City Council Work Session
Wednesday, March 6, 2024 at 6:00 PM
Public Meeting Room

AGENDA

1. **Call to Order**
2. **Items for Discussion**
   A. 2023 Investment Report
   B. Public Safety Aid Spending Plan and Budget Update
   C. Homeless Encampment Cleanup Update
   D. Downtown (Viaduct Area) Park - Contract and Improvements Discussion
3. **Future Discussion**
4. **Adjournment**

(The Council may meet as a group for dinner)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	Jeanne Schmuck, Finance Director
MEETING DATE:	March 6, 2024
SUBJECT:	2023 Investment Report

Discussion:
The City Council has adopted an investment policy to provide guidelines for the prudent investment of all financial assets of the City. The policy includes an annual reporting component to the City Council and the City Administrator. The City Council concurred that this be done in a written report along with a presentation in a work session setting.

The report will be presented at the first Council work session in March of each year for the prior-year end investments.

Attachments:
1. Investment Report
2. Investment Report Presentation

FINANCE DEPARTMENT

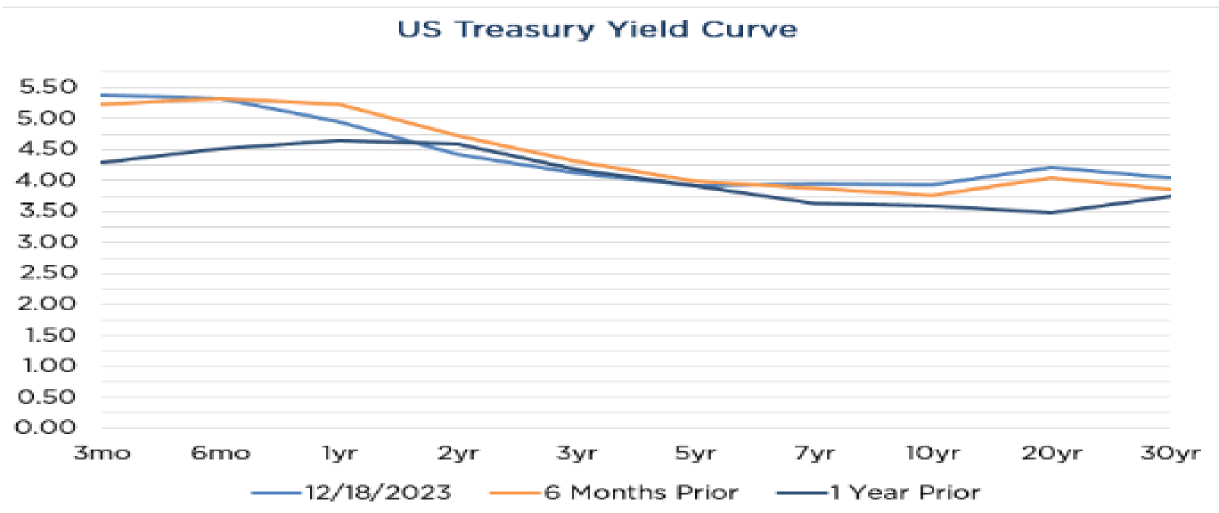
INVESTMENT REPORT

DECEMBER 31, 2023

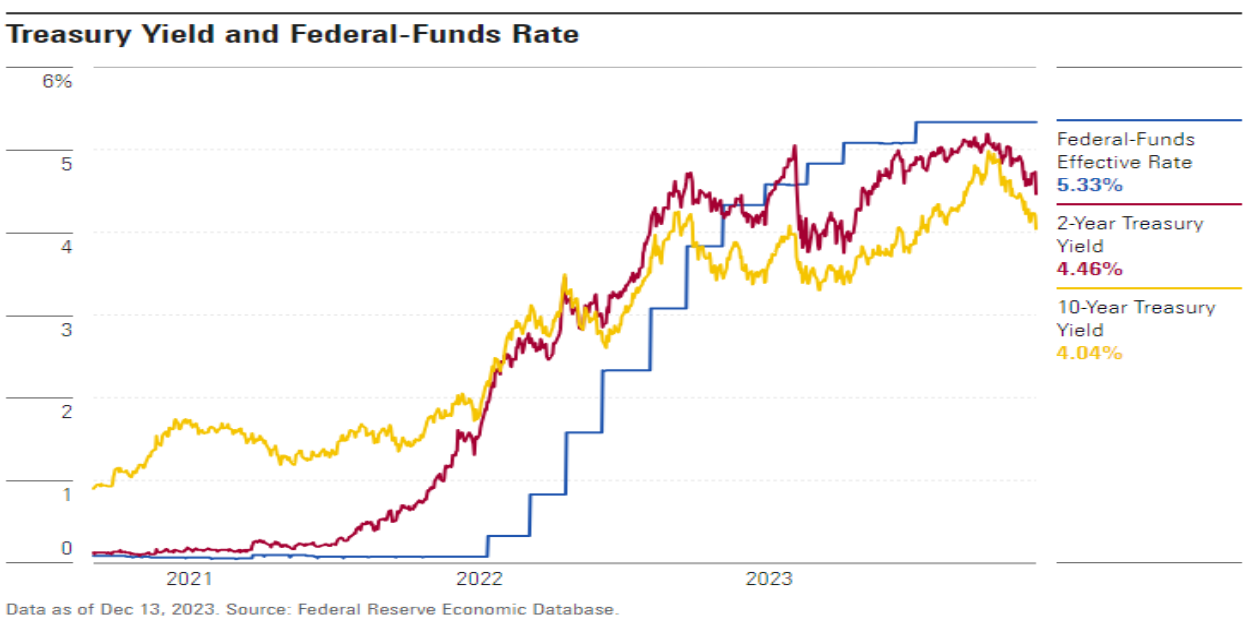
Table of Contents

MARKET COMMENTARY

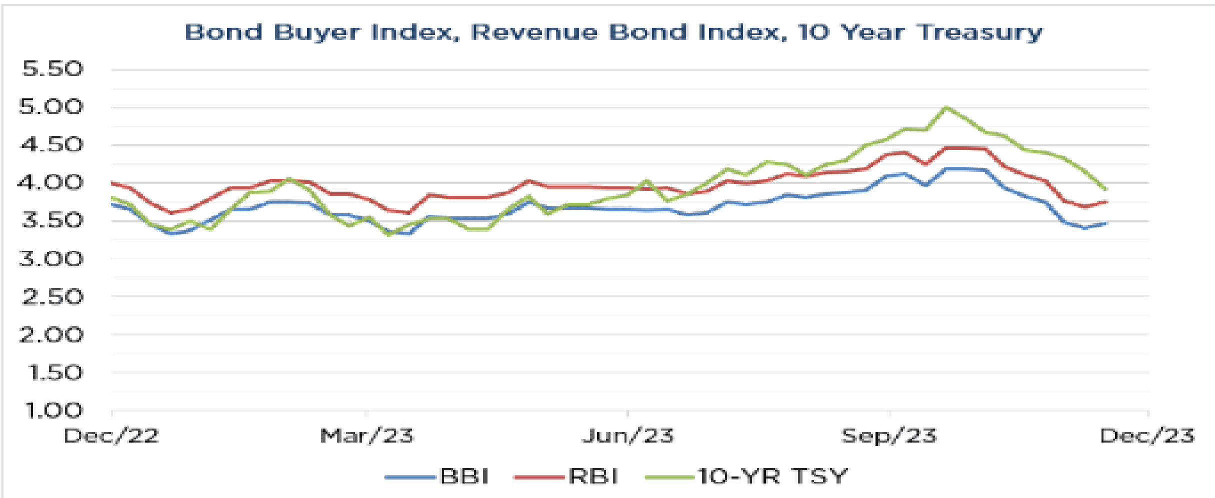
Investors went into 2023 worried about inflation and expecting a recession by the second half of the year. Instead, inflation has cooled, and the economy remained solid despite the first-quarter regional banking crisis, which sparked fears of a credit crunch. Just like 2022, the story of 2023 has been about the Federal Reserve. There were four (4) rate hikes in 2023 in addition to the seven (7) hikes in 2022, which has driven the Fed Funds rate to a 22-year high. As a result, the benchmark 10-year Treasury, which began the year at 3.88%, continued to increase, ended the year trading at 3.88%. The yield on the 10-year topped the 5% threshold in October for the first time since 2007.



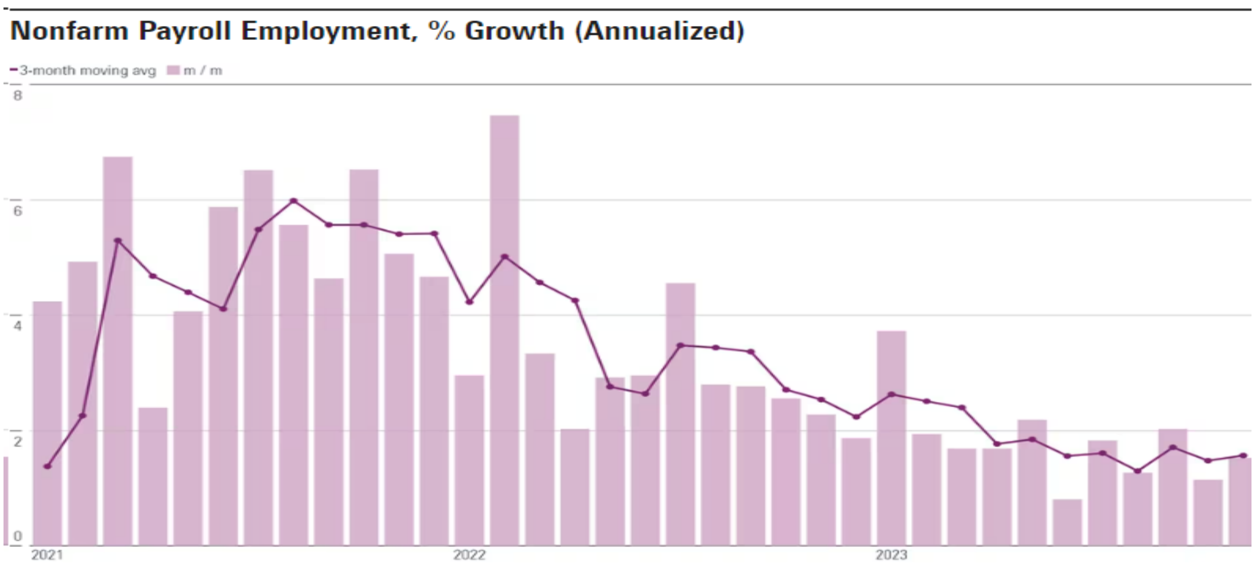
The Fed spent much of the middle of the year signaling that rates would stay "higher for longer" as inflation remained sticky, which sent stocks falling and benchmark bond yields soaring to their highest levels since 2007.



