a grocer for the remaining commercial space. It is anticipated that the project will complete entitlements in the fall of 2020 with construction to begin in the spring of 2021.
- The City engaged a consultant to update the 2006 Opportunity Site Master Plan. A draft of the Master Plan has been completed and a traffic study and stormwater plan are underway.

Additional development activities in 2019 and 2020 include:

- TOPGOLF USA purchased an existing 85,240 square-foot Regal Theater at 6420 Camden Avenue North to allow for the construction of a 65,000 square-foot commercial recreational/entertainment development. The three-level facility currently includes 103 hitting bays, restaurant and lounge, a 3,000 square-foot roof terrace, a 3,000 square-foot event area, and a 220 yard driving range with 11 outfield targets.
- In January 2019, HOM Furniture opened in the renovated former Kohl's building. The project includes a 24,822 addition, with approximately 12,000 square feet of the main level available for lease. The project also contemplated the development of Building Site X in the west parking lot area for future retail, restaurant, or medical/office use.
- On March 18, 2018, Ebert Construction received approval for the construction of a four-story, 112,000 square-foot indoor commercial storage facility on a portion of what was the former Northbrook Shopping Center. The storage facility opened in July 2019.
- On May 29, 2018 law firm Milavetz, Gallop & Milavetz, located at 1915 57th Avenue North, received approval for an approximately 1,000 square-foot addition to their building to expand their offices. The work was completed in summer 2019.
- On April 23, 2018, Medtronic received approval for a substantial renovation and 13,427 square-foot expansion of their dry room facilities at 6800 Shingle Creek Parkway (north building), which will allow for the additional production of their lithium ion batteries for pacemakers. On July 22, 2019, Medtronic received approval for a 26-foot tall, 2,600 square-foot chiller plant addition to 6700 Shingle Creek Parkway (south building). Both projects are currently under construction.
- On September 10, 2018, Unity Place (7256 Unity Place), which is an affordable townhome development, was granted approval for a \$26 million modernization and improvement project which included construction of a new 2,600 square-foot community/service building and maintenance garage, new outdoor space and playground, and updating all 112 townhouse units. The project was completed in late 2019.
- Luther Automotive opened a new 35,424 square-foot Mazda and Mitsubishi dealership in late 2019.
- A four story, 82-room Fairfield Inn and Suites on a former EDA-owned site at 6250 Earle Brown Drive was completed in the summer of 2020 and is now open.
- In July 2018, the City Council approved the conversion of a vacant former senior assisted living facility into market-rate apartments. The project, called LUX Apartments, includes 140 fully renovated units and community space, as well as the installation of expanded parking and other site improvements. The PUD approvals provided for a potential expansion of three additional apartment units. The total project cost was approximately \$4 million, began renting in late 2018 during construction, and was fully leased by spring 2019.
- On July 23, 2018, Casey's Gas Station and Convenience Stores received approval for a new 4,600 square-foot store at 2101 Freeway Boulevard. The gas station and convenience store opened in November 2019.
- On July 23, 2018, Brooklyn Center STEAM Middle and High School (6500 Humboldt Avenue North) received approval to construct a 2,250 square-foot new front entry addition, an 845 square-foot mechanical mezzanine, as well as other select site improvements to the front of the building. These approvals were part of a much larger interior renovation project to separate the middle and high school spaces and provide much needed updates. Construction is currently underway.
- On September 24, 2018, Earle Brown Elementary School (1500 59th Avenue North) received approval to construct a new 1,200 square-foot front entry, a 23,551 square-foot second story addition, and select site improvements. Construction began following end of the school year in June 2019 and construction is still underway.

- On May 28, 2019, the City approved plans to construct a new 9,600 square-foot municipal liquor store within the Shingle Creek Crossing shopping center and an approximately 4,000 square-foot attached retail space, to be owned by the EDA for future use. The new Brooklyn Center Liquor Store #1 held a grand opening in March 2020.
- Construction is currently underway with Developer Real Estate Equities for a two building, 270-unit multi-family development at 5801 and 5803 Xerxes Avenue North. The project includes a mix of 143 affordable independent senior units (Sonder Point) and 127 workforce units (Sonder House). It is anticipated that both buildings will be completed by the summer of 2021.
- Construction is currently underway on the 30-lot Eastbrook Estates subdivision by Developer Centra Homes on approximately 8 acres of land located west of 252 and south of 69th Avenue North. The land is assembled of acreage previously owned by the EDA, as well as private ownership. Site grading took place in November 2019 and the first building permits were issued in February 2020 for the new construction homes. Construction on the new interior roads were completed in the summer of 2020. All but five of the original 30 lots have been sold.
- The City has entered into a Preliminary Development Agreement with J O Companies for an 83-unit multi-family apartment on the EDA-owned properties at Brooklyn Boulevard and 61st Avenue North.

Other activities in 2019 and 2020 include:

- Brooklyn Boulevard (49th Avenue to Bass Lake Road) will be reconstructed and modernized to improve roadway safety, enhance traffic operations, reduce access points and provide improvement bicycle and pedestrian facilities. Federal funding through the Surface Transportation Program has been awarded to the City and Hennepin County for this project. Phase I of the project began in 2018 and will be completed in 2020. Phase II design will begin in 2020, with construction anticipated for 2021/2022.
- In conjunction with the Brooklyn Boulevard reconstruction, the City is undertaking a land use study along the corridor and the creation of an overlay district with regulatory framework intended to facilitate redevelopment. The study will include the numerous EDA-owned properties along the corridor and identify a plan for their reuse.
- The City has begun a rewrite of its zoning ordinances. This will include the creation of several new mixed use zoning districts to implement the recent 2040 Comprehensive Plan. The mixed use zoning districts will introduce higher density housing to currently underdeveloped areas of the City where housing has historically not been allowed, such as the Opportunity Site, along Brooklyn Boulevard, and in other key redevelopment sites in the City.
- The City will complete a Master Development Strategies for the former 15-acre Sears site and the EDA-owned 5-acre property at 57th and Logan Avenue. This will include identifying future land use and zoning for the property, as well as an implementation plan and financial feasibility analysis.

Financial Institutions*

City residents are served by branch facilities of Wells Fargo Bank, National Association; Bremer Bank, National Association; Bank of America; TCF National Bank, and Old National Bank as well as numerous credit unions.

* *This does not purport to be a comprehensive list.*

Source: Federal Deposit Insurance Corporation, <https://research.fdic.gov/bankfind/>.

Health Care Services

The following is a summary of inpatient health care facilities located in and around the City:

<u>Facility</u>	<u>Location</u>	<u>No. of Beds</u>
Maranatha Care Center	City of Brooklyn Center	97 Nursing Home
Living Well Lyndale	City of Brooklyn Center	8 Supervised Living
MTAI Brooklyn Center	City of Brooklyn Center	6 Supervised Living
North Memorial Medical Center	City of Robbinsdale	518 Hospital
		42 Infant Bassinets

In addition, senior living options including assisted living and memory support are also provided through The Sanctuary at Brooklyn Center.

Source: Minnesota Department of Health, <http://www.health.state.mn.us/>.

Education

Public Education

The following districts serve the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2019/20* Enrollment</u>
ISD No. 11 (Anoka-Hennepin)	City of Anoka	PK-12	39,057
ISD No. 279 (Osseo)	City of Osseo	PK-12	21,509
ISD No. 281 (Robbinsdale)	City of Robbinsdale	PK-12	12,388
ISD No. 286 (Brooklyn Center)	City of Brooklyn Center	PK-12	2,350

* 2020/21 enrollment figures are not yet available.

Source: Minnesota Department of Education, www.education.state.mn.us.

The City's taxable net tax capacity is attributable to each of the four school districts as follows:

	<u>Portion of 2019/20 Taxable Net Tax Capacity Located in the City</u>	<u>% of Total</u>
ISD No. 279 (Osseo)	\$ 9,661,258	33.0%
ISD No. 286 (Brooklyn Center)*	9,289,611	31.8
ISD No. 281 (Robbinsdale)	6,356,683	21.7
ISD No. 11 (Anoka-Hennepin)	<u>3,933,427</u>	<u>13.5</u>
Total	\$29,240,979	100.0%

* Located entirely within the City.

Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2019/20* Enrollment</u>
King of Grace Lutheran School	City of Golden Valley	K-8	166
Sacred Heart Catholic School	City of Robbinsdale	K-8	162
St. Alphonsus	City of Brooklyn Center	K-8	156
RiverTree School	City of Crystal	K-12	143
St. Raphael Catholic School	City of Crystal	K-8	91
Holy Trinity Lutheran School	City of New Hope	K-8	68

* 2020/21 enrollment figures are not yet available.

Source: Minnesota Department of Education, www.education.state.mn.us.

Post-Secondary Education

City residents have access to various colleges and universities located throughout the Minneapolis/St. Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City has been a municipal corporation since 1911 and is governed under a Home Rule Charter adopted in 1966 and subsequently amended. The City has a Council-Manager form of government and the Mayor and four Council Members are elected to serve overlapping four-year terms. The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Mike Elliott	Mayor	December 31, 2022
Marquita Butler	Council Member/Mayor Pro Tem	December 31, 2020
April Graves	Council Member	December 31, 2022
Kris Lawrence-Anderson	Council Member	December 31, 2020
Dan Ryan	Council Member/Acting Mayor Pro Tem	December 31, 2022

The City Manager, Mr. Cornelius L. Boganey, is responsible for the administration of Council policy and the daily management of the City. The Manager is appointed by the Council and serves at its discretion. Mr. Boganey has served the City in this position since June 2006. Prior to that, Mr. Boganey served as the City's Assistant Manager since March 2003. He has also served as City Manager in the cities of Brooklyn Park, Minnesota and Port Arthur, Texas, and as Assistant City Manager in the City of Kalamazoo, Michigan.

The Director of Fiscal and Support Services, Mr. Mark Ebensteiner, is responsible for directing the City's financial operations, including preparation of the comprehensive annual financial report and interim reports, and the investment of City funds. Mr. Ebensteiner has served as the City's Finance Director since February 2020. Previously, Mr. Ebensteiner served as Finance Manager for the City of St. Louis Park, Minnesota.

The City has 158 regular full-time and 184 seasonal full- and part-time employees.

Services

48 full-time sworn police officers and a support staff of 15 provide protective services in the City. Fire protection is provided by one full-time Chief, one full-time Deputy Chief, one full-time fire inspector/educator, and a 27-member volunteer force. The City has two fire stations and a class 4 insurance rating.

All areas of the City are serviced by municipal water and sewer systems, with exception to one property located at 5306 Perry Avenue North. Water is supplied by nine wells and storage is provided by three elevated tanks with a combined total capacity of 3.0 million gallons. The municipal water system has a pumping capacity of 16.4 million gallons per day (mgd). In 2016, the City brought a new water treatment plant online, capable of filtering 10 mgd. When combined with the capacity of 1.7 mgd from Well #2, the City now has a total finished water capacity of 11.7 mgd. The average daily water demand is estimated to be 2.9 mgd and peak demand is estimated to be 9.7 mgd. Water connections totaled 8,876 as of August 31, 2020.

Although the City owns and maintains its own sanitary and storm sewer collection systems, wastewater treatment facilities are owned and operated by the Metropolitan Council Environmental Services (MCES). The City is billed an annual service charge by MCES, which is adjusted each year based on the prior years' actual usage. The City had 8,810 sewer connections as of August 31, 2020.

Labor Contracts

The status of labor contracts in the City are as follows:

<u>Bargaining Unit</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
IUOE Local 49	25	December 31, 2021
LELS Local 82	38	December 31, 2020
LELS Local 86	<u>10</u>	December 31, 2020
Subtotal	73	
Non-unionized employees	<u>269</u>	
Total employees	342	

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing multiple-employer retirement plans. GERF members belong to the Coordinated Plan and are covered by Social Security. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by PEPFF. The City's contributions to GERF and PEPFF are equal to the contractually required contributions for each year as set by State Statute, and are as follows for the past five years:

	<u>GERF</u>	<u>PEPFF</u>
2019	\$651,633	\$818,676
2018	612,983	761,952
2017	572,442	720,865
2016	550,846	689,601
2015	564,168	687,935

For more information regarding the liability of the City with respect to its employees, please reference “Note 4. Defined Benefit Pension Plan – City Employees” of the City’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

Multiple-Employer Defined Benefit Pension

City employees belonging to the International Union of Operating Engineers (IUOE) are participants in a multiple-employer defined benefit pension plan, the Central Pension Fund of the International Union of Operating Engineers and Participating Employers (CPF), administered by the Board of Trustees of the Central Pension Fund. The plan is a cost-sharing pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions to employers that are not state or local governmental employers, and has no predominate state or local government employer. The plan issues a publicly available financial report located on their website at www.cpfiuoe.org.

The City has 26 employees who are covered by this pension plan. The plan provides benefits such as monthly retirement income, special and early retirement benefits, post-retirement surviving spouse benefits, pre-retirement surviving spouse benefits, and disability benefits.

The City’s contributions to the plan are pursuant to a collective bargaining agreement with the IUOE which expires December 31, 2021. The required contribution rate is \$0.96 per hour, which is applied to all compensated hours, and capped at \$5,000 per year. With regards to withdrawal from the pension plan, the parties agree that the amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as pre-tax employer contributions. The City’s contributions to IOUE for the past five years are as follows:

	<u>IUOE</u>
2019	\$53,912
2018	51,152
2017	50,782
2016	51,410
2015	51,699

For more information regarding the liability of the City with respect to its employees, please reference “Note 6. Multiple-Employer Defined Benefit Pension Plan” of the City’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

PEDCP

Five Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan plus investment earnings less administrative expenses. An eligible elected official who chooses to participate in the plan contributes 5% of their salary, which is matched by the elected official’s employer. PERA receives 2% of employer contributions and 0.025% of the assets in each member’s account annually for administering the plan. The City’s contributions to PEDCP for the past five years are as follows:

	<u>PEDCP</u>
2019	\$1,591
2018	944
2017	925
2016	907
2015	907

For more information regarding the liability of the City with respect to its employees, please reference “Note 7. Defined Contribution Plan” of the City’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2019 an excerpt of which is included as Appendix IV of this Official Statement.

City Firefighter’s Association

The City contributes to the Brooklyn Center Fire Department Relief Association (the “Association”), which is the administrator of a single employer, public employee defined benefit retirement system to provide a retirement plan (the “Plan”) to volunteer firefighters of the City who are members of the Association. The Association is organized and operates under the provisions of the Minnesota State Statutes 424A, and provides benefits in accordance with those statutes.

The Association provides retirement benefits to members and survivors upon death of eligible members. Benefits are established by the Association and approved by the City Council under the applicable statutes. The defined retirement benefits are based on a member’s years of service. Vesting begins after the tenth year of service with a 60% benefit increasing to 100% after the 20th year of service.

Full benefits are available to members after 20 years of service and having attained the age of 50. The current benefit available is a lump sum distribution of \$7,700 per year of service. Vested, terminated members who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time of termination of membership.

The City levies property taxes at the direction of and for the benefit of this plan and passes through state aids allocated to the plan, all in accordance with State statutes. The minimum tax levy obligation is the financial contribution requirement for the year less anticipated state aids.

The City’s contributions to the Firefighter’s Association for the past five years are as follows:

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2019	\$ 85,089	187%	-0-
December 31, 2018	85,089	181	-0-
December 31, 2017	71,203	206	-0-
December 31, 2016	101,453	141	-0-
December 31, 2015	101,453	156	-0-

Funded status of the Association as reported to-date:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of Unfunded Accrued Liability</u>	<u>Funded Ratio</u>
January 1, 2019	\$4,238,325	\$3,239,606	\$998,719	130.8%
January 1, 2017	3,673,474	3,036,210	637,264	121.0
January 1, 2015	3,508,210	3,084,717	423,493	113.7
January 1, 2013	3,282,317	3,279,231	3,086	100.1

For more information regarding the liability of the City with respect to its employees, please reference “Note 5. Defined Benefit Pension Plan – Single Employer – Fire Relief Association” of the City’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: City’s Comprehensive Annual Financial Reports.

GASB 68

The Government Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to City employees and require recognition of a liability equal to the City's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The City's proportionate shares of the pension costs and the City's net pension liability for GERF and PEPFF for the past four years are as follows:

	GERF		PEPFF	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2019	0.1189%	\$6,573,715	0.4483%	\$ 4,772,607
2018	0.1194	6,623,822	0.4330	4,615,334
2017	0.1201	7,667,105	0.4410	5,954,026
2016	0.1172	9,516,059	0.4290	17,216,516
2015	0.1243	6,441,872	0.4460	5,067,604

For more information regarding GASB 68 with respect to the City, please reference "Note 4. Defined Benefit Pension Plan – City Employees" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about GERF's net position is available in a separately-issued PERA financial report, which may be obtained at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026.

Sources: City's Comprehensive Annual Financial Reports.

Other Postemployment Benefits

The Government Accounting Standards Board (GASB) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Postemployment Benefits or "OPEB").

The City provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups, and eligibility for these benefits is based on years of service and/or minimum age requirements. The City is required by State statute to allow retirees to continue participation in the City's group health insurance plan in the individual terminates service with the city through service or disability retirement. Former employees who are receiving, or who have met age and service requirements to receive, an annuity from a Minnesota public pension plan and those receiving a disability benefit from such a plan are immediately eligible to participate in this plan. Retirees may obtain dependent coverage if the employee received dependent coverage immediately before leaving employment. Covered spouses may continue coverage after the death of a retiree. In addition, the surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death. All health care coverage is provided through the City's group health insurance plans.

The City currently finances the plan on a pay-as-you-go basis. During 2019, the City expended \$138,786 for these benefits. The following employees were covered by the benefit terms as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	12
Active plan members	<u>150</u>
Total	162

The City's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The discount rate used was 4.09%. Components of the City's OPEB liability and related ratios for the fiscal year ended December 31, 2019 are as follows:

Service cost	\$ 143,059
Interest	71,986
Differences between expected and actual experience	43,355
Changes of assumptions	(103,957)
Benefit payments	<u>(130,222)</u>
Net change in total OPEB liability	\$ 24,221
Total OPEB liability – beginning of year	<u>2,014,679</u>
Total OPEB liability – end of year	<u>\$ 2,038,900</u>
Covered payroll	\$12,122,568
Total OPEB liability as a percentage of covered payroll	16.82%

For more information regarding GASB 75 with respect to the City, please reference "Note 8. Other Post-Employment Benefits (OPEB) Plan" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: City's Comprehensive Annual Financial Reports.

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General Fund Budget Summary

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2020 Budget</u>
January 1 Fund Balance	\$11,563,825	\$11,563,825	\$12,524,212
Revenues:			
Taxes	\$18,380,591	\$18,357,019	\$19,547,887
Licenses and Permits	861,315	1,172,439	1,075,001
Intergovernmental	1,634,150	1,692,425	1,813,781
Charges for Services	834,650	780,445	790,150
Fines & Forfeits	231,500	239,893	246,500
Special Assessments	85,000	54,376	50,000
Investment Earnings	93,663	327,748	125,000
Transfers In	150,000	150,000	0
Miscellaneous	<u>145,700</u>	<u>354,795</u>	<u>145,700</u>
Total Revenues	\$22,416,569	\$23,129,140	\$23,793,989
Expenditures:			
General Government	\$ 4,262,386	\$4,203,432	\$4,697,820
Public Safety	11,712,277	12,068,928	12,812,101
Public Works	4,059,089	3,941,193	4,187,070
CARS	1,813,072	1,642,184	1,886,524
Non-Departmental	359,745	103,016	474
Transfers Out	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
Total Expenditures	\$22,416,569	\$22,168,753	\$23,793,989
December 31 Fund Balance	\$11,563,825	\$12,524,212	\$12,524,212

Sources: The City.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Taxes	\$15,532,039	\$16,128,373	\$16,766,847	\$17,361,854	\$18,357,019
Intergovernmental	1,410,695	1,466,341	1,496,165	1,658,391	1,692,425
Licenses and Permits	859,534	932,051	904,785	1,209,029	1,172,439
Charges for Services	749,569	765,831	809,031	861,965	792,319
Fines & Forfeits	268,116	211,712	243,915	273,507	239,893

Sources: City's Comprehensive Annual Financial Reports.

PROPOSED FORM OF LEGAL OPINION

City of Brooklyn Center, Minnesota
\$5,005,000
General Obligation Improvement and Utility Revenue Bonds
Series 2020A

We have acted as bond counsel to the City of Brooklyn Center, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Improvement and Utility Revenue Bonds, Series 2020A (the “Bonds”), originally dated the date hereof, and issued in the original aggregate principal amount of \$5,005,000. In such capacity and for the purpose of rendering this opinion we have examined such certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bonds are payable primarily from special assessments levied or to be levied on property specially benefited by local improvements, ad valorem taxes for the Issuer’s share of the cost of the improvements and revenues of the sanitary sewer, storm drainage and water systems of the Issuer, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor’s rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated November __, 2020 at Minneapolis, Minnesota.

* Preliminary; subject to change.

CONTINUING DISCLOSURE CERTIFICATE

\$5,005,000
City of Brooklyn Center, Minnesota
General Obligation Improvement and Utility Revenue Bonds
Series 2020A

CONTINUING DISCLOSURE CERTIFICATE

November __, 2020

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Brooklyn Center, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Improvement and Utility Revenue Bonds, Series 2020A (the “Bonds”) in the original aggregate principal amount of \$5,005,000. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____, _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Improvement and Utility Revenue Bonds, Series 2020A, issued by the Issuer in the original aggregate principal amount of \$5,005,000.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed final Official Statement, dated _____, 2020, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

* Preliminary; subject to change.

or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of Brooklyn Center, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____, _____, _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2020, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. City Property Values
2. City Indebtedness
3. City Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within 10 business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this

Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

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IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF BROOKLYN CENTER, MINNESOTA

Its Mayor

Its Manager

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.
7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
“Fiscal Disparities Law”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2015-2019</u>
Residential Homestead (1a)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
1-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to \$139,000 ^(c)	0.75%
Over \$139,000 ^(c)	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to \$150,000	1.50% ^(a)
Over \$150,000	2.00% ^(a)
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to \$600,000	0.50%
\$600,000 - \$2,300,000	1.00%
Over \$2,300,000	1.25% ^(a)
Seasonal Resorts (4c)	
Up to \$500,000	1.00% ^(a)
Over \$500,000	1.25% ^(a)
Non-Commercial (4c12)	
Up to \$500,000	1.00% ^{(a)(b)}
Over \$500,000	1.25% ^{(a)(b)}
Disabled Homestead (1b)	
Up to \$50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to \$500,000	1.00%
Over \$500,000	1.25%
Remainder of Farm	
Up to \$1,900,000 ^(d)	0.50% ^(b)
Over \$1,900,000 ^(d)	1.00% ^(b)
Non-homestead (2b)	1.00% ^(b)

^(a) State tax is applicable to these classifications.

^(b) Exempt from referendum market value based taxes.

^(c) Legislative increases, payable 2019. Historical valuations are: Payable 2018 - \$121,000; Payable 2017 - \$115,000; Payable 2016 - \$106,000; and Payable 2015 - \$100,000.

^(d) Legislative increases, payable 2019. Historical valuations are: Payable 2018 - \$1,940,000; Payable 2017 - \$2,050,000; Payable 2016 - \$2,140,000; and Payable 2015 - \$1,900,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

EXCERPT OF 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2019. The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here.

The City's comprehensive annual financial reports for the years ending 1966 through 2018 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The City has submitted its CAFR for the 2019 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Brooklyn Center, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Center, Minnesota (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and budgeted major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Raslosnik & Co., P.A.
Minneapolis, Minnesota
May 20, 2020

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

As management of the City of Brooklyn Center (the City), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this CAFR.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$152,912,706 (net position). Of this amount, \$21,157,961 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7,947,585 (5.48%) from the previous year. The increase can be primarily attributed to a significant amount of tax increment revenues and utility revenues being used for debt service and capital outlay.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$54,312,512, which is an increase of \$7,473,151 (15.95%) from the previous year. Of the total fund balance, \$11,241,736 (20.70%) is unassigned, which is free from any internal or external constraints of its use.
- The General fund has a fund balance of \$12,524,217 at the close of the current fiscal year. During 2019, the fund balance increased \$960,392 (8.31%) from the previous year. The unassigned fund balance at year end is \$12,372,864, which represents 52.00% of the following year's budget. The remaining portion of the fund balance is nonspendable or assigned.
- The City's total outstanding bonded debt increased by \$4,932,000 during the current fiscal year, from \$58,181,445 to \$63,113,445. The City retired \$5,733,000 in principal in 2019, and issued \$10,665,000 in new debt for infrastructure projects that included the Interstate Area Neighborhood Improvement project, Bellvue Mill and Overlay project, and construction of a new Municipal Liquor Store.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include: general government, public safety, public works, community services, parks & recreation, economic development, and interest on long-term debt. The business-type activities of the City include: municipal liquor, Earle Brown Heritage Center, water utility, sanitary sewer utility, storm drainage utility, street light utility, and the recycling utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Housing and Redevelopment Authority and Economic Development Authority, for which the City is financially accountable. Although legally separate, these component units, function for all practical purposes as a department of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 29 through 31 of this CAFR.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the following: General, Tax Increment District No. 3, Debt Service, Capital Improvements, Municipal State Aid for Construction, and the Special Assessment Construction, which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules, elsewhere in this CAFR.

The City adopts an annual appropriated budget for nearly all funds presented in this CAFR. A budgetary comparison statement has been provided in the basic financial statements for the General fund and the Tax Increment District No. 3 fund. The budgetary comparison statements for any nonmajor funds are provided elsewhere in this CAFR.

The basic governmental fund financial statements can be found on pages 32 through 40 of this CAFR.

Proprietary Funds: Proprietary funds provide similar information to the government-wide financial statements, but in more detail. The City maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its: municipal liquor, Earle Brown Heritage Center, water utility, sanitary sewer utility, storm drainage utility, street light utility, and recycling utility. All of the City's enterprise funds are considered to be major funds, and separate information is provided for each of them in the basic financial statements.

Internal service funds are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its: central garage, employee retirement benefits, pension - coordinated, pension - police and fire, and compensated absences accumulations. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this CAFR. Because all of these services predominately benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 42 through 47 of this CAFR.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49 through 89 of this CAFR.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, for other post-employment benefits (OPEB) and defined benefit pension plans. The schedule of changes in the City's total OPEB liability and related ratios, City contributions, City's and non-employer proportionate share of net pension liability, and schedule of changes in Net Pension Asset can be found on pages 91 through 98 of this CAFR. The combining and budgetary comparison statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and budgetary comparison statements can be found on pages 99 through 157 of this CAFR.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$152,912,706 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$96,010,898 or 62.78%) reflects its investment in capital assets, which includes: land infrastructure, buildings, and machinery & equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF BROOKLYN CENTER - SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Total
	2019	2018	2019	2018	
Current and other assets	\$ 78,587,258	\$ 70,899,936	\$ 25,042,033	\$ 20,037,095	\$ 103,629,291
Capital Assets	68,784,513	68,108,073	76,186,001	73,199,880	144,970,514
Total assets	147,371,771	139,008,009	101,228,034	93,236,975	248,599,805
Deferred outflows of resources	6,222,876	8,442,673	-	-	6,222,876
Long-term liabilities outstanding	38,201,286	38,168,918	36,385,096	30,375,219	74,586,382
Other liabilities	7,613,928	6,227,432	5,387,561	4,202,601	13,001,489
Total liabilities	45,815,214	44,396,350	41,772,657	34,577,820	87,587,871
Deferred inflows of resources	14,322,104	16,748,366	-	-	14,322,104
Net investment in capital assets	52,560,591	52,794,327	43,450,307	42,831,977	96,010,898
Restricted	35,743,847	30,501,419	-	-	35,743,847
Unrestricted	5,152,891	3,010,220	16,005,070	15,827,178	21,157,961
Total Net Position	\$ 93,457,329	\$ 86,305,966	\$ 59,455,377	\$ 58,659,155	\$ 152,912,706
					\$ 144,965,121

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position (23.38%) represents resources that are subject to external restrictions on how they may be used. The remaining portion (13.84%) may be used to meet the City's ongoing obligations.

Current and other assets increased by nearly thirteen million dollars during 2019. This relates to the purchase of the target property for resale on the governmental side and unspent bond proceeds in both governmental and business type activities.

The business-type activities had a significant increase in long-term liabilities and capital assets. The increase is primarily due to the issuance of revenue bonds for utility infrastructure improvements and lease revenue bonds for construction of the Municipal Liquor Store.

The governmental activities had a significant decrease in the amount of deferred outflows and inflows of resources. The change is primarily a result of GASB Statement No. 68 in which the City is required to report its proportionate share of the Minnesota Public Employees Retirement Association (PERA) net pension liabilities and deferred outflows and inflows of resources. Recording these items does not change the City's future contribution requirements or obligations under the plans, which are determined by Minnesota statutes.

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

Governmental Activities

Governmental activities resulted in an increase of the City's net position by \$7,151,363 (8.29%). Key elements of the changes are as follows:

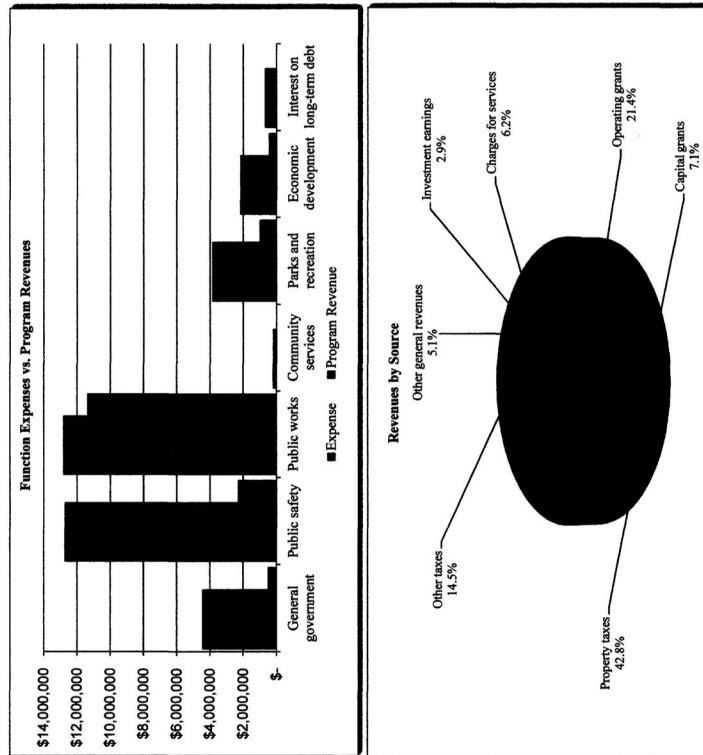
CITY OF BROOKLYN CENTER - CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total
	2019	2018	2019	2018	
Revenues:					
Program revenues					
Charges for services	\$ 2,781,595	\$ 2,802,048	\$ 22,857,361	\$ 22,700,513	\$ 25,638,956
Operating grants and contributions	9,562,139	3,872,109	-	-	9,562,139
Capital grants and contributions	3,148,710	3,435,074	455,363	-	3,604,073
General revenues	19,073,449	17,650,461	-	-	19,073,449
Property taxes	6,445,854	6,315,925	-	-	6,445,854
Other taxes	2,239,180	2,065,832	-	-	2,239,180
Grants and contributions not restricted to specific programs	1,271,500	442,835	656,456	258,591	1,927,956
Unrestricted investment earnings	58,869	80,786	-	-	58,869
Gain on disposal of capital assets	44,581,296	36,665,070	23,969,180	22,959,104	68,550,476
Total revenues	4,423,425	4,426,549	-	-	4,423,425
Expenses:					
General government	12,706,644	11,757,362	-	-	12,706,644
Public safety	12,787,805	6,501,746	-	-	12,787,805
Public works	181,159	164,544	-	-	181,159
Community services	3,827,299	3,234,386	-	-	3,827,299
Parks and recreation	2,146,011	2,543,381	-	-	2,146,011
Economic development	666,343	693,575	-	-	666,343
Interest on long-term debt	-	-	6,775,430	6,478,599	6,775,430
Municipal liquor	-	-	-	333,768	333,768
Golf course	-	-	-	-	-
Earle Brown Heritage Center	-	-	5,242,416	4,874,026	5,242,416
Water utility	-	-	4,148,609	3,670,089	4,148,609
Sanitary sewer utility	-	-	4,546,350	4,213,511	4,546,350
Storm drainage utility	-	-	2,407,046	1,959,195	2,407,046
Street light utility	-	-	333,744	274,252	333,744
Recycling utility	-	-	410,610	385,811	410,610
Total expenses	36,738,666	29,321,543	23,864,205	22,189,251	60,602,891
Change in net position before transfers	7,842,610	7,343,527	104,975	769,853	7,947,585
Transfers	325,487	(782,750)	(325,487)	782,750	-
Transfers - capital assets	(1,016,734)	478,610	1,016,734	(478,610)	-
Change in net position	7,151,363	7,039,387	796,222	1,073,993	7,947,585
Net Position - January 1	86,305,966	79,266,579	58,659,155	57,585,162	144,965,121
Net Position - December 31	\$ 93,457,329	\$ 86,305,966	\$ 59,455,377	\$ 58,659,155	\$ 152,912,706

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

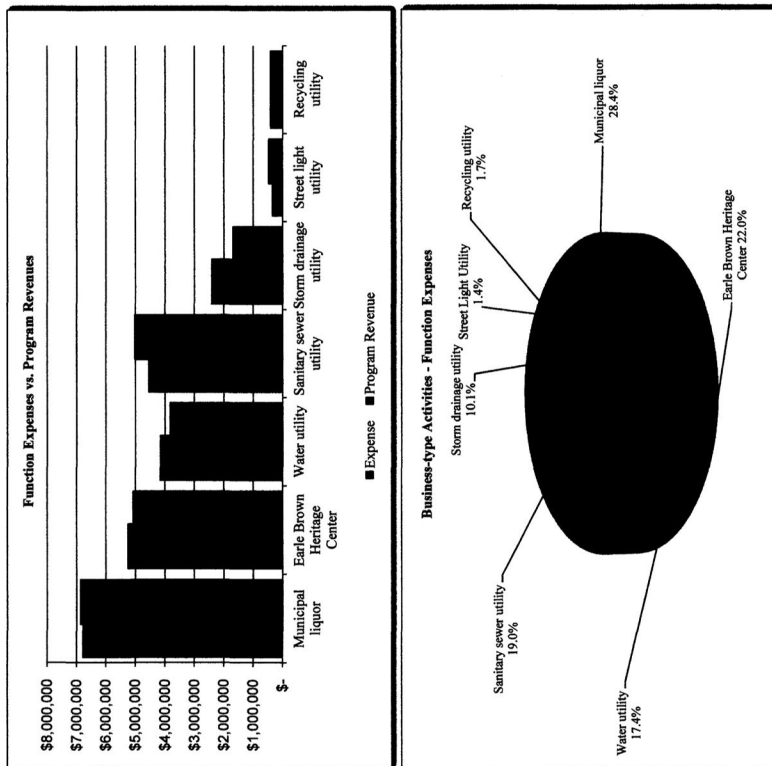
Governmental activities accounted for (89.98%) of the increase in the City's net position. The change in net position from the previous year can be attributed to prepaid special assessments, tax increment revenues received in Tax Increment District #3, and municipal state aid and other intergovernmental revenues earned related to capital spending. The City also reported a large increase in operating grants and related public works expenditures from the Brooklyn Blvd Infrastructure project. This roadway is owned by Hennepin County, therefore a large portion of the expenditures can not be capitalized by the City.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:



Business-type Activities

Business-type activities increased net position by \$796,222, which accounts for 10.02% of the total growth in the City's net position. The factors contributing to this change are illustrated below:



The net position of the business-type activities increased for the Sanitary Sewer, Storm Drainage, Street Light, and Recycling Utilities. Net position of the Municipal liquor fund, Earle Brown Heritage Center, and Water Utility decreased during 2019.

Financial Analysis of the Government's Funds

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$54,312,512, which is an increase of \$7,473,151 (15.95%) from the previous year. The unassigned fund balance, which is not subject to internal or external constraints upon its use, is \$11,241,736, or 20.70% of total fund balance. A small portion of the fund balance, \$88,109 (0.16%) is in nonspendable form. The remaining fund balance has either internal or external constraints upon its use, and can be broken down into the following components: \$32,219,640 (59.32%) of restricted fund balance; \$9,570,360 (17.62%) of committed fund balance; and \$1,192,667 (2.20%) of assigned fund balance. A more detailed breakdown of fund balance components can be found in the basic financial statements.

The General fund is the primary operating fund of the City. At the end of the current fiscal year, total fund balance is \$12,524,217. As a measure of the General fund's liquidity, it may be useful to compare both unassigned and total fund balance, to total fund expenditures. Unassigned balance, which is \$12,372,864, represents 56.35% of the current year General fund expenditures. Total General fund balance represents 57.04% of those same expenditures.

The fund balance of the City's General fund increased by \$960,392 (8.31%) from the previous year. The City had budgeted for a break-even year in 2019, however there was a positive variance in revenues of \$712,571, and expenditures of \$247,821. The revenue variance was driven by building permits, investment earnings, and other miscellaneous revenues exceeding budget. The miscellaneous revenues were predominantly charges related to the development and conduit financing of the Sonderpoint project at the former Jerry's Foods site and Unity Place Project. The largest positive expenditure variances occurred in parks and recreation activities.

The Tax Increment District No. 3 fund has a total fund balance of \$21,614,535 at the end of the year. The increase in fund balance was \$2,056,939 (10.52%) from the previous year. The fund received \$4,554,621 in tax increment revenues, expended \$678,551 on Economic Development and transferred \$2,237,287 for Debt Service. As of December 31, 2019 the fund has total assets held for resale of \$18,118,722, the largest contributor to the increase from prior year was acquisition of former Target property.

The Debt Service fund has a total fund balance of \$3,991,322 at the end of the year. The increase in fund balance was \$1,174,979 (41.72%) from the previous year. The increase in fund balance is primarily the result of prepaid special assessments received for the General Obligation Improvement Bonds, Series 2019A. The first principal payment for this bond occurred February 1, 2020.

The Capital Improvements fund has a total fund balance of \$1,613,299, a decrease of \$430,061 (21.05%) from the previous year. The decrease was the result of the Brooklyn Boulevard improvement project.

The Municipal State Aid Construction fund has a fund balance of \$1,294,135 at the end of the year. The increase in fund balance was \$1,004,720 (347.16%) from the previous year. As of December 31, 2019 the fund had a cash balance of \$2,984,961 and a receivable balance in the amount of \$2,522,364 in Municipal State Aid Construction funds.