Bolstered by the combination of a solid economy, better-than-expected corporate earnings, and an apparent end to the Federal Reserve's interest rate hikes, it turned out to be a banner year for stocks. U.S. stocks surged 26.4% last year ending just 3% away from recouping all its losses from 2022's bear market. This is the biggest rally in the U.S. Market Index since 2019. That was partly driven by the emerging artificial intelligence technologies lifting tech stocks and carrying the broader market. The 10-year Treasury yield ended the year where it started: it climbed from lows of roughly 3.3% in April, to 16-year highs near 5% in October before falling below 3.9% at year end. This reflects the new regime of greater volatility.



For now, the downtrend in employment since the beginning of 2022 may have temporarily abated. The trend that started in mid-2021 has paused temporarily, which is not surprising given the strength of gross domestic product growth in recent quarters. However, it is expected the slowdown will resume in the first half of 2024 as GDP growth slows. The unemployment rate has started to move higher, now approaching 4%, had troughed at 3.4% in early 2023. However, a high unemployment rate doesn't bring on a recession: it's recession that ultimately causes the unemployment rate to jump. Economists at the Federal Reserve and on Wall Street have largely given up on recession calls in 2024 especially as inflation has come down faster than expected in recent months.



As the Consumer Price Index rose by 3.1% in the last 12 months, mortgage rates are finally back down. The current mortgage interest rates forecast is for rates to continue their downward trajectory. After spiking to 7.79% last October, rates finally began to drop, managing a 1.18 percentage point decline in just nine weeks. It is almost like all last year's increases have been erased. Mortgage rates were volatile in the first half of last year, before steadily moving up in the second half of the year. But in the last few months of 2023, mortgage rates plummeted in response to hints from the Federal Reserve that rate cuts are coming in 2024.

It is expected that 2024 will be a turning point in central bank policy rates and earnings growth, but they may not be easy to identify in real time. The Federal Reserve monetary policy remains a wild card for 2024, as it was in 2023, although Fed Chair Jerome Powell's comments after the December policy meeting suggested the rate-hiking cycle is over and that it expects to cut interest rates several times next year, with a goal of 2%. The questions remain about when the rate cuts will come and whether they will be enough to avoid a recession.

Although the slowdown in job growth paused in the second half of 2023, it is expected to renew as 2024 unfolds. It is expected that real gross domestic product growth to slow in 2024 versus the solid 2.5% growth posted in 2023.

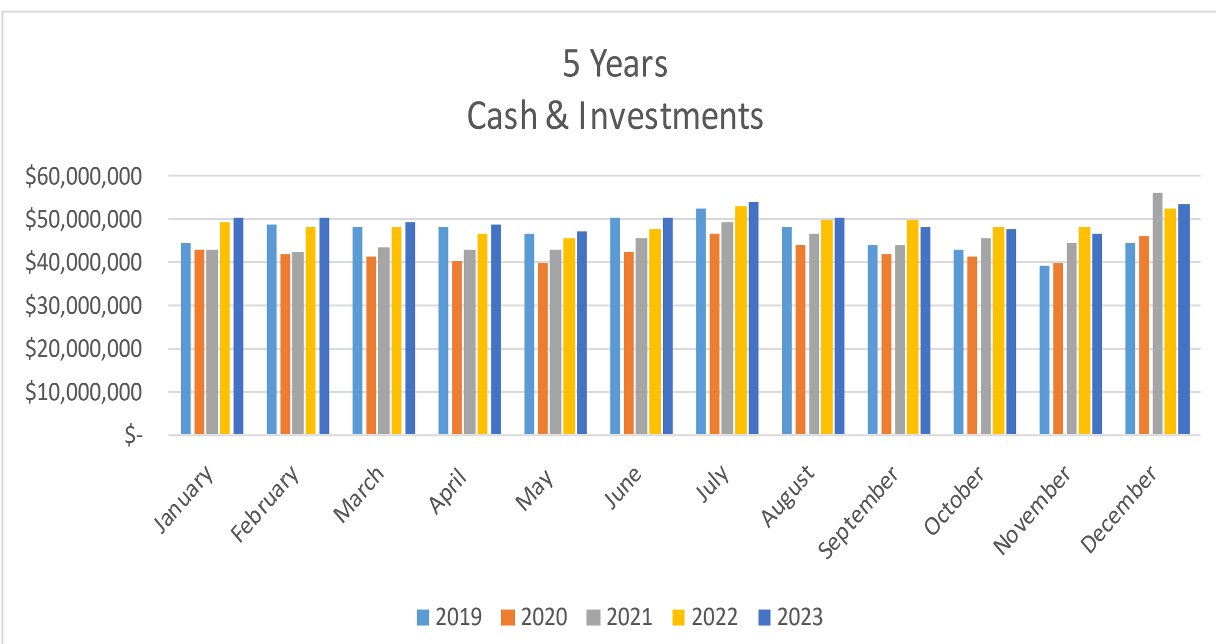
EXECUTIVE SUMMARY

The City's cash and investments include balances from all funds that are pooled and invested in certificates of deposits and other authorized investments. In accordance with the City's Investment Policy this executive summary provides an analysis of the status of the current investment portfolio and transactions made during the past year.

The City's Investment Policy sets some perimeters for investments to provide guidelines for the prudent investment of all financial assets. City funds are to be invested in a manner which provides for the safety, liquidity, and yield that conforms to all federal, state, and local regulations governing the investment of public funds.

Summary Characteristics			
Cost Value ($000):	$ 54,532	Number of Investments:	110
Market Value ($000):	$ 52,303	YTD Number of Acquisitions:	27
Weighted Average Interest Rate:	2.626%	YTD Number of Maturities:	14
Unrealized Gain/(Loss) ($000):	$ (2,229)	YTD Number of Calls:	5
12 Month Cash Flow ($000)	$ 19,133	YTD Interest Earnings ($000)	$ 1,327
% of Portfolio Callable:	29.09%	Average Yield:	2.410%
Average Years:	2.035		

The City's portfolio at December 31, 2023 was $54,531,826. As of December 31, 2022, the portfolio was $53,429,106.