The Special Assessments Construction fund has an ending fund balance of \$2,742,063 an increase of \$1,207,397 from the previous year. The fund incurred \$1,377,180 of capital expenditures during the year primarily for Interstate Area neighborhood infrastructure reconstruction project.

Proprietary Funds: The City's proprietary funds provide the same type of information presented as business-type activities found in the government-wide financial statements, but in more detail.

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

The enterprise funds have a combined ending net position of \$62,055,094, of which \$18,604,787 (29.98%) is unrestricted and can be used for operations. As a measure of the liquidity of the enterprise funds, it may be useful to compare the unrestricted net position to the operating expenses. For the current year, unrestricted net position is 119.03% of the current year operating expenses. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, there were no amendments to the General Fund budget. Actual revenues and other financing sources were over the adopted budget by \$712,571. The major contributors of this increase were building permit revenues, investment earnings and miscellaneous revenues related to development and conduit financing of the Sonderpoint housing project. Actual expenditures fell under the final budget for the year by \$247,821. This was primarily the result of budget variances in parks and recreation including a variance of \$48,000 in lodging tax remittances and various wage accounts.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities at the end of the current year, amounts to \$144,970,514 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, infrastructure, machinery and equipment and construction in progress. The City's investment in capital assets increased \$3,662,561 (2.59%) from the previous year.

Major capital asset events during the current year included the following:

- The Interstate Area neighborhood infrastructure reconstruction project was partially completed, with a total cost of \$2,255,708 including construction in progress from the previous year. This amount includes work on streets, as well as water, sewer, storm and street light utilities.
- The Brooklyn Boulevard street reconstruction project (49th Avenue to Bass Lake Road) continued construction, with a total of \$13,693,635 in costs (including previous years). This amount includes work on streets, as well as water, sewer, storm and street light utilities. Federal funding through the Surface Transportation Program has been awarded to the City and Hennepin County for this project.
- The Bellvue Mill and Overlay project was partially completed, with a total cost of \$2,107,692 (including previous years) This amount includes work on streets, water, sewer, storm, and street light utilities.
- The 57th and 69th Avenue Mill and Overlay projects were finalized and moved from construction in progress to infrastructure with a total combined cost of \$1,378,692.
- The Evergreen Park Area infrastructure reconstruction project was finalized and moved from construction in progress to infrastructure with a total combined cost of \$8,284,431.
- The Firehouse Park Area infrastructure reconstruction project was finalized and moved from construction in progress to infrastructure with a total combined cost of \$8,646,699.
- The Rehabilitation of Water Towers #2 and #3 were completed at a total combined cost of \$3,467,031.
- The City purchased land and began construction of a municipal liquor store with total costs of \$2,900,588.
- The Central Garage purchased 16 pieces of machinery & equipment during the year. The total outlay for machinery and equipment during the year was \$721,246. The additions include, but are not limited to: a trash pump, striper, small garbage truck, Freightliner M2, Wester Star 4700, and police vehicles.

CITY OF BROOKLYN CENTER, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

CITY OF BROOKLYN CENTER - CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total
	2019	2018	2019	2018	2018
Land	\$ 5,632,883	\$ 5,632,883	\$ 2,698,879	\$ 2,104,581	\$ 8,331,762
Esasements	88,704	88,704	10,285	10,285	98,989
Construction in progress	5,699,286	10,908,187	6,920,806	12,912,399	12,620,092
Land improvements	-	-	267,754	296,830	267,754
Other land improvements	6,209,125	6,536,716	-	-	6,209,125
Buildings and improvements	9,905,593	10,776,581	22,316,360	19,763,924	30,540,505
Machinery and equipment	4,536,876	4,555,748	416,323	340,423	4,896,171
Street infrastructure	36,712,046	29,609,254	-	-	29,609,254
Street light systems	-	-	646,273	556,050	646,273
Mains and lines	-	-	42,909,321	37,215,388	42,909,321
Total	\$ 68,784,513	\$ 68,108,073	\$ 76,186,001	\$ 73,199,380	\$ 144,970,514
					\$ 141,307,933

Additional information on the City's capital assets can be found in Note 3 (C) on pages 62 through 63 of this CAFR.

Long-Term Debt: At the end of the current year, the City had outstanding long-term bonded debt of \$63,113,445.

CITY OF BROOKLYN CENTER - OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total
	2019	2018	2019	2018	2018
General obligation tax increment bonds	\$ 9,650,000	\$ 11,945,000	\$ -	\$ -	\$ 9,650,000
General obligation improvement bonds	16,525,276	14,552,773	1,294,724	1,472,227	17,820,000
General obligation revenue bonds	-	-	17,350,000	13,465,000	17,350,000
General obligation lease revenue bonds	-	-	2,520,000	-	2,520,000
General obligation revenue notes	-	-	15,773,445	16,746,445	15,773,445
Unamortized premiums (discounts)	1,463,854	903,685	1,883,170	747,050	3,347,024
Compensated absences	1,408,546	1,323,469	-	-	1,408,546
Net pension liability	11,346,322	11,239,156	-	-	11,346,322
Total OPEB liability	2,038,900	2,014,679	-	-	2,038,900
Total	\$ 42,432,898	\$ 41,978,762	\$ 38,821,339	\$ 32,430,722	\$ 81,254,237
					\$ 74,409,884

The City's total bonded debt increased \$4,932,000 (8.48%) from the previous year. The City retired \$5,733,000 in principal, and issued \$10,665,000 in new general obligation improvement bonds and lease revenue bonds for the infrastructure improvements and liquor store construction.

The City's bond rating is AA from Standard & Poor's Ratings Services.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Taxable Market Value. The current debt limitation for the City is \$61,802,231. The City does not currently have any debt outstanding that is applicable to the limit.

Additional information on the City's long-term debt can be found in Note 3 (F) on pages 67 through 71 of this CAFR.

Economic Factors and Next Year's Budget and Rates

All of these factors were considered in the preparation of the City's budget for the 2020 fiscal year.

- The unemployment rate for the City is 3.60% at the end of the 2019 fiscal year, which is an increase from the rate of 3.30% a year ago. This compares to the State's average unemployment rate of 3.20% and the national average of 3.70%.
- An increase in estimated taxable market value of 10.69% from taxes payable 2019 to 2020. The taxable market value increase was driven by significant increases in residential property values (9.4%) and apartment property values (13.3%).
- Continuing redevelopment throughout the City will yield net growth in tax base and stability in tax base along with providing job growth in the City.
- Since 2008, the EDA has acquired approximately 35 acres of land including the former Brookdale Square shopping center site and former Brookdale Ford dealership property. The EDA entered into a Preliminary Development Agreement with Alatus, LLC as the master developer of this site. In May 2018, the site was federally designated as an Opportunity Zone. The preliminary development concept proposed involves the construction of a mixed-use apartment/hotel/commercial/single-family development together with related improvements including a centralized park area, new roads and storm water ponding improvements.
- In regard to Covid-19, the City expects increased delinquency in property tax and other receipts for 2020 associated with relaxed deadlines for payment in response to rapidly increasing unemployment nationwide. The City anticipates bridging the gap in receipts with laddered investment maturities of reserve funds that will not be immediately reinvested as has been past practice. The City does not currently anticipate the need for short term financing in response to this disruption in cash flow.

The City's policy is to maintain a General fund unassigned fund balance of 50% - 52% of the ensuing year's budgeted General fund operations. Additionally the City's capital project funding policy that transfers the amount of fund balance exceeding 52% to the Capital Improvements fund following the completed audit of the City's CAFR. Total unassigned and assigned fund balance at the end of 2019 was \$12,437,738 (52.00%) of the adopted 2020 budgeted expenditures. The City intends to make a Capital Improvements fund transfer of \$64,874 during 2020.

Requests for Information

This financial report is designed to provide a general overview of the City of Brooklyn Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 6301 Shingle Creek Parkway, Brooklyn Center, MN 55430.

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 43,432,221	\$ 21,860,961	\$ 65,293,182
Restricted assets - temporarily restricted Cash and temporary investments	-	984,583	984,583
Receivables:			
Accounts - net	379,246	3,032,728	3,411,974
Taxes	361,415	-	361,415
Special assessments	5,926,445	577,249	6,503,694
Internal balances	2,594,855	(2,594,855)	-
Due from other governments	6,422,721	104,238	6,526,959
Prepaid items	68,631	276,178	344,809
Inventories	41,307	800,951	842,258
Notes receivable	79,519	-	79,519
Assets held for resale	18,578,700	-	18,578,700
Capital assets:			
Nondepreciable	11,420,873	9,629,970	21,050,843
Depreciable	57,363,640	66,556,031	123,919,671
Net pension asset	702,198	-	702,198
Total assets	<u>147,371,771</u>	<u>101,228,034</u>	<u>248,599,805</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	5,946,020	-	5,946,020
Deferred OPEB resources	276,856	-	276,856
Total deferred outflows of resources	<u>6,222,876</u>	<u>-</u>	<u>6,222,876</u>
LIABILITIES			
Accounts payable	1,255,352	948,699	2,204,051
Contracts payable	605,947	270,207	876,154
Accrued salaries and wages	497,923	73,218	571,141
Accrued interest payable	329,680	323,000	652,680
Due to other governments	82,630	317,746	400,376
Deposits payable	609,046	576,179	1,185,225
Unearned revenue	1,738	442,269	444,007
Compensated absences payable:			
Due within one year	140,855	-	140,855
Due in more than one year	1,267,691	-	1,267,691
Total OPEB liability:			
Due in more than one year	2,038,900	-	2,038,900
Bonds and net pension liability payable:			
Due within one year	4,090,757	2,436,243	6,527,000
Due in more than one year	34,894,695	36,385,096	71,279,791
Total liabilities	<u>45,815,214</u>	<u>41,772,657</u>	<u>87,587,871</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	8,686,108	-	8,686,108
Deferred OPEB resources	93,034	-	93,034
Capital grants received in advance of project spending	1,332,272	-	1,332,272
State aid received for subsequent years	4,210,690	-	4,210,690
Total deferred inflows of resources	<u>14,322,104</u>	<u>-</u>	<u>14,322,104</u>
NET POSITION			
Net investment in capital assets	52,560,591	43,450,307	96,010,898
Restricted for:			
Tax increment financing	23,409,890	-	23,409,890
Economic development	1,712,362	-	1,712,362
Law enforcement enhancements	66,472	-	66,472
Debt service	8,338,166	-	8,338,166
Pension benefits	922,822	-	922,822
State-aid street systems	1,294,135	-	1,294,135
Unrestricted	5,152,891	16,005,070	21,157,961
Total net position	<u>\$ 93,457,329</u>	<u>\$ 59,455,377</u>	<u>\$ 152,912,706</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Government activities:					
General government	\$ 4,423,425	\$ 476,377	\$ -	\$ (3,947,048)	\$ (3,947,048)
Public safety	12,706,644	1,030,980	-	(10,425,374)	(10,425,374)
Public works	12,787,805	259,675	8,081,246	(1,448,893)	(1,448,893)
Community services	181,159	-	-	(181,159)	(181,159)
Parks and recreation	3,827,299	754,408	66,207	(2,855,965)	(2,855,965)
Economic development	2,146,011	260,155	-	(1,721,460)	(1,721,460)
Interest on long-term debt	666,343	-	-	(666,343)	(666,343)
Total government activities	36,738,686	2,781,595	9,562,139	(21,246,242)	(21,246,242)
Business-type activities:					
Municipal liquor	6,775,430	6,860,482	-	85,052	85,052
Earle Brown Heritage Center	5,242,416	5,068,900	-	(173,516)	(173,516)
Water utility	4,148,609	3,819,747	-	(328,862)	(328,862)
Sanitary sewer utility	4,546,350	4,555,940	455,363	464,953	464,953
Storm drainage utility	2,407,046	1,680,454	-	(726,592)	(726,592)
Street light utility	333,744	466,857	-	133,113	133,113
Recycling utility	410,610	404,981	-	(5,629)	(5,629)
Total business-type activities	23,864,205	22,857,361	455,363	(551,481)	(551,481)
Total	\$ 60,602,891	\$ 25,638,956	\$ 9,562,139	(21,246,242)	(21,797,723)
General revenues:					
Property taxes			19,073,449	-	19,073,449
Tax increments			5,354,749	-	5,354,749
Lodging taxes			1,091,105	-	1,091,105
Grants and contributions not restricted to specific programs			2,239,180	-	2,239,180
Unrestricted investment earnings			1,271,500	656,456	1,927,956
Gain on disposal of capital asset			58,869	-	58,869
Transfers			325,487	(325,487)	-
Transfers - capital assets			(1,016,734)	1,016,734	-
Total general revenues and transfers			28,397,605	1,347,703	29,745,308
Change in net position			7,151,363	796,222	7,947,585
Net position - January 1			86,305,966	58,659,155	144,965,121
Net position - December 31			\$ 93,457,329	\$ 59,455,377	\$ 152,912,706

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

ASSETS									
	General	Tax Increment District No. 3	Debt Service	Capital Improvements Fund	Municipal State Aid for Construction	Special Assessment Construction Fund	Other Nonmajor Governmental	Total Governmental	
Cash and investments	\$ 13,341,151	\$ 2,563,392	\$ 3,977,835	\$ 117,375	\$ 2,984,961	\$ 2,985,915	\$ 11,144,605	\$ 37,115,234	
Receivables:									
Accounts - net	156,950	7,500	-	-	-	-	177,580	342,030	
Current taxes	99,947	59,672	7,606	-	-	-	2,110	169,335	
Delinquent taxes	162,668	29,412	-	-	-	-	-	192,080	
Special assessments	98,422	-	4,682,905	524	-	1,144,594	-	5,926,445	
Due from other funds	334,864	-	-	-	-	-	-	334,864	
Due from other governments	28,855	-	-	3,710,335	2,522,364	-	143,956	6,405,510	
Notes receivable	-	-	-	-	-	-	79,519	79,519	
Inventories	18,398	-	-	-	-	-	1,630	20,028	
Prepaid items	68,081	895,898	-	-	-	-	-	1,356,056	
Advances to other funds	-	-	-	-	-	-	460,158	460,158	
Assets held for resale	-	18,118,722	-	-	-	-	459,978	18,578,700	
Total assets	14,309,336	21,674,596	8,668,346	3,828,234	5,507,325	4,130,509	12,469,536	70,587,882	
LIABILITIES									
Accounts payable	414,985	27,758	500	328,251	2,500	194,309	174,131	1,142,434	
Contracts payable	-	-	-	552,836	-	53,111	-	605,947	
Accrued salaries and wages	477,206	-	-	-	-	-	10,691	487,897	
Due to other funds	4,862	-	-	-	-	-	334,864	339,726	
Due to other governments	33,582	-	-	1,052	-	-	47,800	82,434	
Deposits payable	594,137	1,856	-	-	-	-	13,053	609,046	
Unearned revenue	703	1,035	-	-	-	-	-	1,738	
Advances from other funds	-	-	-	-	-	-	1,356,056	1,356,056	
Total liabilities	1,525,475	30,649	500	882,139	2,500	247,420	1,936,595	4,625,278	
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	162,668	-	-	-	-	-	-	162,668	
Unavailable revenue - tax increments	-	29,412	-	-	-	-	-	29,412	
Unavailable revenue - special assessments	96,976	-	4,676,524	524	-	1,141,026	-	5,915,050	
Unavailable revenue - intergovernmental	-	-	-	1,332,272	4,210,690	-	-	5,542,962	
Total deferred inflows of resources	259,644	29,412	4,676,524	1,332,796	4,210,690	1,141,026	-	11,650,092	
FUND BALANCES (DEFICITS)									
Nonspendable	86,479	-	-	-	-	-	1,630	88,109	
Restricted	-	21,614,535	3,991,322	-	1,294,135	1,614,270	3,705,378	32,219,640	
Committed	-	-	-	1,613,299	-	-	7,957,061	9,570,360	
Assigned	64,874	-	-	-	-	1,127,793	-	1,192,667	
Unassigned	12,372,864	-	-	-	-	-	(1,131,128)	11,241,736	
Total fund balances	12,524,217	21,614,535	3,991,322	1,613,299	1,294,135	2,742,063	10,532,941	54,312,512	
Total liabilities, deferred inflows of resources and fund balances	\$ 14,309,336	\$ 21,674,596	\$ 8,668,346	\$ 3,828,234	\$ 5,507,325	\$ 4,130,509	\$ 12,469,536	\$ 70,587,882	

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2019

Fund balances - governmental funds	\$	54,312,512
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Amounts reported for the governmental activities within the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.

Cost of capital assets		113,998,806
Accumulated depreciation		(48,927,924)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in governmental funds.

Bonds payable		(26,175,276)
Accrued interest payable		(329,680)
Unamortized premium		(1,463,854)

Some receivables are not available soon enough to pay for the current period's expenditures, and therefore, are unavailable in governmental funds.

Delinquent property taxes receivable		162,668
Delinquent tax increments receivable		29,412
Special assessments receivable		5,915,050

The Plan Fiduciary Net Position of the City's Fire Relief Association Pension Fund currently exceeds the actuarially determined total pension liability creating a net pension asset

702,198

Deferred outflows related to the City's Fire Relief Association Pension Fund

Net difference between projected and actual investment earnings and change of assumptions		406,080
Contributions to the plan subsequent to the measurement date		170,652

Deferred inflows related to City's Fire Relief Association Pension Fund

Grant funding of contributions to the plan subsequent to the measurement date		(170,652)
Net difference between expected and actual liability, projected and actual investment earnings, and change of assumptions		(185,456)

Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets, liabilities, and deferred outflows/inflows are included in the governmental statement of net position.