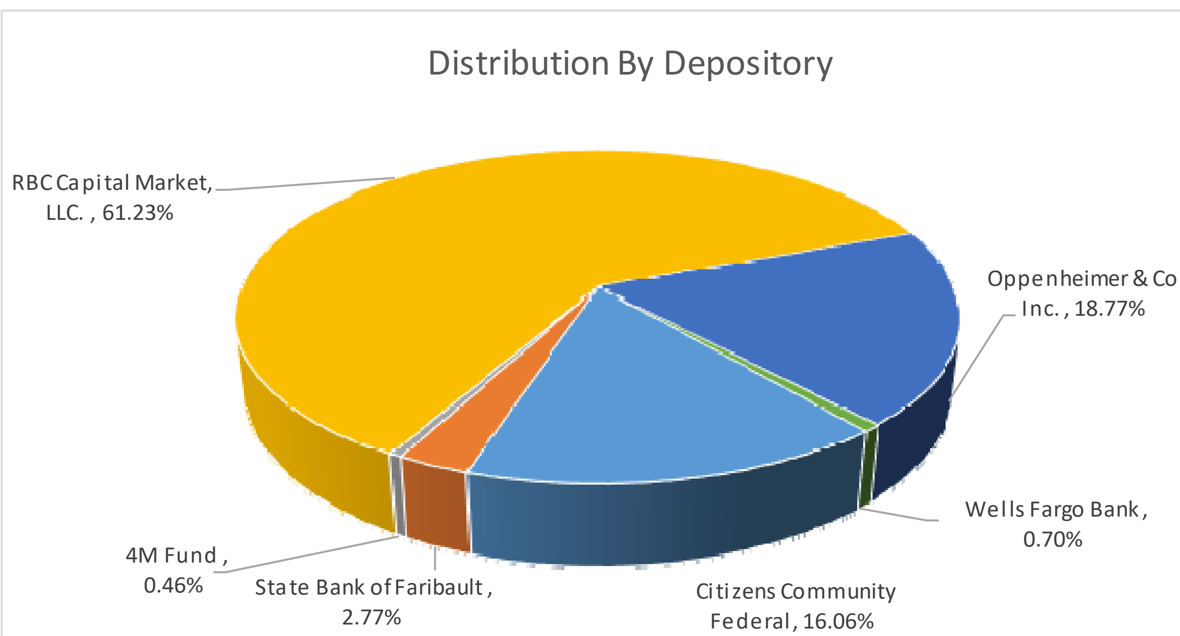
SAFETY

DISTRIBUTION BY DEPOSITORY

Minnesota law requires the governing body of each government entity to designate one or more financial institutions as a depository for public funds (*Minnesota Statutes 118A.02, subd. 1*). The City of Faribault adopted Resolution 2023-004 on January 10, 2023, approving the following depositories and investment brokers:

As of December 31, 2023, the City had the following amounts with official depositories:

Depository	Cost
Citizens Community Federal	$ 8,759,896
State Bank of Faribault	1,509,343
4M Fund	253,428
RBC Capital Market, LLC.	33,389,705
Oppenheimer & Co. Inc.	10,238,001
go Bank	381,452
	$ 54,531,826

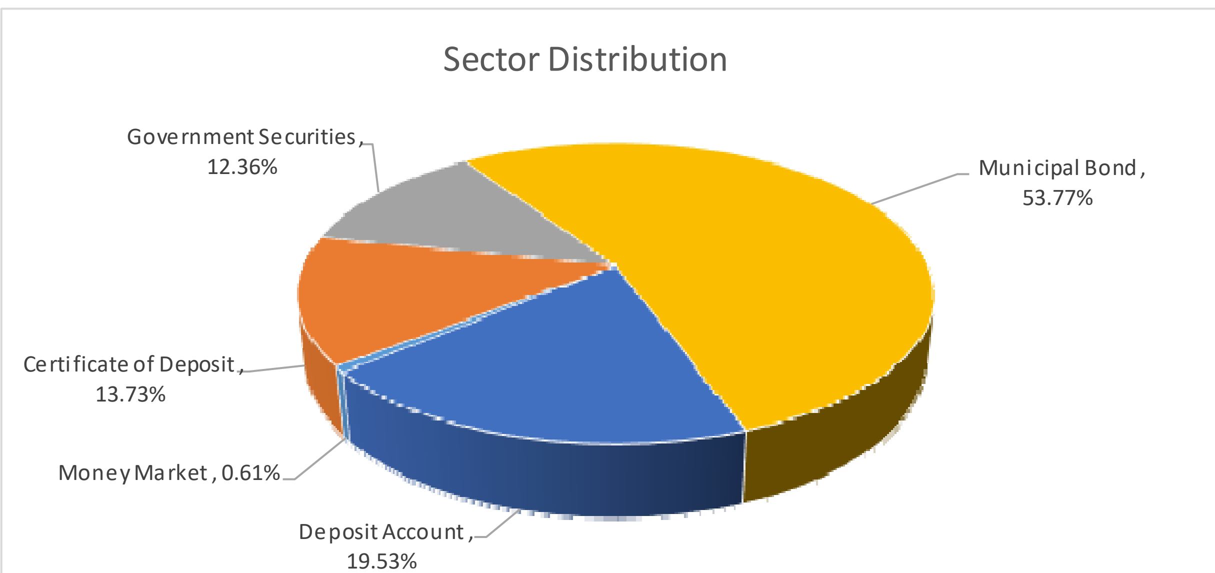


SAFETY

DISTRIBUTION BY SECTOR

As of December 31, 2023, the City had the following amounts in these sectors:

Sector Distribution		
Sector	Cost	%
Money Market	$ 334,626	0.61%
Certificate of Deposit	7,485,444	13.73%
Government Securities	6,739,156	12.36%
Municipal Bond	29,321,909	53.77%
Deposit Account	10,650,691	19.53%
	$ 54,531,826	100.00%

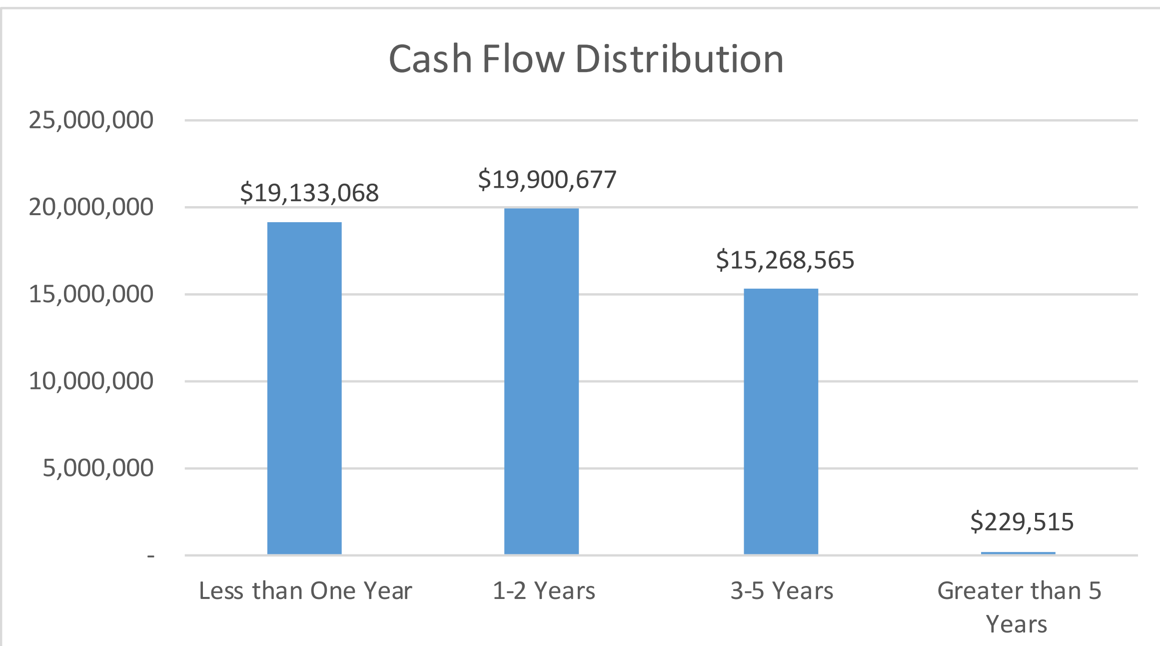


LIQUIDITY

PORTFOLIO BY DURATION

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with anticipated demands. A portion of the portfolio may be placed in money-market mutual funds or local government investment pools which offer same-day liquidity.

Cash Flow Distribution	
Type	Cost
Less than One Year	$ 19,133,068
1-2 Years	19,900,677
3-5 Years	15,268,565
Greater than 5 Years	229,515
	$ 54,531,826