(4,987,207)

Total net position - governmental activities	\$	93,457,329
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The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General	Tax Increment District No. 3	Debt Service	Capital Improvements Fund	Municipal State Aid for Construction	Special Assessment Construction Fund	Other Nonmajor Governmental	Total Governmental
REVENUES								
Property taxes	\$ 17,265,914	\$ -	\$ 1,383,180	\$ -	\$ -	\$ -	\$ 377,717	\$ 19,026,811
Tax increments	-	4,554,621	-	-	-	-	830,313	5,384,934
Lodging taxes	1,091,105	-	-	-	-	-	-	1,091,105
Franchise fees	-	-	-	-	-	-	711,255	711,255
Licenses and permits	1,172,439	-	-	-	-	-	-	1,172,439
Intergovernmental	1,692,425	-	-	8,863,750	-	-	-	12,241,725
Charges for services	792,319	198,057	-	-	1,227,955	-	-	1,233,678
Special assessments	42,502	-	1,547,331	345	-	1,860	241,442	2,052,187
Fines and forfeits	239,893	-	-	-	-	462,009	35,290	275,183
Investment earnings (net of market value adjustment)	327,748	153,401	82,327	27,672	99,907	32,891	350,168	1,074,114
Miscellaneous	354,795	63,097	-	269,554	-	-	46,901	734,347
Total revenues	22,979,140	4,969,176	3,012,838	9,161,321	1,327,862	496,760	3,050,681	44,997,778
EXPENDITURES								
Current:								
General government	3,545,278	-	-	-	-	-	186,806	3,732,084
Public safety	11,815,124	-	-	-	-	-	189,397	12,004,521
Public works	2,288,390	-	-	-	151,400	51,659	-	2,491,449
Community services	181,159	-	-	-	-	-	-	181,159
Parks and recreation	2,829,041	-	-	-	-	-	353,880	3,182,921
Economic development	722,280	678,551	-	-	-	-	559,262	1,960,093
Nondepartmental	520,518	-	-	-	-	-	-	520,518
Capital outlay:								
General government	-	-	-	58,804	-	-	-	58,804
Public safety	46,337	-	-	-	-	-	25,819	72,156
Public works	-	-	-	9,839,612	171,742	1,377,180	1,608,135	12,996,669
Parks and recreation	10,621	-	-	18,453	-	-	18,135	47,209
Economic development	-	-	-	-	-	-	177,474	177,474
Debt service:								
Principal	-	-	3,677,497	-	-	-	-	3,677,497
Interest	-	-	756,838	-	-	-	-	756,838
Fiscal agent fees	-	-	7,491	-	-	-	-	7,491
Bond issuance costs	-	-	-	-	-	22,990	11,845	34,835
Total expenditures	21,958,748	678,551	4,421,826	9,916,869	323,142	1,451,829	3,130,753	41,881,718
Excess (deficiency) of revenues over (under) expenditures	1,020,392	4,290,625	(1,408,988)	(755,548)	1,004,720	(955,069)	(80,072)	3,116,060
OTHER FINANCING SOURCES (USES)								
Transfers in	150,000	3,601	2,587,568	325,487	-	-	984,960	4,051,616
Issuance of debt	-	-	-	-	-	2,135,000	1,220,000	3,355,000
Premium on issuance of debt	-	-	-	-	-	424,817	242,587	667,404
Sale of capital assets	-	-	-	-	-	-	9,200	9,200
Transfers out	(210,000)	(2,237,287)	(3,601)	-	-	(397,351)	(877,890)	(3,726,129)
Total other financing sources (uses)	(60,000)	(2,233,686)	2,583,967	325,487	-	2,162,466	1,578,857	4,357,091
Net change in fund balance	960,392	2,056,939	1,174,979	(430,061)	1,004,720	1,207,397	1,498,785	7,473,151
Fund balances - January 1	11,563,825	19,557,596	2,816,343	2,043,360	289,415	1,534,666	9,034,156	46,839,361
Fund balances - December 31	\$ 12,524,217	\$ 21,614,535	\$ 3,991,322	\$ 1,613,299	\$ 1,294,135	\$ 2,742,063	\$ 10,532,941	\$ 54,312,512

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Total net change in fund balances - governmental funds	\$ 7,473,151
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation.	
Capital outlays	5,381,828
Depreciation expense	(3,644,753)
Contributions of capital assets from the proprietary funds increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(1,016,734)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the affect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Long-term debt issued (including premiums on current year bonds)	(4,022,404)
Principal repayments	3,677,497
Amortization of bond discount and premium	107,235
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	5,586
Contributions to the Fire Relief Association Pension are reported as expenses in the fund financial statements. In the statement of activities, however, all facets of the pension plan are taken into account and when considering things such as investment return, changes in assumptions, and plan performance differing from expectations, pension expense related to this retirement plan for the year was reported at the following amount.	(79,732)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	46,638
Tax increments	(30,184)
Special assessments	(790,903)
Internal service funds are used by management to charge the cost of certain activities to individual funds. This amount is net revenue attributable to governmental activities.	44,138
Change in net position - governmental activities	\$ 7,151,363

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 17,200,591	\$ 17,200,591	\$ 17,265,914	\$ 65,323
Lodging taxes	1,180,000	1,180,000	1,091,105	(88,895)
Licenses and permits	861,315	861,315	1,172,439	311,124
Intergovernmental	1,634,150	1,634,150	1,692,425	58,275
Charges for services	834,650	834,650	792,319	(42,331)
Special assessments	85,000	85,000	42,502	(42,498)
Fines and forfeits	231,500	231,500	239,893	8,393
Investment earnings (net of market value adjustment)	93,663	93,663	327,748	234,085
Miscellaneous	145,700	145,700	354,795	209,095
Total revenues	<u>22,266,569</u>	<u>22,266,569</u>	<u>22,979,140</u>	<u>712,571</u>
EXPENDITURES				
Current:				
General government	3,604,232	3,604,232	3,545,278	58,954
Public safety	11,915,328	11,915,328	11,815,124	100,204
Public works	2,323,748	2,323,748	2,288,390	35,358
Community services	187,000	187,000	181,159	5,841
Parks and recreation	3,058,413	3,058,413	2,829,041	229,372
Economic development	772,553	772,553	722,280	50,273
Nondepartmental	297,345	297,345	520,518	(223,173)
Capital outlay:				
Public safety	47,950	47,950	46,337	1,613
Parks and recreation	-	-	10,621	(10,621)
Total expenditures	<u>22,206,569</u>	<u>22,206,569</u>	<u>21,958,748</u>	<u>247,821</u>
Excess of revenues over expenditures	<u>60,000</u>	<u>60,000</u>	<u>1,020,392</u>	<u>960,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	150,000	-
Transfers out	(210,000)	(210,000)	(210,000)	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	-	-	960,392	960,392
Fund balance - January 1	<u>11,563,825</u>	<u>11,563,825</u>	<u>11,563,825</u>	<u>-</u>
Fund balance - December 31	<u>\$ 11,563,825</u>	<u>\$ 11,563,825</u>	<u>\$ 12,524,217</u>	<u>\$ 960,392</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
TAX INCREMENT DISTRICT NO. 3 - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Tax increments	\$ 4,111,392	\$ 4,111,392	\$ 4,554,621	\$ 443,229
Charges for services	192,942	192,942	198,057	5,115
Investment earnings (net of market value adjustment)	26,147	26,147	153,401	127,254
Miscellaneous	250,000	250,000	63,097	(186,903)
Total revenues	4,580,481	4,580,481	4,969,176	388,695
EXPENDITURES				
Current:				
Economic development	1,080,398	1,080,398	678,551	401,847
Capital outlay:				
Economic development	370,000	370,000	-	370,000
Total expenditures	1,450,398	1,450,398	678,551	771,847
Excess of revenues over expenditures	3,130,083	3,130,083	4,290,625	1,160,542
OTHER FINANCING SOURCES (USES)				
Transfers in	281,502	281,502	3,601	(277,901)
Transfers out	(2,245,713)	(2,245,713)	(2,237,287)	8,426
Total other financing sources (uses)	(1,964,211)	(1,964,211)	(2,233,686)	(269,475)
Net change in fund balance	1,165,872	1,165,872	2,056,939	891,067
Fund balance - January 1	19,557,596	19,557,596	19,557,596	-
Fund balance - December 31	\$ 20,723,468	\$ 20,723,468	\$ 21,614,535	\$ 891,067

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities		Business-Type Activities		Business-Type Activities		Total Enterprise	Governmental Activities-Internal Service
	Municipal Liquor	Barrie Brown Heritage Center	Water Utility	Sanitary Sewer Utility	Storm Drainage Utility	Street Light Utility	Recycling Utility	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,783,378	\$ 2,658,544	\$ 3,844,265					\$ 6,316,987
Cash with fiscal agent	984,583	-	-					-
Receivables:								
Accounts - net	7,780	189,183	1,169,876					3,032,728
Special assessments	-	-	577,249					37,216
Due from other funds	-	4,862	-					4,862
Due from other governments	-	104,238	-					17,211
Prepaid items	28,384	31,441	3,888					550
Inventories	728,544	33,811	38,596					21,279
Total current assets	3,532,669	3,022,079	5,633,874					6,393,243
Noncurrent assets:								
Capital assets:								
Land	594,298	1,493,300	20,734					2,698,879
Easements	-	-	-					30,620
Land improvements	-	570,769	-					570,769
Buildings and improvements	192,771	13,013,424	26,220,790					41,998,401
Machinery and equipment	276,676	740,815	163,334					1,384,542
Street light systems	-	-	-					1,087,627
Mains and lines	-	-	28,796,730					92,290,915
Construction in progress	2,306,290	-	1,117,907					6,920,806
Total capital assets	3,370,035	15,818,308	56,319,495					146,982,539
Less: accumulated depreciation	(407,944)	(12,126,967)	(22,067,110)					(70,796,538)
Net capital assets	2,962,091	3,691,341	34,252,385					76,186,001
Total noncurrent assets	2,962,091	3,691,341	34,252,385					76,186,001
Total assets	6,494,760	6,713,420	39,886,259					103,827,151
DEFERRED OUTFLOWS OF RESOURCES								
Deferred pension resources	-	-	-					5,369,288
Deferred OPEB resources	-	-	-					276,856
Total deferred outflows of resources	-	-	-					5,646,144
LIABILITIES								
Current liabilities:								
Accounts payable	805,389	38,744	53,067					948,699
Contracts payable	86,121	184,086	-				1,404	270,207
Accrued salaries and wages	22,185	26,263	11,828				-	73,218
Accrued interest payable	24,340	-	184,528				-	323,000
Due to other governments	59,892	18,055	5,613				-	317,746
Deposits payable	-	567,654	8,525				-	576,179
Unearned revenue	48,991	1,600	391,678				-	442,269
Notes payable	-	-	982,000				-	982,000
Bonds payable	-	-	773,750				-	1,454,245
Compensated absences payable	-	-	-				-	-
Total current liabilities	1,046,518	836,402	2,410,989				1,404	5,387,561
Noncurrent liabilities:								
Notes payable	-	-	14,791,445				-	-
Bonds payable	2,729,806	-	9,460,067				-	21,593,651
Compensated absences payable	-	-	-				-	-
Total OPEB liability	-	-	-				-	-
Net pension liability	-	-	-				-	-
Total noncurrent liabilities	2,729,806	-	24,251,512				-	11,346,322
Total liabilities	3,776,324	836,402	26,662,501				1,404	36,385,096
DEFERRED INFLOWS OF RESOURCES								
Deferred pension resources	-	-	-					14,652,913
Deferred OPEB resources	-	-	-					41,772,657
Total deferred inflows of resources	-	-	-				-	14,916,908
NET POSITION								
Net investment in capital assets	1,216,868	3,691,341	10,362,421				-	43,450,307
Unrestricted net position	1,501,188	2,181,677	2,861,337				283,386	18,694,787
Total net position	\$ 2,718,056	\$ 5,873,018	\$ 13,223,758				\$ 283,386	\$ 62,055,094
Net position from this Statement								\$ 62,055,094
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(2,599,717)
Net position of business-type activities								\$ 59,455,377

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities				Business-Type Activities				Governmental Activities-	
	Municipal Liquor	Earle Brown Heritage Center	Water Utility		Sanitary Sewer Utility	Storm Drainage Utility	Street Light Utility	Recycling Utility	Total Enterprise	Internal Service
OPERATING REVENUES										
Sales and user fees	\$ 6,855,696	\$ 5,066,519	\$ 3,760,995		\$ 4,555,940	\$ 1,680,204	\$ 456,971	\$ 404,981	\$ 22,781,306	\$ 3,432,527
Cost of sales	(5,008,694)	(2,385,593)	-		-	-	-	-	(7,394,287)	-
Total operating revenues	<u>1,847,002</u>	<u>2,680,926</u>	<u>3,760,995</u>		<u>4,555,940</u>	<u>1,680,204</u>	<u>456,971</u>	<u>404,981</u>	<u>15,387,019</u>	<u>3,432,527</u>
OPERATING EXPENSES										
Personal services	913,024	1,310,119	588,612		222,350	309,491	-	-	3,343,596	2,290,747
Supplies	33,065	193,666	314,100		18,853	15,660	4,138	19,550	599,032	462,978
Other services	286,518	876,082	882,043		3,060,535	582,919	78,778	389,623	6,156,498	174,804
Insurance	17,772	35,617	41,324		22,946	3,108	1,640	1,437	123,844	58,163
Utilities	45,875	190,093	211,180		37,066	3,090	180,180	-	667,484	675
Rent	332,456	-	-		-	-	-	-	332,456	-
Depreciation	18,454	225,883	1,664,921		991,951	1,437,108	69,008	-	4,407,325	828,781
Total operating expenses	<u>1,647,164</u>	<u>2,831,460</u>	<u>3,702,180</u>		<u>4,353,701</u>	<u>2,351,376</u>	<u>333,744</u>	<u>410,610</u>	<u>15,630,235</u>	<u>3,816,148</u>
Operating income (loss)	<u>199,838</u>	<u>(150,534)</u>	<u>58,815</u>		<u>202,239</u>	<u>(671,172)</u>	<u>123,227</u>	<u>(5,629)</u>	<u>(243,216)</u>	<u>(383,621)</u>
NONOPERATING REVENUES (EXPENSES)										
Intergovernmental	-	-	-		455,363	-	-	-	455,363	75,823
Investment earnings (net of market value adjustment)	54,473	87,643	124,230		168,420	185,013	30,135	6,542	656,456	197,386
Special assessments	-	-	45,439		-	-	-	-	45,439	-
Gain on sale of capital assets	-	-	-		-	-	-	-	-	49,669
Other revenue (expense)	4,786	2,381	13,313		-	250	9,886	-	30,616	25,895
Interest and fiscal agent fees	(105,072)	-	(431,842)		(181,542)	(42,241)	-	-	(760,697)	-
Total nonoperating revenues (expenses)	<u>(45,813)</u>	<u>90,024</u>	<u>(248,860)</u>		<u>442,241</u>	<u>143,022</u>	<u>40,021</u>	<u>6,542</u>	<u>427,177</u>	<u>348,773</u>
Income (loss) before contributions and transfers	154,025	(60,510)	(190,045)		644,480	(528,150)	163,248	913	183,961	(34,848)
Capital contributions from other funds	-	-	-		-	560,675	456,059	-	1,016,734	-
Transfers out	(325,487)	-	-		-	-	-	-	(325,487)	-
Change in net position	(171,462)	(60,510)	(190,045)		644,480	32,525	619,307	913	875,208	(34,848)
Net position - January 1	2,889,498	5,937,528	13,413,803		14,994,868	21,779,268	1,882,448	282,473	61,179,886	(7,552,076)
Net position - December 31	<u>\$ 2,718,036</u>	<u>\$ 5,877,018</u>	<u>\$ 13,223,758</u>		<u>\$ 15,639,348</u>	<u>\$ 21,811,793</u>	<u>\$ 2,501,755</u>	<u>\$ 283,386</u>	<u>\$ 62,055,094</u>	<u>\$ (7,586,924)</u>
Change in net position from this Statement										
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds										
Change in net position of business-type activities									\$ 875,208	\$ (78,986)
										<u>\$ 796,222</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-Type Activities			Water Utility	Governmental Activities- Internal Service					
	Municipal Liquor	Earle Brown Heritage Center			Sanitary Sewer Utility	Storm Drainage Utility	Street Light Utility	Recycling Utility	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from customers and users	\$ 6,871,181	\$ 4,970,250	\$ 3,525,683		\$ 4,470,929	\$ 1,677,344	\$ 450,284	\$ 405,685	\$ 22,371,356	\$ 3,421,657
Receipts from interfund services provided	-	-	-		-	-	-	-	-	25,895
Other operating receipts	4,786	2,381	13,313		-	250	9,886	-	30,616	(19,003)
Payments for interfund services received	(135,899)	(178,367)	(214,737)		(202,297)	(204,477)	(25,766)	(11,169)	(972,712)	(700,551)
Payments to suppliers	(4,877,725)	(3,620,257)	(1,399,091)		(2,726,543)	(413,204)	(236,370)	(459,534)	(13,732,724)	(2,111,736)
Payments to employees	(857,733)	(1,240,422)	(556,166)		(207,756)	(289,999)	-	-	(3,152,076)	-
Net cash flows provided (used) by operating activities	1,004,610	(66,415)	1,369,002		1,334,333	769,914	198,034	(65,018)	4,544,460	615,362
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Interfund payable (operating)	-	(4,862)	-		-	-	-	-	(4,862)	-
Special assessments	-	-	33,740		-	-	-	-	33,740	-
Transfers out	(325,487)	-	-		-	-	-	-	(325,487)	-
Net cash flows provided (used) by noncapital financing activities	(325,487)	(4,862)	33,740		-	-	-	-	(296,609)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of capital assets	(2,898,757)	(293,809)	(1,613,178)		(601,171)	(887,848)	(81,948)	-	(6,376,711)	(787,810)
Intergovernmental grants	-	-	-		455,363	-	-	-	455,363	-
Principal paid on revenue and improvement bonds	-	-	(528,750)		(448,753)	(105,000)	-	-	(1,082,503)	-
Principal paid on revenue notes	-	-	(973,000)		-	-	-	-	(973,000)	-
Interest paid on capital debt	(80,732)	-	(448,145)		(175,464)	(32,536)	-	-	(736,877)	-
Proceeds from lease revenue bonds	2,729,806	-	-		2,081,209	1,589,772	-	-	2,729,806	-
Proceeds from sale of assets	-	-	2,087,496		-	-	-	-	5,758,477	-
Net cash flows provided (used) by capital and related financing activities	(249,683)	(293,809)	(1,475,577)		1,311,184	564,388	(81,948)	-	(225,445)	52,599
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest on investments	54,473	87,643	124,230		168,420	185,013	30,135	6,542	656,456	197,386
Net increase (decrease) in cash and cash equivalents	483,913	(277,443)	51,395		2,813,937	1,519,315	146,221	(58,476)	4,678,862	77,537
Cash and cash equivalents - January 1	2,284,048	2,935,987	3,792,870		3,755,190	4,368,349	771,715	258,523	18,166,682	6,239,450
Cash and cash equivalents - December 31	2,767,961	2,658,544	3,844,265		6,569,127	5,887,664	917,936	200,047	22,845,544	6,316,987
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES										
Operating income (loss)	\$ 199,838	\$ (150,534)	\$ 58,815		\$ 202,239	\$ (671,172)	\$ 123,227	\$ (5,629)	\$ (243,216)	\$ (383,621)
Adjustments to reconcile operating income (loss) to net cash flows provided (used) by operating activities:										
Depreciation	18,454	225,883	1,664,921		991,951	1,437,108	69,008	-	4,407,325	828,781
Other income (expense) related to operations	4,786	2,381	13,313		-	250	9,886	-	30,616	101,718
(Increase) decrease in assets:										
Accounts receivable	-	(96,269)	(258,529)		(85,011)	(2,860)	(6,687)	704	(448,652)	(10,870)
Due from other governments	-	(38,573)	-		-	-	-	-	(38,573)	-
Prepaid items	(602)	(7,209)	(659)		(3,877)	-	-	-	(12,347)	(550)
Inventories	91,330	(878)	20,619		-	-	-	-	111,071	57
(Increase) decrease in deferred outflows of resources:										
Deferred outflows for pension	-	-	-		-	-	-	-	-	2,426,241
Increase (decrease) in liabilities										
Accounts payable	678,294	(5,865)	(154,001)		225,824	2,659	2,600	1,031	750,542	(930)
Due to other governments	(5,676)	-	-		-	-	-	(61,124)	(66,800)	-
Net pension liability	-	-	-		-	-	-	-	-	107,166
Accrued salaries and wages	2,701	4,649	1,306		3,207	3,929	-	-	15,792	109,355
Unearned revenue	15,485	-	23,217		-	-	-	-	38,702	-
(Increase) decrease in deferred inflows of resources:										
Deferred pension resources	-	-	-		-	-	-	-	-	(2,561,985)
Net cash flows provided (used) by operating activities	\$ 1,004,610	\$ (66,415)	\$ 1,369,002		\$ 1,334,333	\$ 769,914	\$ 198,034	\$ (65,018)	\$ 4,544,460	\$ 615,362
NONCASH FINANCING ACTIVITIES										
Acquisitions of capital assets on account	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,037
Capital assets contributed from other funds	\$ -	\$ -	\$ -		\$ -	\$ 560,675	\$ 456,059	\$ -	\$ 1,016,734	\$ -
Grants deposited with pension plan	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,474

The notes to the financial statements are an integral part of this statement.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

The City of Brooklyn Center was incorporated in 1911 and has operated under a Council/Manager form of government since the adoption of the City charter in 1966. The governing body consists of a Mayor and four City Council members. Elected at-large to serve four-year staggered terms. The City provides a full range of municipal services to its citizens, including public safety (police and fire protection), highways and streets, parks and recreation, public improvements, planning and inspections, economic development, sanitary and storm sewer, water, and general administrative services.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB).

The City's significant accounting policies are described below.

A. REPORTING ENTITY

The City includes all funds, organizations, institutions, agencies, departments, boards, and offices that are not legally separate from the City. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

Blended component units, although legally separate, are, in substance, part of the government's operations. A blended component unit is reported as if it were a fund of the City throughout the year. It is included at both the government-wide and fund financial reporting levels.

A description of the City's blended component units follows:

City of Brooklyn Center Housing and Redevelopment Authority (HRA) - The City Council serves as the Board of Directors for the HRA, with the power to levy taxes and enter into contracts. The Council reviews and approves the tax levy and all expenditures for the HRA. The HRA is reported as a Special Revenue fund. The HRA does not issue separate financial statements. Financial information may be obtained at the City's offices.

City of Brooklyn Center Economic Development Authority (EDA) - The governing board for the EDA is the City Council, with the power to issue bonds and enter into contracts. The Council reviews and approves major community development improvement activities. City general obligation tax increment financing bonds are issued to finance EDA activities. The EDA is reported as a Special Revenue fund. The EDA does not issue separate financial statements. Financial information may be obtained at the City's offices.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal year. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences, net pension liabilities, and OPEB are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal year is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the current day-to-day operations of the governmental units are financed from this fund.

Tax Increment District No. 3 Special Revenue Fund

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities throughout the City. This fund also provides the resources to repay the debt service on bonds issued to finance these redevelopment activities.

Debt Service Fund

This fund is used to account for the collection of property taxes, special assessments and other resources which are used to repay the principal and interest on debt issued for various improvements in the City.

Capital Improvements Capital Project Fund

This fund was established to provide funds and to account for the expenditure of such funds, for major capital outlays. The accumulation of funds to provide for such outlays is an attempt to reduce future debt issuance. The financing sources of the fund primarily consist of transfers from other funds.

Municipal State-Aid for Construction Capital Project Fund

This fund was established to account for the state allotment of construction and maintenance aid. The source of the State funding is provided for through the collection of gasoline taxes. The funds accumulated must be used on transportation related construction and maintenance projects.

Special Assessment Construction Capital Project Fund

This fund was established to account for the resources and expenditures required for the acquisition and construction of capital facilities or improvements financed wholly or in part by special assessments levied against benefited properties.

The government reports the following major enterprise funds:

Municipal Liquor Fund

The fund accounts for the operations of the City's municipal off-sale liquor stores.

Earle Brown Heritage Center Fund

The Earle Brown Heritage Center is a pioneer farmstead that has been historically preserved and restored as a modern multipurpose facility. Its convention center can host conferences, trade shows and concerts.

Water Utility Fund

The fund accounts for pumping, treatment and distribution of water to customers. Administration, wells, water treatment, water storage, and distribution are included.

Sanitary Sewer Utility Fund

The fund accounts for the collection and pumping of sanitary sewage through a system of sewer lines and lift stations. Sewage is treated by the Metropolitan Council Environmental Services whose fees represent about 60% of this fund's operating expenses.

Storm Drainage Utility Fund

The fund accounts for the collection and treatment of surface runoff water that does not require sanitary wastewater treatment. It incorporates not only the storm sewer collection system, but also structures such as holding ponds and facilities to improve water quality. Fees are based upon the quantity of water running off a property and vary with both size and absorption characteristics of the parcel.

Street Light Utility Fund

The fund accounts for the electrical service, maintenance, repair and replacement of lights owned by the City as well as those lights owned by Xcel Energy.

Recycling Utility Fund

The fund accounts for the contracted services to provide a City wide recycling program.

Additionally, the City reports the following fund type:

Internal Service Funds

Account for compensated absences, health care insurance benefits for retired employees, pension liabilities, and central garage services provided to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. CASH AND INVESTMENTS

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments with the exception of Cash held with Fiscal Agent in the Liquor Fund. Earnings from pooled investments are allocated on the basis of applicable participation by each of the funds. Interest earned on Cash held with Fiscal Agent is recorded in the fund in which it is being held.

Certain bond proceeds are held by trustees for current capital projects. Earnings on these accounts are allocated directly to the respective funds. The investments are reported as restricted assets in the government-wide financial statements.

The City's investment policy authorizes the City to invest in the following:

- a) United States Securities: including bonds, notes, bills or other securities which are direct obligations of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, which carry full faith and credit of the United States.
- b) Commercial paper issued by U.S. corporations or their Canadian subsidiaries that is rated in the highest quality by at least two nationally recognized rating agencies and matures in 90 days or less.
- c) Certificates of Deposits (Time Deposits) that are fully insured by the Federal Deposit Insurance Corporation.
- d) Repurchase agreements and reverse repurchase agreements may be entered into with financial institutions identified by Minnesota Statutes Chapter 118A. Reverse repurchase agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs.
- e) Securities lending agreements may be entered into with financial institutions identified by Minnesota Statutes Chapter 118A.
- f) Minnesota joint powers investment trusts may be entered into with trusts identified by Minnesota Statutes Chapter 118A.
- g) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of short term securities permitted by Minnesota Statutes 118A.
- h) Bonds of the City of Brooklyn Center issued in prior years, may be redeemed at current market price, which may include a premium, prior to maturing using surplus funds of the debt service fund set up for that issue.

- i) General obligation bonds of state or local governments rated A or better by a national bond rating service.
- j) Revenue obligations of state or local governments rated AA or better by a national bond rating agency.
- k) The Minnesota Municipal Money Market Fund (4M) that was established by the League of Minnesota Cities to address the investment needs of Minnesota cities.

Investments are reported at fair value, based on quoted market prices as of the balance sheet date, except for investments in external investment pools, which are stated at amortized cost. The reported value of these funds is the same as the value of the pool shares. For the 4M fund, there are no untended commitments, redemption frequency is daily, and there is no redemption notice for the Liquid class; the redemption notice period is 14 days for the Plus Class. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment earnings. Investment income on commingled funds is allocated monthly, based on month-end balances.

E. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at December 31, 2019 are planned to be eliminated in 2020. Long-term interfund loans are classified as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by restricted or committed fund balance in applicable governmental funds. This classification is based on the restraint that will be placed on the advanced funds when they are returned to the lending fund.

All miscellaneous accounts receivable and trade receivables, other than utilities, are presented net of an allowance for doubtful accounts. All utility trade receivables are reported at gross because it is the City's policy to certify delinquent account balances as special assessments. The City expects to make full collection of all property tax and special assessment receivables, so no allowance is considered necessary.

Property tax levies are submitted to the County in December each year. The County allocates these levies across taxable properties in the City based on valuations certified in the prior year. The County collects these levies and distributes the City's proceeds in June and December of the fiscal year. These taxes are reported as general revenues in the government-wide financial statements in the year levied. Unpaid taxes at December 31 become liens on the respective property and are classified as delinquent receivables and are fully offset by a deferred inflow of resources in the fund financial statements. Delinquent taxes receivable includes the past six years of uncollected taxes.

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Governmental special assessments have been offset by a deferred inflow of resources for collections not received within 60 days after year end in the fund financial statements.

F. INVENTORIES AND PREPAID ITEMS

Inventories in the governmental funds are reported using the consumption method and valued at cost, using the first-in/first-out (FIFO) method. Inventories in the proprietary funds are valued at cost, using the weighted average method in the Municipal Liquor and Earle Brown Heritage Center Funds and the FIFO method in all other funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

G. ASSETS HELD FOR RESALE

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2019 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the amounts in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

		\$
Infrastructure		250,000
Buildings and Building Improvements		50,000
Land Improvements		25,000
Heavy Equipment		25,000
Furniture and Furnishings		10,000
Motorized Vehicles		10,000
Technology Equipment		10,000
Land Easements		10,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2019 no interest was capitalized in connection with construction in progress.

Capital assets of the City, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

	Based on Contract
Easements - temporary	25 years
Land improvements	25 years
Buildings and structures	25 years
Water and sewer mains and lines, wells and storage tanks, sewer lift stations	25 years
Infrastructure	25 years
Street light systems	15 years
Machinery and equipment	5 - 15 years

I. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in the category and are reported only in the statements of net position. These items result from actuarial calculations and current year pension and OPEB contributions made subsequent to the measurement date.

J. PENSIONS

For purposes of measuring the net pension liability/asset, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the applicable pension and additions to or deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The PERA has a special funding situation created by a direct aid contribution made by the State of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

K. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arise under a modified accrual basis of accounting, which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from sources such as: property taxes, tax increments, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The second item, imposed nonexchange revenue transactions, state aid, and capital funding received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the government-wide statement of Net Position as a deferred inflow of resources. The third item results from actuarial calculations related to the City's pension and OPEB obligations.

L. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and vested sick leave pay is accrued in the Public Employees Compensated Absences internal service fund. In accordance with the provisions of Statement of Government Accounting Standards No. 16, Accounting for Compensated Absences, a liability is recognized for that portion of accumulating sick leave benefits that is vested. The City pays out up to 230 hours of vacation upon separation and one third of accrued sick leave time.

M. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Under Minnesota Statute 471.61, subdivision 2(b), public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan; 2) coverage must continue in group plan until age 65 and pay no more than the group premium; and 3) retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement No. 75, at January 1, 2018. The liability is accrued in the Public Employees Retirement internal service fund.

N. LONG TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. FUND EQUITY

Fund equity in the fund financial statements is classified as fund balance for governmental funds and net position for proprietary funds. Fund equity in the government-wide financial statements is classified as net position for both governmental and business-type activities.

Fund Balance – In the fund financial statements, governmental funds report fund balance in classifications that disclose restraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form or are required to be maintained intact.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are imposed by formal action (resolution) of the City Council, which is the highest level of decision making authority.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council or, pursuant to council resolution, the City Manager or the City Manager's designee.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted fund balances are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for an allowable use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

The City has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance amount of 50-52% of the next year's operating budget for cash flow needs (working capital). At December 31, 2019 the unassigned fund balance of the General Fund was 52% of the subsequent year's budgeted expenditures.

Net Position – Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net position, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All remaining net position is reported as unrestricted.

When both restricted and unrestricted net position are available for an allowable use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

P. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from such estimates.

R. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board recently approved the following statements which were not implemented in these financial statements. The effect these standards may have on future financial statements has not been determined at this time.

Statement No. 87, Leases. The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement excludes short-term leases of 12 months (or less). The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for all governmental funds. All annual appropriations lapse at fiscal year end.

In September, the City Manager submits to the City Council proposed operating budgets for the fiscal year commencing the following January. The proposed general fund budget and preliminary tax levy must be certified to the County prior to September 30. The Council holds public hearings on the certified budget and levy and must submit a final levy to the County prior to the end of December.

The appropriated budget is prepared by fund and department. The City Council must authorize any transfer of budgeted amounts between departments or funds. Transfers of budgeted amounts within departments in the General Fund must be authorized by the City Manager. The legal level of budgetary control is the department level for the General Fund and the fund level for all other governmental funds. There were no supplemental budgetary appropriations or amendments during the year.

For the year ended December 31, 2019 expenditures and transfers out exceeded appropriations in the following General Fund departments and other governmental funds:

		Final Budget	Actual	Excess of Appropriations
Major Funds:				
General Fund:				
Mayor and council	\$	124,962	\$ 144,560	\$ (19,598)
Assessing		206,200	222,829	(16,629)
Legal		420,000	431,849	(11,849)
Government buildings		906,105	951,829	(45,724)
Building and community standards		1,136,506	1,193,579	(57,073)
Park and recreation administration		235,368	260,088	(24,720)
Nondepartmental		297,345	520,518	(223,173)
Nonmajor Funds:				
Special Revenue Funds:				
Centerbrook Golf Course		315,180	318,237	(3,057)
Tax Increment District No. 6		174,016	200,818	(26,802)
Tax Increment District No. 7		-	832	(832)
Tax Increment District No. 8		-	12,500	(12,500)
City Initiatives Grant		240,919	243,175	(2,256)

B. DEFICIT FUND EQUITY

Deficit fund equity exists at December 31, 2019 in the following funds:

Unassigned deficit fund balance	
Nonmajor Funds:	
Centerbrook Golf	\$ 257,521
Tax Increment District No. 4	895,898
Tax Increment District No. 8	12,500
Unrestricted deficit net position	
Internal Service Funds:	
EE Retirement Benefit	1,718,694
Pension - GERS	7,245,683
Pension - PEPPF	7,061,351

The deficits are being funded through internal borrowing and will be repaid from future collections of tax increment revenues, intergovernmental revenue, customer revenues, and internal transfers. The Internal service deficits will be funded through future interfund charges, state grant revenues, and employee withholdings.

Note 3 DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

In accordance with Minnesota Statutes, the City maintains deposits at only those depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes the legal investments described in Note 1.D., as well as certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be placed in safekeeping in a restricted account at the Federal Reserve bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At year-end, the City's carrying value and bank balance of deposits was \$0.

As of December 31, 2019 the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)		
		No maturity	< 1	1 - 3
Negotiable certificates of deposit	\$ 24,431,581	\$ -	\$ 10,703,097	\$ 9,636,161
Federal agency notes	14,326,823	-	2,188,770	4,324,737
Municipal bonds	6,031,794	-	302,400	1,743,289
External investment pool - 4M Fund	18,166,024	18,166,024	-	-
Money market	3,307,738	3,307,738	-	-
Total Investments	\$ 66,263,960	\$ 21,473,762	\$ 13,194,267	\$ 15,704,187
				\$ 15,891,744

As of December 31, 2019, the City had the following summary of investments related to the credit risk, par values and fair values of securities:

Investment Type	Credit Risk (*)	Par	Fair Value	% of total Portfolio
Negotiable certificates of deposit	Not rated	\$ 24,246,000	\$ 24,431,581	36.87%
Federal agency notes	AA	14,233,000	14,326,823	21.62%
Municipal bonds	A or better	5,820,000	6,031,794	9.09%
External investment pool - 4M Fund	Not rated	18,166,024	18,166,024	27.41%
Money market	AAA	3,307,738	3,307,738	4.99%
Total Investments		\$ 65,772,762	\$ 66,263,960	100.00%

(*) The credit risk for the Federal Agency Notes, Municipal Bonds and Money Market ratings are provided by S&P.

Cash and investments at year-end consist of the following:

Investments (including cash with fiscal agent)	\$ 66,263,960
Petty cash and change funds	13,805
Total cash, cash equivalents, and investments	<u>\$ 66,277,765</u>

The deposits and investments of the City are presented in the financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 65,293,182
Cash with fiscal agent	984,583
Total cash, cash equivalents, and investments	<u>\$ 66,277,765</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The City has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Fair Value Measurement Using		
	12/31/2019	Level 1	Level 2
Investments at fair value:			
Negotiable certificates of deposit	\$ 24,431,581	\$ -	\$ 24,431,581
Federal agency notes	14,326,823	-	14,326,823
Municipal bonds	6,031,794	-	6,031,794
Money market	3,307,738	3,307,738	-
Total Investments	<u>\$ 48,097,936</u>	<u>\$ 3,307,738</u>	<u>\$ 44,790,198</u>
Investments at amortized cost:			
External investment pool - 4M Fund	18,166,024	-	-
Total	<u>\$ 66,263,960</u>		

Interest rate risk - The City's investment policy mitigates interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term securities. The City's policy restricts investments to investments maturing no more than six years from the date of the purchase. No more than ten percent of the City's portfolio at any time shall be invested in securities with maturities of more than five years. The policy also states that the portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably expected.

Credit risk - The City's investment policy restricts investment instruments to those authorized by Minnesota Statutes §118A as listed in Note 1.D. The policy also requires that any counterparty in investment transactions be pre-qualified and approved by the City Council and that the portfolio be diversified to limit potential losses on individual securities.

Concentration of credit risk - The City's investment policy requires that the investment portfolio be diversified to minimize potential losses on individual securities. As of year end, the City had portfolio concentrations in excess of five percent (excluding external investment pools) in the following federal agencies: Federal Farm Credit Bank (12.86%).

Custodial credit risk - The City's investment policy requires that securities purchased from any bank or dealer be placed with an independent third party for custodial safekeeping. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. All of the City's remaining investments were held in an institutional trust under contract with the City for safekeeping services.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

B. RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2019 are as follows:

Major Funds:	Delinquent Property Taxes	Delinquent Tax Increments	Special Assessments	Due from		Notes Receivable
				Other Governments	Other	
General	\$ 162,668	\$ -	\$ 96,976	\$ -	\$ -	-
Tax Increment District No. 3	-	29,412	-	-	-	-
Debt Service	-	-	4,676,524	-	-	-
Capital Improvements	-	-	524	1,332,272	-	-
Municipal State Aid for Construction	-	-	-	4,210,690	-	-
Special Assessment Construction	-	-	1,141,026	-	-	-
Nonmajor Funds	-	-	-	-	-	-
Revolving Loan	-	-	-	-	-	79,519
Total	\$ 162,668	\$ 29,412	\$ 5,915,050	\$ 5,542,962	\$ -	\$ 79,519

The Economic Development Authority (EDA) offers a down payment and closing cost assistance program to home buyers purchasing foreclosed or vacant properties as their principal residence. The program offers up to a \$10,000, no-interest deferred loan that is forgivable if the borrower resides in the property for five consecutive years. As of December 31, 2019, the balance of these loans is \$90,000. There has been an allowance for doubtful accounts recorded for the same amount, as it is fully expected that these loans will be forgiven.