LIQUIDITY

INVESTMENTS BY MATURITY DATE

12/31/2023 Investment	Type	Stated Rate	Maturity Date	Purchases at Cost	Fair Value Month End
Wells Fargo Bank	DEP	0.000%	12/31/2023	$ 381,452	$ 381,452
Citizens Community Federal	DEP	5.600%	12/31/2023	8,759,896	8,759,896
State Bank of Faribault	DEP	5.590%	12/31/2023	1,509,343	1,509,343
4M Liquid Fund	MM	5.242%	12/31/2023	226,343	226,343
4M Liquid Fund	MM	5.352%	12/31/2023	27,085	27,085
United National Bank Cairo GA	CD	1.550%	1/26/2024	249,000	248,385
JPMorgan Chase Bk NA Columbus OH	CD	0.000%	1/31/2024	127,491	129,129
Raymond James Bank	CD	1.750%	2/14/2024	247,000	245,874
Charles Schwab Bk SSB	CD	5.200%	5/2/2024	234,953	234,972
First National Bank of McGregor TX	CD	2.300%	6/28/2024	249,000	245,925
Glendale AZ GO Bds	MUNI	2.764%	7/1/2024	261,255	247,338
Medallion Bank	CD	2.100%	7/3/2024	245,000	241,315
New York City NT Transitional Fin Auth	MUNI	2.850%	8/1/2024	20,032	19,722
New York City NT Transitional Fin Auth	MUNI	2.850%	8/1/2024	280,814	276,046
Ally Bk Midvale Utah	CD	3.450%	8/5/2024	245,000	242,601
First Bank Highland Pk IL	CD	2.400%	8/9/2024	247,000	242,966
UBS Bk USA Salt Lake City UT	CD	0.550%	8/12/2024	249,000	242,113
Toyota Finl Svgs Bk Hend	CD	0.600%	8/12/2024	249,000	242,210
New York Cmnty Bk Westbury	CD	0.700%	9/10/2024	249,000	241,560
Lincoln Svgs Bk Cedar Falls	CD	5.250%	9/16/2024	248,000	248,233
Davie Fla Wtr & Swr Rev	MUNI	1.504%	10/1/2024	255,255	243,773
Kane Kendall ETC Cnty ILL	MUNI	0.400%	12/15/2024	215,952	210,628
Fla Wtr Pollution Ctl Fing	MUNI	2.150%	1/15/2025	503,545	488,015
United States Treasury Note	GS	1.375%	1/31/2025	281,381	265,331
NY City Transitional Fin Auth	MUNI	3.600%	2/1/2025	526,250	493,315
Chaska MINN Indp Sch Dist	MUNI	2.000%	2/1/2025	424,904	387,812
East Brunswick Twp NJ	MUNI	0.883%	3/15/2025	347,222	328,613
Antietam Sch Dist PA	MUNI	1.050%	4/1/2025	125,936	119,006
Allendale Mich Pub Sch Dist	MUNI	4.000%	5/1/2025	285,695	247,313
Monessen PA Sch Dist GO Bds	MUNI	4.000%	6/1/2025	387,818	349,647
Gunersville Ala Wtr Works	MUNI	1.200%	8/1/2025	487,406	453,360
San Marcos Tex Cons Indpt Sch	MUNI	0.000%	8/1/2025	220,095	232,115
New Britain Conn Taxable GO	MUNI	1.522%	9/1/2025	378,773	358,891
Yucaipa VY Calif Wtr Dis Ref Bds	MUNI	2.040%	9/1/2025	500,000	478,235
Texas Exchange Bk Crowley	CD	0.900%	10/3/2025	249,000	232,362
Dauphin Cnty PA Taxable GO Bds	MUNI	0.984%	11/15/2025	1,010,220	932,500
Lake Ohio Loc Sch Dist Stark	MUNI	0.000%	12/1/2025	332,267	332,924
Johnstown-Monroe Ohio Loc Sch	MUNI	1.200%	12/1/2025	243,747	238,261
Fort Bend Cnty Tex Mun Util	MUNI	2.000%	12/1/2025	390,961	358,171
Buffalo Cnty Neb Sch Dist	MUNI	1.850%	12/15/2025	366,761	341,366

Baldwin Cnty Ala Taxable GO	MUNI	0.961%	2/1/2026	693,860	646,371
New York NY Taxable GO Bds	MUNI	1.450%	3/1/2026	254,760	233,663
East Windsor N J Reg Sch Dist	MUNI	1.105%	3/1/2026	207,765	190,724
West Orange Twp N J	MUNI	2.000%	3/1/2026	172,922	156,224
Fort Bend Waller Cntys Tex Mun	MUNI	2.000%	4/1/2026	208,202	190,472
Antietam Sch Dist PA	MUNI	1.250%	4/1/2026	333,838	305,748
Louisiana St Taxable Go Ref	MUNI	1.081%	6/1/2026	455,702	415,782
Federal Home Loan Bank	GS	0.750%	6/30/2026	457,500	466,500
San Marcos Tex Cons Indpt Sch	MUNI	0.000%	8/1/2026	432,500	445,440
San Diego Calif Comnt College	MUNI	2.299%	8/1/2026	330,749	303,232
San Bernardino CA Cmnty	MUNI	2.398%	8/1/2026	965,430	946,490
Carpinteria Calif Uni Sch Dis	MUNI	1.300%	8/1/2026	386,300	350,075
Sallie Mae Bk Murray Utah	CD	1.000%	8/4/2026	248,000	224,896
Federal Farm Credit Bank	GS	0.670%	8/13/2026	500,000	455,140
Federal Home Loan Bank	GS	0.900%	9/30/2026	500,000	464,390
California State Taxable Var	MUNI	2.375%	10/1/2026	510,105	473,520
Palm Beach Cnty Fla Pub Imp	MUNI	3.000%	11/1/2026	527,910	479,235
Moon Township	MUNI	1.957%	11/15/2026	514,305	459,924
Johnstown-Monroe Ohio Loc Sch	MUNI	0.000%	12/1/2026	326,770	312,425
Sunray Tex Indpt Sch Dist	MUNI	0.000%	2/15/2027	219,583	221,559
Allen Tex Indp Sch Dist	MUNI	0.000%	2/15/2027	425,000	371,212
Allen Tex Indp Sch Dist	MUNI	0.000%	2/15/2027	575,000	500,929
Federal Farm Credit Bank	GS	0.780%	2/16/2027	500,000	450,100
Federal Home Loan Bank	GS	5.000%	2/23/2027	499,300	496,230
Hazelton PA Area Sch Dist	MUNI	1.470%	3/1/2027	195,090	171,707
St James Parish LA Sch Dist	MUNI	2.000%	3/1/2027	1,043,130	925,460
Fort Bend Waller Cntys Tex Mun	MUNI	2.000%	4/1/2027	207,272	187,104
Federal Farm Credit Bank	GS	1.200%	4/28/2027	501,485	451,635
Wisconsin St Gen Fd	MUNI	2.196%	5/1/2027	509,930	466,395
Wisconsin St Gen Fd	MUNI	2.483%	5/1/2027	547,050	470,790
Live Oak Bkg Co Wilmington	CD	1.000%	7/30/2027	249,000	218,908
Pajaro Valley Calif Uni Sch Di	MUNI	2.073%	8/1/2027	518,880	466,905
New York N Y Taxable Go Bonds	MUNI	1.250%	8/1/2027	502,565	447,440
New York N Y Taxable Go Bonds	MUNI	1.396%	8/1/2027	498,000	449,830
Wellman-Union Tex Cons Indept	MUNI	0.000%	8/15/2027	315,206	293,536
Lyndhurst Twp NJ	MUNI	1.389%	8/15/2027	355,880	315,581
Federal Home Loan Bank	GS	1.000%	8/26/2027	501,240	447,105
Cumberland Cnty NJ Impt Auth	MUNI	1.875%	9/1/2027	512,625	452,160
Brownsville Tex Util Sys Rev Bnds	MUNI	1.477%	9/1/2027	506,580	448,570
Sunfield Mun Util Dist No 3	MUNI	2.000%	9/1/2027	134,804	121,787
Federal Home Loan Bank	GS	5.000%	9/14/2027	499,000	495,480
Cook Cnty Ill Sch Dist No 157	MUNI	1.500%	11/1/2027	158,477	154,089
San Francisco Calif City	MUNI	1.340%	11/1/2027	495,200	445,575
Defiance Ohio City Sch Dist	MUNI	1.600%	12/1/2027	262,287	248,024
Fort Bend Cnty Tex Mun Util	MUNI	2.000%	12/1/2027	523,215	475,130
Coles & Cumberland Cnty	MUNI	1.400%	12/1/2027	345,566	299,040
Dallas Tex Area Rapid Trans	MUNI	1.347%	12/1/2027	499,250	446,930