The Revolving Loan Fund received a grant from the Minnesota Investment Fund and disbursed an interest-free loan to Get Bizzy office in the amount of \$101,513 in 2018. It will be repaid in 60 monthly installments of \$1,692 ending December 1, 2023. As the repayments are made, the City will remit 60% to the Minnesota Department of Employment and Economic Development.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,632,883	\$ -	\$ -	\$ 5,632,883
Easements - perpetual	88,704	-	-	88,704
Construction in progress	10,908,187	4,446,001	(9,654,902)	5,699,286
Total capital assets, not being depreciated	16,629,774	4,446,001	(9,654,902)	11,420,873
Capital assets, being depreciated:				
Easements - temporary	22,715	-	-	22,715
Buildings and improvements	25,933,919	57,816	-	25,991,735
Land improvements	12,393,011	43,703	-	12,436,714
Machinery and equipment	11,376,771	942,178	(406,727)	11,912,222
Street infrastructure	53,445,575	9,318,108	-	62,763,683
Total capital assets, being depreciated	103,171,991	10,361,805	(406,727)	113,127,069
Less accumulated depreciation for:				
Easements - temporary	22,715	-	-	22,715
Buildings and improvements	15,157,338	928,804	-	16,086,142
Land improvements	5,856,295	371,294	-	6,227,589
Machinery and equipment	6,821,023	958,120	(403,797)	7,375,346
Street infrastructure	23,836,321	2,215,316	-	26,051,637
Total accumulated depreciation	51,693,692	4,473,534	(403,797)	55,763,429
Total capital assets being depreciated - net	51,478,299	5,888,271	(2,930)	57,363,640
Governmental activities capital assets - net	\$ 68,108,073	\$ 10,334,272	\$ (9,657,832)	\$ 68,784,513

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 158,704
Public safety	500,062
Public works	2,490,736
Parks and recreation	495,251
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	828,781
Total depreciation expense - governmental activities	<u>\$ 4,473,534</u>

CITY OF BROOKLYN CENTER, MINNESOTA
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Business-type activities:

Capital assets, not being depreciated:

	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 2,104,581	\$ 594,298	\$ -	\$ 2,698,879
Land improvements	10,285	-	-	10,285
Buildings and improvements	12,912,399	6,665,697	(12,657,290)	6,920,806
Machinery and equipment	15,027,265	7,259,995	(12,657,290)	9,629,970
Street light systems	20,335	-	-	20,335
Mains and lines	570,769	-	-	570,769
Total capital assets, not being depreciated	38,394,147	3,604,254	-	41,998,401
Capital assets, being depreciated:	1,227,956	156,586	-	1,384,542
Land improvements	928,396	159,231	-	1,087,627
Buildings and improvements	83,420,245	8,870,670	-	92,290,915
Machinery and equipment	124,561,848	12,790,741	-	137,352,589
Street light systems	20,335	-	-	20,335
Mains and lines	570,769	-	-	570,769
Total capital assets, being depreciated	124,561,848	12,790,741	-	137,352,589

Less accumulated depreciation for:

Land improvements	20,335	-	-	20,335
Buildings and improvements	273,939	29,076	-	303,015
Machinery and equipment	18,630,223	1,051,818	-	19,682,041
Street light systems	887,533	80,686	-	968,219
Mains and lines	372,346	69,008	-	441,354
Total accumulated depreciation	46,204,857	3,176,737	-	49,381,594
Total capital assets being depreciated - net	66,389,233	4,407,325	-	70,796,558
Business-type activities capital assets - net	58,172,615	8,383,416	-	66,556,031
Depreciation expense was charged to functions/programs of the City as follows:	\$ 73,199,880	\$ 15,643,411	\$ (12,657,290)	\$ 76,186,001

Business-type activities:

Municipal liquor	\$ 18,454
Earle Brown Heritage Center	225,883
Water utility	1,664,921
Sanitary sewer utility	991,951
Storm drainage utility	1,437,108
Street light utility	69,008
Total depreciation expense - business-type activities	\$ 4,407,325

CITY OF BROOKLYN CENTER, MINNESOTA
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CONSTRUCTION COMMITMENTS

At December 31, 2019 the City had construction project contracts in progress. The commitments related to remaining contract balances are summarized as follows:

Project	Contract Amount	Remaining Commitment
Brooklyn Boulevard Corridor Project Phase 1	\$ 12,670,125	\$ 2,166,246
51st Avenue Frontage Road Improvements	616,511	18,575
Bellvue Mill & Overlay	2,472,410	329,945
Interstate Area Improvements	9,667,269	7,734,751
Liquor Store Construction	2,257,026	387,303
Total	\$ 27,683,341	\$ 10,636,820

D. INTERFUND BALANCES AND TRANSFERS

The composition of due to/from other fund balances at December 31, 2019 are as follows:

Fund	Due from Other Funds	Due to Other Funds
Major Funds:		
General	\$ 334,864	\$ 4,862
Earle Brown Heritage Center	4,862	-
Nonmajor Funds:		
Community Development Block Grant	-	75,000
Centerbrook Golf Course	-	247,364
TIF #8	-	12,500
Total	\$ 339,726	\$ 339,726

Interfund due to/from balances are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year. Balances will be paid with future tax increments, operating revenues, interfund transfers, and/or receipt of federal grant funds.

Individual fund advances to and advances from other funds at December 31, 2019 are as follows:

Fund	Advances to Other Funds	Advances From Other Funds
Major Funds:		
Tax Increment District No. 3	\$ 895,898	\$ -
Nonmajor Funds:		
Tax Increment District No. 5	-	460,158
Tax Increment District No. 4	-	895,898
Tax Increment District No. 2	460,158	-
Total	\$ 1,356,056	\$ 1,356,056

The \$460,158 advance between the Tax Increment District No. 2 and the Tax Increment District No. 5 funds was made to provide funding for a specific development project within the City. The financing plan for the Tax Increment District projects payments of approximately \$110,000 in 2019 through 2024. The \$895,898 advance between Tax Increment District No. 3 and Tax Increment District No. 4 provided funding for property transferred to a developer in conjunction with the Sanctuary project. This advance will be repaid at \$281,502 per year from 2019 through 2022.

The composition of interfund transfers as of December 31, 2019 are as follows:

	Transfer In	Transfer Out
Governmental Funds:		
Major Funds:		
General	\$ 150,000	\$ 210,000
Tax Increment District No. 3	3,601	2,237,287
Debt Service	2,587,568	3,601
Capital Improvements	325,487	-
Special Assessment Construction	-	397,351
Nonmajor Funds:		
Housing and Redevelopment Authority	-	377,609
Economic Development Authority	377,609	-
Community Development Block Grant	-	150,000
Centerbrook Golf Course	70,000	-
Tax Increment District No. 5	-	350,281
Street Reconstruction	397,351	-
Technology	140,000	-
Total governmental funds	4,051,616	3,726,129
	\$ 4,051,616	\$ 4,051,616
Proprietary Funds:		
Major Funds:		
Municipal Liquor	-	325,487
Total all funds	\$ 4,051,616	\$ 4,051,616

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund or to provide additional capital and infrastructure funding. In addition, interfund transfers are occasionally authorized to allow redistribution of resources between funds for the most efficient use of funds. In 2019, the following non-routine transfers were made between funds:

- The Municipal Liquor fund transferred \$325,487 to the Capital Improvements fund in accordance with the City's Capital Project Funding policy.
- The Special Assessment Construction fund transferred \$397,351 to the Street Reconstruction fund due to reallocation of project costs based on final approved funding sources adopted by Council resolution.
- The 2008A Debt Service fund transferred \$3,601 to TIF district #3 upon satisfaction of related bond obligations.

E. OPERATING LEASES

The City has leased a portion of the police second floor expansion area to the Local Government Information Systems Association (LOGIS) as a backup computer facility. The lease has a term of ten years, commencing on January 12, 2016 and calls for monthly lease payments based on square-footage. Lease revenue for the year ended December 31, 2019 was \$12,000. Future minimum lease revenues under the current agreement is as follows:

Year Ending	Total Minimum Rents
2020	\$ 12,000
2021	12,000
2022	12,000
2023	12,000
2024	12,000
2025	12,000
	<u>\$ 72,000</u>

The City leases space for its municipal liquor stores. The leases are ten-year leases and began in 2010 and 2013. The leases provide for a minimum monthly base rent payment, plus a pro-rata share of common area expenses. Additional lease payments are required if agreed-upon revenue thresholds are attained. These leases may be cancelled at the City's option if the City ceases liquor operations. Total rental expense under the lease agreements for the year ended December 31, 2019 was \$332,456. Future minimum base rent payments under the current agreements are as follows:

Year Ending	Total Minimum Rents
2020	164,124
2021	93,360
2022	93,360
2023	93,360
	<u>\$ 444,204</u>

The City is the lessor in an operating lease for a building being used for a sit-down restaurant. The lease was originally signed in 2011 with a ten year term with an option to extend for an additional five years. For the year ended 2019, the City received \$104,536 in rental revenue. Future minimum base rent revenues under the current agreement are as follows:

Year Ending	Total Minimum Rents
2020	\$ 112,048
2021	96,190
	<u>\$ 208,238</u>

The City is the lessor in an operating lease for property used as a parking lot. The lease was originally signed on August 1, 2018 and terminates on July 31, 2020. For the year ended 2019, the City received \$90,000 in rental revenue. Future minimum base rent revenues under the current agreement are as follows:

Year Ending	Total Minimum Rents
2020	\$ 52,500

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The City is the lessor in an operating lease for a building, known as "Building D", consisting of approximately 4,100 square feet and located within the Earle Brown Heritage Center. The lease was originally signed January 1, 2009 with a ten year term with an option for two renewals of five years each. For the year ended 2019, the City received \$78,810 in rental revenue. Future minimum base rent revenues under the current agreement are as follows:

Year Ending	Total Minimum Rents
2020	\$ 78,810
2021	78,810
2022	78,810
2023	78,810
	<u>\$ 315,240</u>

The City leases golf carts used at Centerbrook Golf Course. A new lease was signed May 10, 2019 with a 4 year term. Total rental expenses under the lease agreements for the year ended December 31, 2019 was \$15,329. Future minimum base rent payments under the current agreement are as follows:

Year Ending	Total Minimum Rents
2020	\$ 12,012
2021	12,012
2022	12,012
2023	12,012
	<u>\$ 48,048</u>

F. LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

The City issued general obligation improvement bonds to provide funds for the construction of major capital facilities and construction of infrastructure. These bonds are reported in the governmental activities of the City.

The City issued general obligation tax increment bonds to finance various redevelopment projects and redevelopment property acquisitions within the City. These bonds are reported in the governmental activities of the City.

CITY OF BROOKLYN CENTER, MINNESOTA
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	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/2019
G.O. Tax Increment Bonds:					
Taxable Tax Increment Bonds of 2013A	2.00 - 3.25%	12/19/2013	02/01/2022	\$ 6,040,000	\$ 4,670,000
Taxable Tax Increment Refunding Bonds of 2015B	3.00%	07/09/2015	02/01/2020	6,600,000	1,730,000
Tax Increment Bonds of 2016B	2.00 - 2.50%	12/08/2016	02/01/2029	2,075,000	2,075,000
Taxable Tax Increment Bonds of 2016C	2.00 - 2.30%	12/08/2016	02/01/2023	1,725,000	1,175,000
Total G.O. Tax Increment Bonds				<u>16,440,000</u>	<u>9,650,000</u>
G.O. Improvement Bonds:					
Improvement Bonds, 2013B	3.00%	12/19/2013	02/01/2024	4,920,000	2,030,000
Improvement Bonds, 2015A	2.00 - 2.50%	07/09/2015	02/01/2026	3,416,248	2,425,276
Improvement Bonds, 2016A	2.00%	10/13/2016	02/01/2027	1,820,000	1,495,000
Improvement Bonds, 2017A	2.25 - 3.00%	06/08/2017	02/01/2028	3,735,000	3,385,000
Improvement Bonds, 2018A	3.00 - 5.00%	07/10/2018	02/01/2029	3,835,000	3,835,000
Improvement Bonds, 2019A	4.00 - 5.00%	09/12/2019	02/01/2030	3,355,000	3,355,000
Total G.O. Improvement Bonds				<u>21,081,248</u>	<u>16,525,276</u>
Unamortized Bond Premiums					
Total - bonded indebtedness				<u>1,861,558</u>	<u>1,463,854</u>
				<u>\$ 39,382,806</u>	<u>27,639,130</u>
Other Liabilities:					
Compensated absences payable					1,408,546
Net pension liability					11,346,322
Total OPEB liability					<u>2,038,900</u>
Total governmental activities					<u>\$ 42,432,898</u>

All long-term bonded indebtedness outstanding at December 31, 2019 is backed by the full faith and credit of the City, including improvement and tax increment bond issues. Bonds in the governmental activities will be retired by future property tax levies, tax increments or special assessments accumulated in the specific debt services funds. In the event that a deficiency exists because of unpaid or delinquent taxes or special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. At the end of the current year, there are \$8,668,346 of assets accumulated in the debt service funds for future debt service. Included within those accumulated assets, there was a combined \$4,690,511 of property taxes and special assessments receivable.

CITY OF BROOKLYN CENTER, MINNESOTA
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Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

Year Ending December 31	Governmental Activities		
	G.O. Tax Incremental Bonds	G.O. Improvement Bonds	
	Principal	Interest	Principal
2020	\$ 2,350,000	\$ 235,345	\$ 1,740,757
2021	2,430,000	166,520	1,929,017
2022	2,490,000	92,680	2,002,277
2023	305,000	50,333	1,820,537
2024	330,000	43,525	1,853,796
2025 - 2029	1,745,000	106,638	6,778,892
2030	-	-	400,000
Total	\$ 9,650,000	\$ 695,041	\$ 16,525,276
			\$ 2,650,801

BUSINESS-TYPE ACTIVITIES

The City issued general obligation revenue bonds to finance the metering of all City connected water and sewer utility services in 2010 which were refunded in 2015. The City also issued general obligation revenue bonds in 2015, 2016, 2017, 2018 and 2019 for utility portions of infrastructure improvement projects and a Revenue Note financed by the MN Public Facilities Authority Drinking Water State Revolving Fund for the construction of a new water treatment plant. In 2019 the City issued Lease Revenue Bonds for the construction of a City-owned municipal liquor store. These bonds are reported in the business-type activities of the City.

G.O. Improvement Bonds: Improvement Bonds, 2015A	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/2019
2.00 - 2.50%	07/09/2015	02/01/2026	\$ 1,823,752	\$ 1,294,724	
3.00 - 4.00%	09/18/2019	02/01/2035	2,520,000	2,520,000	
General Obligation Taxable Utility Revenue Bonds:					
Revenue Refunding Bonds of 2015A	2.00 - 2.50%	07/09/2015	02/01/2026	1,660,000	1,025,000
Revenue Bonds of 2016A	2.00%	10/13/2016	02/01/2027	3,605,000	2,965,000
Revenue Bonds of 2017A	2.25 - 3.00%	06/08/2017	02/01/2028	4,625,000	4,220,000
Revenue Bonds of 2018A	3.00 - 5.00%	07/10/2018	02/01/2029	4,350,000	4,350,000
Revenue Bonds of 2019A	4.00 - 5.00%	09/12/2019	02/01/2030	4,790,000	4,790,000
Total General Obligation Taxable Utility Revenue Bonds			19,030,000	17,350,000	
General Obligation Taxable Utility Revenue Notes:					
PFA Revenue Note of 2015	1.00%	01/20/2015	08/20/2034	19,622,797	15,773,445
Unamortized Bond Premiums				1,977,450	1,883,170
Total business-type activities				\$ 44,973,999	\$ 38,821,359

CITY OF BROOKLYN CENTER, MINNESOTA
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Annual debt service requirements to maturity for business-type activities long-term debt are as follows:

Year Ending December 31	Business-Type Activities		
	G.O. Improvement Bonds	G.O. Lease Revenue Bonds	
	Principal	Interest	Principal
2020	\$ 179,243	\$ 26,473	\$ -
2021	180,983	22,871	100,000
2022	182,723	19,234	135,000
2023	184,463	15,562	140,000
2024	186,204	11,623	145,000
2025-2029	381,108	9,549	825,000
2030-2034	-	-	965,000
2035	-	-	210,000
Total	\$ 1,294,724	\$ 105,312	\$ 2,520,000
			\$ 733,924

Year Ending December 31	Business-Type Activities		
	G.O. Revenue Bonds	G.O. Revenue Notes	
	Principal	Interest	Principal
2020	\$ 1,275,000	\$ 568,530	\$ 982,000
2021	1,560,000	547,306	992,000
2022	1,715,000	489,906	1,002,000
2023	1,765,000	428,006	1,012,000
2024	1,830,000	363,463	1,022,000
2025-2029	8,545,000	820,978	5,268,000
2030-2034	660,000	13,200	5,495,445
Total	\$ 17,350,000	\$ 3,231,389	\$ 15,773,445
			\$ 1,294,440

The utility revenue bonds, lease revenue bonds, and notes are backed by the full faith and credit of the City. Bonds and Notes in the business-type activities will be retired with the net revenues of the Liquor fund, Water Utility, Sanitary Sewer Utility, and Storm Drainage Utility systems. (Net revenues of each system are defined as the excess of gross revenues and earnings over the normal, reasonable, and current costs of operating and maintaining the system.) In the event that a deficiency exists because of inadequate net revenues at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. For the year ended December 31, 2019, the water, sewer, and storm utility funds provided net revenues of \$(410,118), which accounts for a debt-service coverage ratio of (16.71)% on principal and interest payments of \$2,711,648.

CITY OF BROOKLYN CENTER, MINNESOTA
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CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. tax increment bonds	\$11,945,000	\$ -	\$ (2,295,000)	\$ 9,650,000	\$ 2,350,000
G.O. improvement bonds	14,552,773	3,355,000	(1,382,497)	16,525,276	1,740,757
Premium	903,685	667,404	(107,235)	1,463,854	-
Total bonds payable	27,401,458	4,022,404	(3,784,732)	27,639,130	4,090,757
Compensated absences	1,323,469	185,291	(100,214)	1,408,546	140,855
Net Pension liability:					
GERF	6,623,822	1,081,123	(1,131,230)	6,573,715	-
PEPFF	4,615,334	1,509,381	(1,352,108)	4,772,607	-
Total OPEB liability	2,014,679	141,673	(117,452)	2,038,900	-
Total government activity long-term liabilities	\$41,978,762	\$ 6,939,872	\$ (6,485,736)	\$ 42,432,898	\$ 4,231,612

Business-type activities:

Bonds payable:					
G.O. improvement bonds	\$ 1,472,227	\$ -	\$ (177,503)	\$ 1,294,724	\$ 179,243
G.O. lease revenue bonds	-	2,520,000	-	2,520,000	-
G.O. revenue bonds	13,465,000	4,790,000	(905,000)	17,350,000	1,275,000
G.O. revenue notes	16,746,445	-	(973,000)	15,773,445	982,000
Premium	747,050	1,178,283	(42,163)	1,883,170	-
Total business-type activity long-term liabilities	\$32,430,722	\$ 8,488,283	\$ (2,097,666)	\$ 38,821,339	\$ 2,436,243

Compensated absences are liquidated by the Public Employees Compensated Absences internal service fund and the total OPEB liability by the Public Employees Retirement internal service fund. Net pension liabilities will be liquidated by the Pension - GERF and Pension - PEPFF internal service funds.

CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Housing Revenue Bonds and Industrial Revenue Bonds or Notes to provide assistance to qualified private sector entities for the acquisition and construction of housing, industrial, or commercial facilities deemed to be in the public interest. The bonds or notes are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The City has no obligation of its assets or of its general tax base for the repayment of any of these bonds or notes. Accordingly, the bonds or notes are not reported as liabilities in the accompanying financial statements. Upon final redemption of the bonds or notes, ownership of the property transfers to the private sector entity served by the bond or note issue.

As of December 31, 2019 there were two series of fixed rate Multifamily Housing Revenue Refunding bonds, one Housing Revenue Development Refinancing Note, two Healthcare Revenue Notes, four Senior Housing Development Revenue Notes, three Multifamily Housing Revenue bonds, and two Charter School Lease Revenue bonds outstanding. The aggregate amount of conduit debt as of December 31, 2019 is \$67,436,754.

CITY OF BROOKLYN CENTER, MINNESOTA
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G. FUND EQUITY

Net position reported in the government-wide statement of net position at December 31, 2019 include the following:

Governmental activities	
Net investment in capital assets:	
Cost of capital assets	\$ 124,547,942
Less: accumulated depreciation	(55,763,429)
Less: related long-term debt outstanding	(17,899,720)
Add: unspent bond proceeds	1,675,798
Total net investment in capital assets	\$2,560,591
Restricted:	
Tax increment financing	23,409,890
Economic development	1,712,362
Law enforcement enhancements	66,472
Debt service	8,338,166
Pension benefits	922,822
State-aid Street Systems	1,294,135
Total restricted	35,743,847
Unrestricted	5,152,891
Total governmental activities net position	\$ 93,457,329

Related debt for governmental activities capital assets includes \$17,899,720 in G.O. Improvement Bonds and premium which was the amount issued to finance the street portion of construction projects.