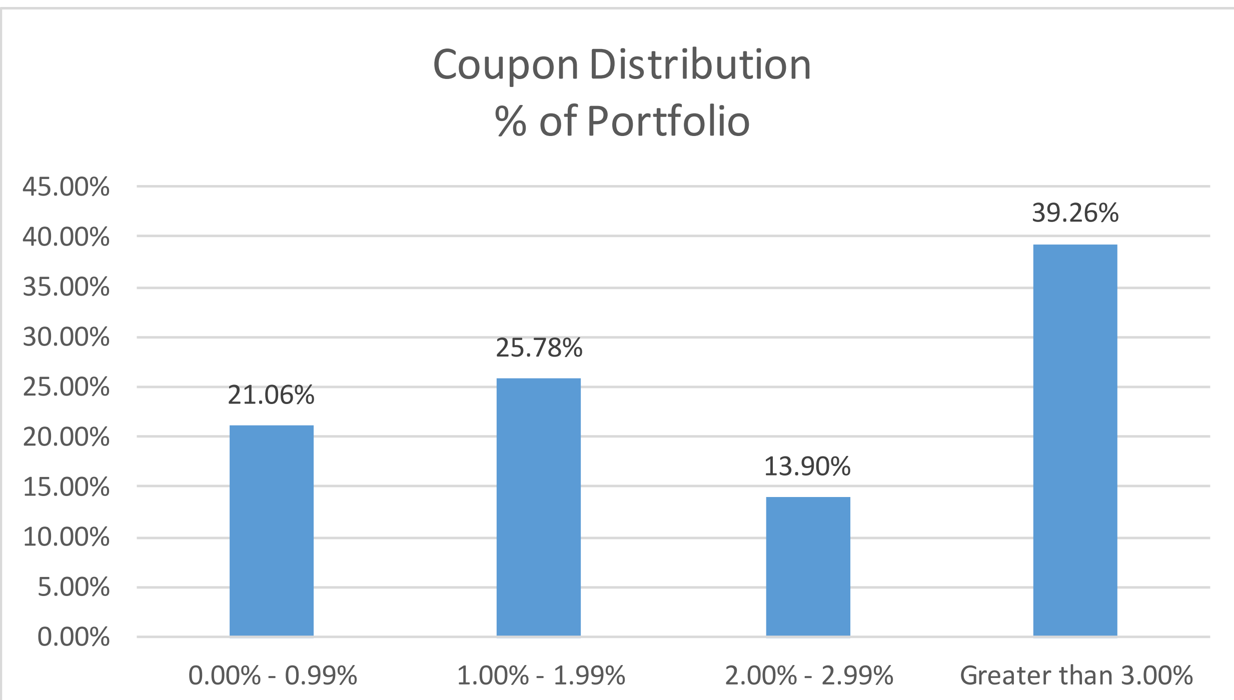
St Clair Cnty Ill Cmnt Unit GO	MUNI	4.073%	1/1/2028	256,255	236,585
BMO Harris Bk Natl Assn	CD	4.650%	1/24/2028	247,000	246,713
Federal Home Loan Bank	GS	4.950%	5/23/2028	499,250	501,630
Pacific Western Bank Beverly	CD	5.150%	6/9/2028	243,000	243,544
San Bernardino Calif City GO	MUNI	1.922%	8/1/2028	352,720	358,292
Freddie Mac	GS	6.000%	9/28/2028	500,000	500,715
Big Stone Cnty Mn GO	MUNI	4.000%	2/1/2033	229,515	209,681
Oppenheimer Advantage Bank Deposit	MM	0.250%	12/31/2023	1,027	1,027
Oppenheimer - Federated Mutual Fund	MM	5.197%	12/31/2023	80,171	80,171
Wells Fargo Bk NA SD	CD	3.350%	1/9/2024	245,000	244,848
Beal Bank USA	CD	5.200%	2/14/2024	243,000	242,990
Kish Bank	CD	5.200%	2/15/2024	243,000	242,990
Fifth Third Bank	CD	5.200%	2/15/2024	243,000	242,990
Arlington TX Indep Sch Dist	MUNI	1.300%	2/15/2024	141,229	144,168
Citizens Bank NA/RI	CD	5.250%	5/16/2024	240,000	240,010
PNC Bank NA	CD	5.250%	5/16/2024	240,000	240,010
Bank of Hope	CD	5.500%	7/1/2024	243,000	243,484
Yuma Cnty AZ	MUNI	0.888%	7/15/2024	320,645	317,853
Hemet CA Unif Sch Dist	MUNI	0.710%	8/1/2024	473,830	487,930
Santa Ana CLG Impt	MUNI	0.644%	8/1/2024	427,496	424,338
US Bank Natl Assoc	CD	5.350%	8/16/2024	243,000	243,056
New York City NY Transitional	MUNI	0.450%	11/1/2024	221,112	226,086
Univ of Minnesota MN	MUNI	0.700%	11/1/2024	262,688	265,590
Heritage Bank Inc/Erlang	CD	5.250%	11/18/2024	243,000	243,185
Highland Bank	CD	5.100%	12/27/2024	245,000	244,848
Stonehambank A Cooperati	CD	4.550%	2/18/2025	245,000	243,515
Cross River Bank	CD	5.000%	4/14/2025	246,000	245,811
Connecticut St	MUNI	3.136%	4/15/2025	248,053	245,030
New York City Transitional Fin Auth	MUNI	2.850%	5/1/2025	516,200	487,635
University of California Revenue	MUNI	3.050%	5/15/2025	259,451	263,615
California Credit Union	CD	5.300%	6/16/2025	243,000	244,069
Enfield CT	MUNI	1.070%	8/1/2025	468,072	467,711
San Anselmo CA Pensn Oblig	MUNI	0.877%	8/1/2025	201,865	196,785
Southpoint Bank	CD	5.400%	9/19/2025	248,000	248,258
Miami-Dade Cnty Fl Seaport	MUNI	1.049%	10/1/2025	110,586	107,599
Curators of the Univ Missouri	MUNI	1.714%	11/1/2025	260,470	270,813
Federal Home Loan Bank	GS	5.400%	12/26/2025	500,000	500,000
New York St Urban Dev Corp	MUNI	3.170%	3/15/2026	369,663	338,615
New York City NY Transitional	MUNI	3.340%	8/1/2026	118,008	111,940
West Sacramento CA	MUNI	2.371%	9/1/2026	277,710	281,568
Federal Home Loan Bank	GS	5.580%	12/7/2026	500,000	499,995
New York City NY Transitional	MUNI	2.210%	5/1/2027	117,906	121,510
Hesperia CA Unif	MUNI	2.039%	2/1/2028	451,820	452,350
Federal Home Loan Bank	GS	6.050%	10/26/2028	500,000	499,975