Business-type activities

Net investment in capital assets:	
Cost of capital assets	\$ 146,982,559
Less: accumulated depreciation	(70,796,558)
Less: related long-term debt outstanding	(37,796,339)
Add: unspent bond proceeds	5,060,645
Total net investment in capital assets	43,450,307
Unrestricted	16,005,070
Total business-type activities net position	\$ 59,455,377

Aggregated fund balances reported in the governmental funds balance sheet at December 31, 2019 include the following:

Governmental funds	Nonspendable	Restricted	Committed	Assigned
General	\$ 18,398	\$ -	\$ -	\$ -
Inventories	68,081	-	-	-
Prepaid Items	-	-	-	64,874
Capital Improvements	-	-	-	-
Tax Increment District No. 3	-	-	-	-
Tax Increment Financing	-	21,614,535	-	-
Debt Service	-	3,991,322	-	-
Debt Service	-	-	-	-
Capital Improvements	-	-	1,613,299	-
Capital Improvements	-	-	-	-
Municipal State-Aid for Construction	-	1,294,135	-	-
State-Aid street systems	-	-	-	-
Special Assessment Constructions	-	1,614,270	-	1,127,793
Capital Improvements	-	-	-	-
Nonmajor Funds	1,630	-	-	-
Centerbrook Golf Course	-	-	-	-
Tax Increment Financing	-	1,765,943	-	-
Economic Development	-	1,712,362	-	-
Law Enforcement Enhancements	-	66,472	-	-
Public Safety	-	-	18,739	-
Cable Communications	-	-	48,981	-
Community Recreation	-	-	73,735	-
Emergency Capital Improvements	-	-	1,144,755	-
Street Improvements	-	160,601	6,281,888	-
Technology Improvements	-	-	388,963	-
Total fund balances	\$ 88,109	\$ 32,219,640	\$ 9,570,360	\$ 1,192,667

Note 4 DEFINED BENEFIT PENSION PLAN - CITY EMPLOYEES

A. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. GENERAL EMPLOYEES RETIREMENT FUND (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local fire relief association that elected to merge with and transfer assets and administration to PERA.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF BENEFITS

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the Social Security Administration (SSA), with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF BENEFITS

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years of service up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERF CONTRIBUTIONS

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2019. The City was required to contribute 7.5 percent for Coordinated Plan members in calendar year 2019. The City's contributions to the GERF for years ended December 31, 2019 were \$651,633. The City's contributions were equal to the required contributions as set by state statute.

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2. PEPFF CONTRIBUTIONS

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.9 percent on January 1, 2019. The City's contributions to the PEPFF for the year ended December 31, 2019 were \$818,676. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

The City reported amounts for pension expense in the statement of activities, as well as deferred outflows, deferred inflows, and net pension liability in the statement of net position associated with various plans as follows:

Pension Plan	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability
PERA - GERP	\$ 760,097	\$ 570,644	\$ 1,242,612	\$ 6,573,715
PERA - PEPFF	698,582	4,798,644	7,087,388	4,772,607
PERA - PEDCP	1,591	-	-	-
Fire Relief Association	79,732	576,732	356,108	-
Central Pension Fund	53,912	-	-	-
Total	\$ 1,593,914	\$ 5,946,020	\$ 8,686,108	\$ 11,346,322

1. GERP PENSION COSTS

At December 31, 2019, the City reported a liability of \$6,573,715 for its proportionate share of the GERP's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a nonemployer contributing entity and their contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$204,324. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportion was 0.1189 percent which was an increase of 0.0005 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$580,712 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$15,302 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP. Adjustments for deferred inflows and outflows increased the total amount reported across governmental and business type activities to \$760,097.

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At December 31, 2019, the City reported its proportionate share of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 183,042	\$ -
Changes in actuarial assumptions	-	519,914
Differences between projected and actual investment earnings	-	679,549
Changes in proportion	58,868	43,149
GERP contributions paid subsequent to the measurement date	328,734	-
Totals	\$ 370,644	\$ 1,242,612

\$328,734 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	\$ (320,779)
2021	(551,400)
2022	(139,113)
2023	10,590
Total	\$ (1,000,702)

2. PEPFF PENSION COSTS

At December 31, 2019, the City reported a liability of \$4,772,607 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportion was 0.4483 percent which was an increase of 0.0153 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$795,634 for its proportionate share of the PEPFF's pension expense. Adjustments for deferred inflows and outflows adjusted this amount reported to public safety activities to \$698,582. The City also recognized \$60,521 for the year ended December 31, 2019, as a reduction in net pension liability (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

At December 31, 2019, the City reported its proportionate share of the PEPF's deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 199,063	\$ 701,432
Changes in actuarial assumptions	3,790,001	5,269,847
Differences between projected and actual investment earnings	-	979,720
Changes in proportion	391,088	136,389
PEPFF contributions paid subsequent to the measurement date	418,492	-
Totals	\$ 4,798,644	\$ 7,087,388

\$418,492 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	\$ (306,274)
2021	(653,912)
2022	(1,775,860)
2023	5,665
2024	23,145
Total	\$ (2,707,236)

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Plan	Police & Fire Plan
Inflation	2.5% per year	2.5% per year
Active Member Payroll Growth	3.25% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disability rates for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

- General Employees Fund
Changes in Actuarial Assumptions
- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

Police and Fire Fund

- Changes in Actuarial Assumptions
- The mortality projection scale was changed from MP-2017 to MP-2018.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
International Equity	17.50%	5.90%
Cash	2.00%	0.00%

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rates disclosed in the preceding paragraphs, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rates:

	Sensitivity of Net Pension Liability	
	General Employees Fund	Police and Fire Fund
1% Lower	6.50% \$ 10,806,833	6.50% \$ 10,432,032
Current Discount Rate	7.50% 6,573,715	7.50% 4,772,607
1% Higher	8.50% 3,078,434	8.50% 92,354

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained by:

Internet: www.mnpersa.org
Phone: (651) 296-7460
Mail: 60 Empire Drive, #200
St. Paul, MN 55103-2088

Note 5 DEFINED BENEFIT PENSION PLAN - SINGLE EMPLOYER - FIRE RELIEF ASSOCIATION

A. PLAN DESCRIPTION

The City contributes to the Brooklyn Center Fire Department Relief Association (the Association) which is the administrator of a single employer, public employee defined benefit retirement system to provide a retirement plan (the Plan) to volunteer firefighters of the City who are members of the Association. The Association is organized and operates under the provisions of Minnesota State Statutes 424A, and provides benefits in accordance with those statutes.

At December 31, 2018, the membership of the Association consisted of:

Retirees and beneficiaries currently receiving benefits	17
Terminated employees entitled to benefits but not yet receiving them	11
Active plan participants - vested	12
Active plan participants - non-vested	19
Total	<u>59</u>

The Association issues a financial report that includes financial statements and required supplementary information for the Brooklyn Center Fire Department Relief Association. That report is available at the City of Brooklyn Center City offices.

B. BENEFITS PROVIDED

Basic Service Pension for Retired Members - Upon retirement each individual will receive a lump sum distribution of \$7,700 per year of service. This benefit level was placed into effect on March 1, 2018. Prior to 1998, a monthly benefit level of \$26.50 was available for retirees. The monthly benefit is no longer an option for retiring members. Vested, terminated members, who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time of termination from membership.

Basic Service Pension for Deferred Pensioners - A member who is otherwise qualified for a service pension but who has not reached the age of 50 years may retire from the Fire Department without forfeiting the member's right to such pension. Upon approval of an application therefore, the deferred pensioner shall receive a pension based on the benefit level at that time multiplied by such person's years of active service with the Fire Department and further multiplied by the decimal equivalent of the applicable percentage determined from the following table:

Years of Service	Applicable Percentage
10	60%
11	64
12	68
13	72
14	76
15	80
16	84
17	88
18	92
19	96
20 and beyond	100

C. FUNDING POLICY

The City levies property taxes at the direction of and for the benefit of the Plan and passes through state aids allocated to the Plan, all in accordance with enabling State statutes. The minimum tax levy obligation is the financial contribution requirement for the year less anticipated state aids.

D. CONTRIBUTIONS

Authority for contributions to the pension plan is established by Minn. Stat. § 69.77 and may be amended only by the Minnesota State Legislature. See 2017 Minn. Laws, ch. 111, art. 5, §§ 31 to 42 and 80. There are no employee contributions. The City provided statutory contributions in 2019. The actuary compares the actual statutory contribution rate to a "required" contribution rate. The required contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability, and (c) an allowance for administrative expenses.

E. PENSION COSTS

At December 31, 2019, the City reported an asset of \$702,198 for the difference between the Fire Relief Plan Fiduciary net position and the total pension liability. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Changes in Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Increase (Decrease)
Balance at 12/31/18	\$ 3,239,606	\$ 4,238,325	\$ (998,719)
Changes for the year			
Service cost	107,405	-	107,405
Interest	171,057	-	171,057
Differences in experiences	(141,409)	-	(141,409)
Changes of assumptions	52,746	-	52,746
Changes of benefit terms	18,251	-	18,251
Contributions - State and local	-	164,147	(164,147)
Net investment income	-	(236,910)	236,910
Benefit payments	(744,211)	(744,211)	-
Administrative expenses	-	(15,708)	15,708
Net changes	(536,161)	(832,682)	296,521
Balance at 12/31/19	\$ 2,703,445	\$ 3,405,643	\$ (702,198)

At December 31, 2019, the City reported deferred outflows of resources, and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 187,115	\$ 25,406
Difference between expected and actual liability	-	-
Difference between projected and actual investment earnings	218,965	160,050
Contribution paid subsequent to measurement date	170,652	170,652
Totals	\$ 576,732	\$ 356,108

\$170,652 reported as deferred outflows of resources related to pensions resulting from state aid received subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Deferred inflows of resources totaling \$170,652 related to state aid received subsequent to the measurement date will be recognized for its impact on the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	\$ 130,237
2021	35,248
2022	470
2023	82,269
2024	(12,213)
Thereafter	(15,387)
Total	<u>\$ 220,624</u>

F. ACTUARIAL ASSUMPTIONS

The Association is funded with contributions from the City of Brooklyn Center. The actuarially determined contributions in the Schedule of Contributions are calculated as of the beginning of the fiscal year in which contributions were reported.

The following methods and assumptions were used to calculate the actuarially determined contributions reported in the most recent fiscal year end.

- The most recent actuarial valuation date is January 1, 2019.
- Actuarial cost is determined using the Entry Age Normal Cost Method.
- The actuarial value of assets is market value.
- The unfunded accrued liability is amortized using a 20-year rolling end date.
- Investment rate of return is 5.25 percent.
- The inflation rate assumption is 2.50 percent.
- Mortality assumptions for pre-retirement, post-retirement, and post-disability are:
 - Pre-retirement: RP-2014 employee generational mortality table projected with mortality improvement scale MP-2017, from a base year of 2006.

Post-retirement: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2017 from a base year of 2006. Male rates are adjusted by a factor of .96.

Post-disability: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2017 from a base year of 2006. Male rates are adjusted by a factor of .96.

The discount rate was changed from 5.75% to 5.25% to reflect updated capital market assumptions.

The mortality and withdrawal assumptions were updated from the rates used on the July 1, 2016 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation.

The inflation assumption was updated from 2.75% to 2.50%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return		Long-Term Expected Nominal Rate of Return	
		Rate of Return	Rate of Return	Rate of Return	Rate of Return
Cash and Equivalents	10.46%		0.58%		3.08%
Fixed Income	31.54%		1.99%		4.49%
Domestic Equity	40.26%		4.95%		7.45%
International Equity	16.83%		5.24%		7.74%
Real Estate and Alternatives	0.91%		4.19%		6.69%
Total	100.00%				6.65%
Reduced for assumed investment expense					-1.40%
Net assumed investment return (weighted average rounded to 1/4%)					<u>5.25%</u>

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G. DISCOUNT RATE

The discount rate used to measure the total pension liability was 5.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Association's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. PENSION LIABILITY (ASSET) SENSITIVITY

The following presents the net pension asset calculated using the discount rate of 5.25 percent, as well as what the net pension (asset)/liability would be if it were calculated using a discount rate that is one percentage-point lower (4.25 percent) or one percentage-point higher (6.25 percent) than the current rate:

City's Proportionate Share of the Net Pension (Asset) Liability	4.25%		5.25%		6.25%	
	One Point Decrease	Current Rate	One Point Increase			
Net Pension (Asset)/Liability	\$ (604,682)	\$ (702,198)	\$ (793,875)			

Note 6. MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

City employees belonging to International Union of Operating Engineers (IUOE) are participants in a multiple-employer defined benefit pension plan Central Pension Fund of the International Union of Operating Engineers and Participating Employers (CPF) administered by the Board of Trustees of the Central Pension Fund. The plan is a cost-sharing pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employers that are not state or local governmental employers, and has no predominant state or local government employer. The Plan issues a publicly available financial report located on their website at www.cpfiuoe.org.

The City has 26 employees who are covered by this pension plan. The plan provides benefits such as monthly retirement income, special and early retirement benefits, post-retirement surviving spouse benefits, pre-retirement surviving spouse benefits, and disability benefits. The CPF is a supplemental Pension Fund authorized by Minnesota Statutes, 356.24, subdivision 1(9). The CPF Plan of Benefits and the Agreement and Declaration of Trust will serve as the governing documents.

The City's contributions to the plan are pursuant to a collective bargaining agreement with the IUOE which expires December 31, 2021. The required contribution rate is \$0.96 per hour, which is applied to all compensated hours, and capped at \$5,000 per year. Total employer contributions for the year ended December 31, 2019 were \$53,912. With regard to withdrawal from the pension plan, the parties agree that the amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as pre-tax employer contributions.

Note 7. DEFINED CONTRIBUTION PLAN

There are five City Council members of the City covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

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The defined contribution plan consists of individual accounts paying a lump-sum benefit, plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota Statutes, Chapter 353(D.03), specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (.0025%) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees &	
	Employee	Employer	Employee	Employer	Employee	Employer
December 31, 2019	\$ 1,591	\$ 1,591	5.0%	5.0%	5.0%	5.0%

Note 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Former employees who are receiving, or who have met age and service requirements to receive, an annuity from a Minnesota public pension plan and those receiving a disability benefit from such a plan are immediately eligible to participate in this Plan. Retirees may obtain dependent coverage if the employee received dependent coverage immediately before leaving employment. Covered spouses may continue coverage after the death of a retiree. In addition, the surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay the premium as described below:

Employees hired before January 1, 1992 with continuous full-time employment

Employees who, on the date of their retirement, meet eligibility requirement for a full retirement annuity under PERA or PERA Police without reduction of benefits because of age, disability, or any other reason for reduction shall be eligible for the City to pay 100% of the single-person premium until such time as the retiree is eligible for Medicare or at age 65, whichever is sooner. If the retiree desires to continue coverage in excess of single coverage, the additional cost for the coverage shall be paid to the City by the retiree on a monthly basis.

Employees hired after January 1, 1992

The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate.

The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, they are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees.

Disabled police and firefighter

The City is required to continue to pay the employer's contribution toward health coverage for police or firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability.

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$138,786.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation

Retirees and beneficiaries receiving benefits	12
Active plan members	150
Total members	162

E. Total OPEB Liability of the City

The City's total OPEB liability of \$2,038,900 as of year-end was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.09%
20-year municipal bond yield	4.09%
Inflation rate	2.75%
Salary increases	3.50%
Medical trend rate	8.00% grading to 5.00% over 9 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 4.09 percent, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date. The City discount rate used in the prior measurement date was 3.44 percent.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The mortality rates used in the previous study were based on the RP-2014 adjusted to 2006 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (Blue Collar Tables for Police and Fire Personnel). Medical trend rates were also changed from the previous study to better anticipate short-term and long-term medical increases.

Future retirees electing coverage is assumed to be 55 percent for employees. Spouses of Coordinated Plan participants is assumed to be 40% electing coverage and spouses of Police & Fire Fund participants is assumed to be 60%.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning balance – January 1, 2019	\$ 2,014,679
Changes for the year	
Service cost	143,059
Interest	71,986
Differences between expected and actual experience	43,355
Changes of assumptions	(103,957)
Benefit payments	(130,222)
Total net changes	24,221
Ending balance – December 31, 2019	\$ 2,038,900

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.44 percent to 4.09 percent.

H. Total OPEB Liability Sensitivity to Discount and Health-Care Trend Rate Changes

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current	Discount Rate	1% Increase
OPEB Discount Rate	3.09%		4.09%	5.09%
Total OPEB Liability	\$ 2,201,091	\$ 2,038,900	\$ 1,889,411	

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Medical	Trend Rate	1% Increase
Medical Trend Rate	7.00 to 4.00%		8.00 to 5.00%	9.00 to 6.00%
	over 9 years		over 9 years	over 9 years
Total OPEB Liability	\$ 1,810,059	\$ 2,038,900	\$ 2,310,949	

I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$221,882. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 41,017	\$ 93,034
Difference between expected and actual economic experience	97,053	-
Contribution paid subsequent to measurement date	138,786	-
Totals	\$ 276,856	\$ 93,034

A total of \$138,786 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2020	\$ 6,837
2021	6,837
2022	6,837
2023	6,837
2024	6,837
Thereafter	10,851
Total	\$ 45,036

Note 9 OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Property and casualty insurance is provided through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities: general liability, property, automobile, mobile property and marine, crime, employee dishonesty, boiler, and open meeting law. The City pays an annual insurance premium to the LMCIT for its insurance coverage. The City is subject to supplemental assessments if deemed necessary by the LMCIT. Currently, the LMCIT is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

Workers' compensation coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation is retroactively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

There were no significant changes in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

B. ARBITRAGE REBATE

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. The City issued greater than \$5 million of bonds in subsequent years and therefore is required to rebate excess investment income relating to these issues to the federal government. The extent of the City's liability for arbitrage rebates on the remaining bond issues is not determinable at this time. However, in the opinion of management, any such liability would be immaterial.

C. LITIGATION

The City is subject to certain legal claims in the normal course of business. Management does not expect the resolution of these claims will have a material impact on the City's financial condition or results of operations.

D. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

The City has several agreements with other entities that provide reduced costs, better service, and additional benefits to the participants. The programs in which the City participates are listed below and amounts recorded within the current year's financial statements are disclosed.

Local Government Information Systems Association (LOGIS)

This consortium of approximately 30 government entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of its board, and the Consortium is fiscally independent of the City. The total amount recorded within the 2019 financial statements of the City is \$823,868 for general services and application upgrades provided. Costs were allocated to the various funds based on applications and/or use of services. Complete financial statements for LOGIS may be obtained at the LOGIS offices located at 5750 Duluth Street, Golden Valley, Minnesota 55422.

LOGIS Insurance Group

This group provides cooperative purchasing of health and life insurance benefits for approximately 45 governmental entities. The total of 2019 health and life insurance costs paid by the City was \$1,723,442. Complete financial statements may be obtained from Gallagher Benefit Services, Inc. located at 3600 American Blvd West, Bloomington, MN 55431.

The Brooklyn Center Fire Department Relief Association (the Association)

The Association is organized as a nonprofit organization, legally separate from the City, by its members to provide pension and other benefits to members in accordance with Minnesota Statutes. Its board of directors is elected by the membership of the Association and not by the City Council. The Association issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota Statutes, whereby state aids flow to the Association, tax levies are determined by the Association and are only reviewed by the City. The Association pays benefits directly to its members. The Association may certify tax levies to Hennepin County directly if the City does not carry out this function. Because the Association is fiscally independent of the City, the financial information of the Association has not been included within the City's financial statements. (See Note 5 for disclosures relating to the pension plan operated by the Association.) Complete financial statements for the Association may be obtained at the City offices located at 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430.

CITY OF BROOKLYN CENTER, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

E. TAX ABATEMENTS

The City entered into a property tax abatement with Hurlbut-Zeppa Charitable Trust AR under Minnesota Statute 469.1813. Under the Statute the City may grant a prospective property tax abatement if (1) it expects the benefits to the City of the abatement agreement to at least equal the costs of the proposed agreement or intends the abatement to phase in a property tax increase and (2) it finds that doing so is in the public interest. The abatement increased the City's tax base and provided employment opportunities within the City.

For the year ended December 31, 2019, the City abated \$99,670 of property taxes to Hurlbut-Zeppa Charitable Trust AR for the construction and opening of the Embassy Suites Hotel. The abatement is equal to the City's portion of increased property taxes paid on the increased market value of the development of the property for payable years 2010 to 2019.

F. SUBSEQUENT EVENTS - COVID-19

The City generally reports its investments at fair value based on standards described earlier in these notes. Subsequent to year end, the Novel Coronavirus (COVID – 19) pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. The City's portfolio consists primarily of shorter-term investments, many with guaranteed maturity values. The City does not expect any losses ultimately realized from this market decline to be material. However, the potential negative impact could be heightened if increased demand on City resources and/or a sustained economic downturn hampers the City's ability to hold such investments to maturity as planned. The potential future impact of these conditions on the fair value of the City's investment portfolio is not determinable at this time.

The City expects increased delinquency in property tax and other receipts for 2020 associated with relaxed deadlines for payment in response to rapidly increasing unemployment nationwide. The City anticipates bridging the gap in receipts with laddered investment maturities of reserve funds that will not be immediately reinvested as has been past practice. The City does not currently anticipate the need for short term financing in response to this disruption in cash flow.

CITY OF BROOKLYN CENTER, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2019

	2019	2018
Total OPEB liability		
Service cost	\$ 143,059	\$ 130,096
Interest	71,986	71,659
Differences between expected and actual experience	43,355	73,751
Changes of assumptions	(103,957)	51,929
Benefit payments	(130,222)	(156,791)
Net change in total OPEB liability	24,221	170,644
Total OPEB liability - beginning of year	2,014,679	1,844,035
Total OPEB liability - end of year	\$ 2,038,900	\$ 2,014,679
Covered payroll	\$ 12,122,568	\$ 11,524,587
Total OPEB liability as a percentage of covered payroll	16.82%	17.48%

Note 1:

2019 Changes in Actuarial Assumptions

The discount rate was changed from 3.44 percent to 4.09 percent.

2018 Changes in Actuarial Assumptions

The health care trend rates were changed to better anticipate short-term and long-term medical increases. The mortality table was updated from RP-2014 adjusted to 2006 to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.

The actuarial cost method was changed from entry age, level dollar to entry age, level percent of pay as prescribed by GASB 75.

The discount rate was changed from 4.50 percent to 3.44 percent.

Note 2:

The City implemented GASB Statement No. 75 for the year ended December 31, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
 Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2019	\$ 651,633	\$ 651,633	\$ -	\$ 8,688,397	7.50%
December 31, 2018	612,983	612,983	-	8,173,316	7.50%
December 31, 2017	572,442	572,442	-	7,634,297	7.50%
December 31, 2016	550,846	550,846	-	7,344,613	7.50%
December 31, 2015	564,168	564,168	-	7,522,240	7.50%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages".

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY'S AND NON-EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
 Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Employer's Proportion (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	Employer's proportionate share of the State of Minnesota's proportionate share of the Net Pension Liability	Proportionate share of the Net Pension Liability and the Employer's share of the State of Minnesota's proportionate share of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2019	0.1189%	\$ 6,573,715	\$ 204,324	\$ 6,778,039	\$ 8,411,938	78.15%
June 30, 2018	0.1194%	6,623,822	217,244	6,841,066	7,892,915	83.92%
June 30, 2017	0.1201%	7,667,105	96,388	7,763,493	7,755,587	99.11%
June 30, 2016	0.1172%	9,516,060	124,251	9,640,311	7,269,467	130.99%
June 30, 2015	0.1243%	6,441,872	-	6,441,872	7,303,595	88.20%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages".

2019 Changes in Plan Provisions

The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2019 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2017 to MP-2018

2018 Changes in Plan Provisions

The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Contribution stabilizer provisions were repealed

Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2015 to MP-2017

The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes in Plan Provisions

The State's special funding contribution increased from \$6 million to \$16 million.

The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2017 Changes in Actuarial Assumptions

The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60.0 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.0 percent for vested deferred member liability, and 3.0 percent for nonvested deferred member liability.

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044, and 2.5 percent per year thereafter.

2016 Changes in Actuarial Assumptions

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035, and 2.5 percent per year thereafter, to 1.0 percent per year for all years.

The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.

Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by .25 percent to 3.25 percent for payroll growth, and 2.5 percent for inflation.

2015 Changes in Plan Provisions

On January 1, 2015, the Minneapolis Employees Retirement Fund was merged in the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

2015 Changes in Actuarial Assumptions

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030, and 2.5 percent per year thereafter, to 1.0 percent per year through 2035, and 2.5 percent per year thereafter.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
PUBLIC EMPLOYEES POLICE AND FIRE FUND
 Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Statutory Required Contributions (a)	Contributions in Relation to the Statutory Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2019	\$ 818,676	\$ 818,676	\$ -	\$ 4,829,945	16.95%
December 31, 2018	761,952	761,952	-	4,703,405	16.20%
December 31, 2017	720,865	720,865	-	4,449,784	16.20%
December 31, 2016	689,601	689,601	-	4,256,796	16.20%
December 31, 2015	687,935	687,935	-	4,246,511	16.20%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages".

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITIES PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES POLICE AND FIRE FUND
 Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll** (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a/b)	Plan Fiduciary Net Income (a/b)	Percentage of the Total Pension Liability
June 30, 2019	0.4483%	\$ 4,772,607	\$ 4,729,330	100.91%	\$ 89,396	89.39%
June 30, 2018	0.4309%	4,615,534	4,549,453	101.45%	66,081	88.89%
June 30, 2017	0.4309%	4,549,453	4,549,453	100.00%	13,936	87.96%
June 30, 2016	0.4290%	4,256,796	4,128,555	103.12%	128,241	416.98%
June 30, 2015	0.4460%	5,067,604	4,031,138	125.71%	1,036,466	86.60%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

** For purposes of this schedule, covered payroll is defined as "pensionable wages".

2019 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Plan Provisions

Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.

An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

Member contributions were changed from 10.80 percent to 11.20 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.

Employer Contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes in Actuarial Assumptions

Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

Assumed rates of retirement were changed, resulting in fewer retirements

The Combined Service Annuity (CSA) had was 30 percent for vested and nonvested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for nonvested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2000), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.

Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65 percent to 60 percent.

Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities was increased.

The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2044, and 2.5 percent thereafter.

The single discount rate changed from 5.6 percent to 7.5 percent.

2016 Changes in Actuarial Assumptions

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037, and 2.5 percent thereafter, to 1.0 percent per year for all future years.

The assumed investment return was changed from 7.0 percent to 7.5 percent. The single discount rate changed from 7.0 percent to 5.6 percent.

The assumed future salary increases, payroll growth, and inflation were decreased by .25 percent to 3.25 percent for payroll growth, and 2.5 percent for inflation.

The assumed future salary increases, payroll growth, and inflation were decreased by .25 percent to 3.25 percent for payroll growth, and 2.5 percent for inflation.

2015 Changes in Plan Provisions

The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

2015 Changes in Actuarial Assumptions

The assumed salary increase rate was changed from 1.0 percent per year through 2036, and 2.5 percent per year thereafter, to 1.0 percent per year through 2017, and 2.5 percent per year thereafter.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIO
FIRE RELIEF ASSOCIATION
 Required Supplementary Information (Last Ten Years*)

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 107,405	\$ 98,240	\$ 120,802	\$ 88,266	\$ 85,904
Interest	171,057	191,790	174,191	173,219	178,242
Changes in Benefit Terms	18,251	-	26,709	-	-
Differences Between Expected and Actual Experience	(141,409)	-	(75,613)	-	-
Changes of Assumptions	52,746	44,974	(50,396)	358,422	-
Benefit Payments	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Net Change in Total Pension Liability	(536,161)	203,396	59,525	560,891	(353,395)
Total Pension Liability - Beginning of Year	3,239,606	3,036,210	2,976,685	2,415,794	2,769,189
Total Pension Liability - End of Year	2,703,445	3,239,606	3,036,210	2,976,685	2,415,794
Plan Fiduciary Net Position					
Contributions - State and Local	164,147	154,366	147,002	143,061	158,545
Net Investment Income	(236,910)	557,117	275,625	(181,185)	149,635
Benefit Payments	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Administrative Expenses	(15,708)	(15,024)	(9,492)	(14,560)	(10,080)
Net Change in Plan Fiduciary Net Position	(832,682)	564,851	276,964	(111,700)	(319,441)
Plan Fiduciary Net Position - Beginning of Year	4,238,325	3,673,474	3,396,510	3,508,210	3,827,651
Plan Fiduciary Net Position - End of Year	3,405,643	4,238,325	3,673,474	3,396,510	3,508,210
Net Pension Liability (Asset) - End of Year	(702,198)	(998,719)	(637,264)	(419,825)	(1,092,416)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.0%	130.8%	121.0%	114.1%	145.2%
Covered Payroll	n/a	n/a	n/a	n/a	n/a
Net Pension Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015 (using a December 31, 2014 measurement date).

2019 Changes in Actuarial Assumptions

The discount rate was changed from 5.75% to 5.25% to reflect updated capital market assumptions.

The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation.

The inflation assumption was updated from 2.75% to 2.50%.

2019 Changes in Benefit Terms

The lump sum distribution upon retirement per year of service was changed from \$7,600 to \$7,700

2018 Changes in Actuarial Assumptions

The discount rate was changed from 6.25% to 5.75% to reflect updated capital market assumptions.

2017 Changes in Actuarial Assumptions

The discount rate was changed from 5.75% to 6.25% to reflect updated capital market assumptions.

2017 Changes in Benefit Terms

The lump sum distribution upon retirement per year of service was changed from \$7,500 to \$7,600

2016 Changes in Actuarial Assumptions

The discount rate was changed from 7.00% to 5.75% to reflect updated capital market assumptions.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
FIRE RELIEF ASSOCIATION
 Required Supplementary Information (Last Ten Years*)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ 85,089	\$ 85,089	\$ 71,203	\$ 101,453	\$ 101,453	\$ 111,463	\$ 111,463	\$ 135,929	\$ 183,528
Contributions in Relation of the Actuarially Determined Contribution	159,147	154,366	147,002	143,061	158,545	134,340	151,503	101,119	165,697
Contribution Deficiency (Excess)	(74,058)	(69,277)	(75,799)	(41,608)	(57,092)	(22,877)	(40,040)	34,810	18,231
Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Notes to Schedule									

Valuation date:
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal cost method
 Amortization method: Straight-line amortization over a closed 5-year period
 Remaining amortization period: 5 years
 Asset valuation method: Fair value
 Inflation: 2.50%

Salary increases: Not applicable
 Investment rate of return: 3.25% compounded annually
 Withdrawal rate: 4% at the later of age 50 or 20 years of service
 Mortality: Based on RP-2014 Annuity Mortality Table

^ This schedule is presented prospectively beginning with the fiscal year ended December 31, 2011.

CITY OF BROOKLYN CENTER, MINNESOTA
SCHEDULE OF CITY CONTRIBUTIONS
INTERNATIONAL UNION OF OPERATING ENGINEERS CENTRAL PENSION FUND
Required Supplementary Information (Last Ten Years)

<u>Fiscal Year Ending</u>	<u>Required Contributions</u>
December 31, 2019	\$ 53,912
December 31, 2018	51,152
December 31, 2017	50,782
December 31, 2016	51,410
December 31, 2015	51,699
December 31, 2014	51,868
December 31, 2013	52,046
December 31, 2012	51,636
December 31, 2011	50,603
December 31, 2010	52,004

City of Brooklyn Center, Minnesota
\$5,005,000* General Obligation Improvement and Utility Revenue Bonds, Series 2020A

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$4,954,950) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2022	_____ %	_____ %	_____ %	2027	_____ %	_____ %	_____ %
2023	_____ %	_____ %	_____ %	2028	_____ %	_____ %	_____ %
2024	_____ %	_____ %	_____ %	2029	_____ %	_____ %	_____ %
2025	_____ %	_____ %	_____ %	2030	_____ %	_____ %	_____ %
2026	_____ %	_____ %	_____ %	2031	_____ %	_____ %	_____ %

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of October 26, 2020 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 13, 2020 including the City's right to modify the principal amount of the Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

 Account Manager

By: _____
 Phone: _____

.....
 The foregoing proposal has been accepted by the City.

Attest: _____ Date: _____

* Preliminary; subject to change.

**Council/EDA Work
Session**

VIRTUAL meeting being
conducted by electronic
means in accordance with
Minnesota Statutes, section
13D.021 Public portion
available for connection by
calling 1-312-535-8110
Access Code: 133 316
6939
October 26, 2020

AGENDA



ACTIVE DISCUSSION ITEMS

1. Earle Brown Name Change

PENDING LIST FOR FUTURE WORK SESSIONS

1. Pending Items
 - Council Retreat Follow-up
 - Tobacco Regulations
 - City's Tow Policy - 11/9
 - Citizen's Discipline Review Board - 11/9
 - Council Policy for City Charter requirement of Mayor's signature on all contracts
 - Strategic Plans for years 2018-2020 and 2021-2023
 - NOAH Preservation Program
 - Review Special Assessment Policy
 - Organic Recycling

MEMORANDUM - COUNCIL WORK SESSION

DATE: 10/26/2020

TO: City Council

FROM: Curt Boganey, City Manager

THROUGH: N/A

BY: Cornelius L. Boganey, City Manager

SUBJECT: Earle Brown Name Change

Recommendation:

- Council direction regarding next steps related to continued use of the Earle Brown name for City activities and City properties.

Background:

On July 13, the City Council had a fairly robust discussion regarding the continued use of the Earle Brown name in the City of Brooklyn Center.

I have attached an excerpt from the minutes of the meeting.

At the meeting, the only action considered was to have the Mayor reach out to the author with the expectation that a meeting with the author might provide some clarity for the Council.

I do not know if the author is available to meet with the City Council. Subsequent to the meeting we were contacted by an individual who indicated he was involved in the development of the area. He expressed an interest in meeting with the City Council at the time that the author presented.

The purpose of the work session is to assess where we are and to determine next steps.

I have also had conversations with staff regarding this issue and will forward a memo to you regarding our view on the topic later this week.

Policy Issues:

What next steps should we consider regarding the question of the continued use of the Earle Brown name with City Activities and City properties?

ATTACHMENTS:

Description	Upload Date	Type
Earle Brown Name	10/21/2020	Cover Memo

CHANGE THE NAME OF EARLE BROWN HERITAGE CENTER, EARLE BROWN DRIVE AND EARLE BROWN DAYS

Mayor/President Elliott stated there is recognition unfolding across the country about America's past, which manifests people who represented racist ideas. He added there has been much discussion about this in the community, as statutes and monuments are being removed and places re-named. He noted there have been many examples of this, including the re-naming of Lake Calhoun to Lake Bde Mka Ska.

Mayor/President Elliott stated the School District recently voted to re-name Earle Brown Elementary School to Brooklyn Center Elementary School. He added this is based on research by the author Elizabeth Dorsey Hadler, who concluded that Earle Brown, a Hennepin County Sheriff and candidate for Minnesota Governor, and who held many other prominent posts, had connections to the Ku Klux Klan in Minnesota. He noted the author has reached out to him directly to discuss this issue.

Mayor/President Elliott stated Earle Brown Heritage Center, an enterprise business entity, is named after Earle Brown, as well as Earle Brown Drive and Earle Brown Days. He added decisions to remove Earle Brown's name from these entities will have an impact, but any questions about Earle Brown's involvement with the Ku Klux Klan could impact businesses that the City owns.

Mayor/President Elliott stated the City Council should consider making a request to the University of Minnesota for information and data regarding Earle Brown in Minnesota. He added Earle Brown Farm was originally given to the University of Minnesota, and then transferred to the City of Brooklyn Center. He noted he would like to give the author the opportunity to come before the City Council and shed some light on her research.

Councilmember/Commissioner Ryan stated he appreciates this discussion. He added he also appreciates that Mayor/President Elliott brought up the re-naming of Lake Calhoun, as there is no issue about who John Calhoun was or what he represented, as he was a U.S. Vice President and also a Senator with very strong ties to a powerful block of southern states that justified slavery and worked effectively to expand slavery. He noted it was entirely appropriate to have his name removed from Bde Mka Ska in Minneapolis.

Councilmember/Commissioner Ryan stated the question is, who was Earle Brown. He added if the public believes that Earle Brown was involved with the Ku Klux Klan, then the City Council should act on this rather than acting against public opinion. He added he hopes there will be more information and evidence to deal with this issue. He noted he would not be opposed to changing the name if Earle Brown was that kind of a person.

Councilmember/Commissioner Graves stated she forwarded an article a few weeks back about the School Board's decision to change the name of the school. She added she is happy to see this on the Agenda. She noted she does not know all of the historical background of Earle Brown but felt somewhat skeptical about his character based on the history that she is aware of.

Councilmember/Commissioner Graves stated there is a long history of connections to the Earle Brown name in Brooklyn Center, including farm emblems on street signs. She added it is prudent to discuss this issue and she would be interested in replacing the name. She noted there was discussion a few years ago about changing the name of Earle Brown Days, because the community has changed since that event started.

Councilmember/Commissioner Graves stated she is not opposed to getting a report from the author although she does not need more convincing. She added, without any additional information, she has felt intuitively uncomfortable about the symbolism of Earle Brown around the City. She noted the community is speaking up about it now, and she is interested in making these changes, with the assurance that the community is part of the discussion and process.

Councilmember/Commissioner Lawrence-Anderson stated she was not fully aware of all of Earle Brown's activities. She added there were positive things that he did throughout the course of his life. She noted if there is enough disparaging information, whether or not he was an active member of the Ku Klux Klan, it is a moot point and warrants a name change. She added she is supportive of whatever the City Council wants to do.

Councilmember/Commissioner Lawrence-Anderson stated Councilmember/Commissioner Graves mentioned community engagement around the topic of changing the names. She asked whether the City Council would make the decision, or seek community input. She added, if the name is changed, it would be a good idea to include "formerly known as" to link the enterprise business to its former name, so people can still find it online. She noted she is amiable to changing the name if that is the consensus of the City Council, but she would also like to get community feedback, and if there are any ideas about what the new name should be.

Councilmember/Commissioner Butler stated she appreciates the fact that the School Board made the name change for the school. She added having the research presented to the City Council would be helpful, and she would appreciate that approach.

Mayor/President Elliott agreed to reach out to the author to try to schedule a meeting with her.

Councilmember/Commissioner Ryan stated the staff report included a link for a website that referred to historians who criticized this research. He added it was not a secure website, so he did not access the link. He noted he intends to go to the library to do some further research.

Councilmember/Commissioner Ryan stated if there is a strong link between Earle Brown and the Ku Klux Klan, obviously the City should make the change.

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THROUGH: N/A

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