YIELD

COUPON DISTRIBUTION

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Coupon Distribution % of Portfolio	
Type	Cost
0.00% - 0.99%	$ 11,483,020
1.00% - 1.99%	14,059,420
2.00% - 2.99%	7,580,336
Greater than 3.00%	21,409,049
	$ 54,531,826

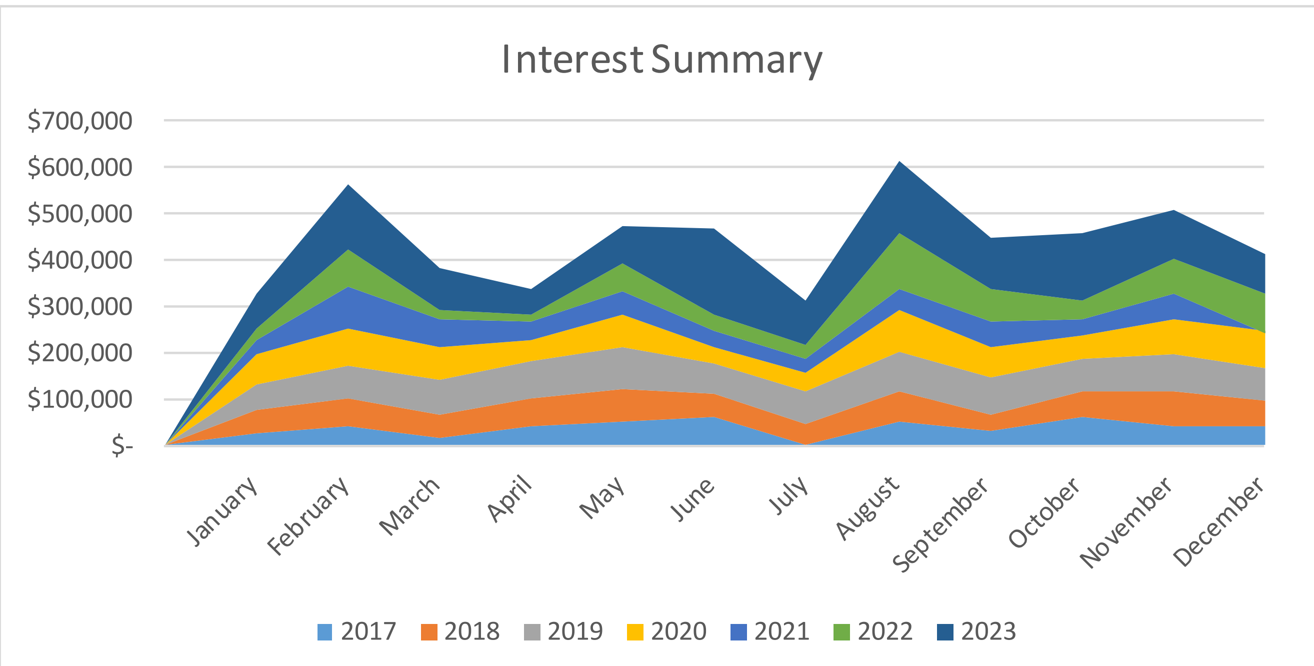


YIELD

INTEREST SUMMARY

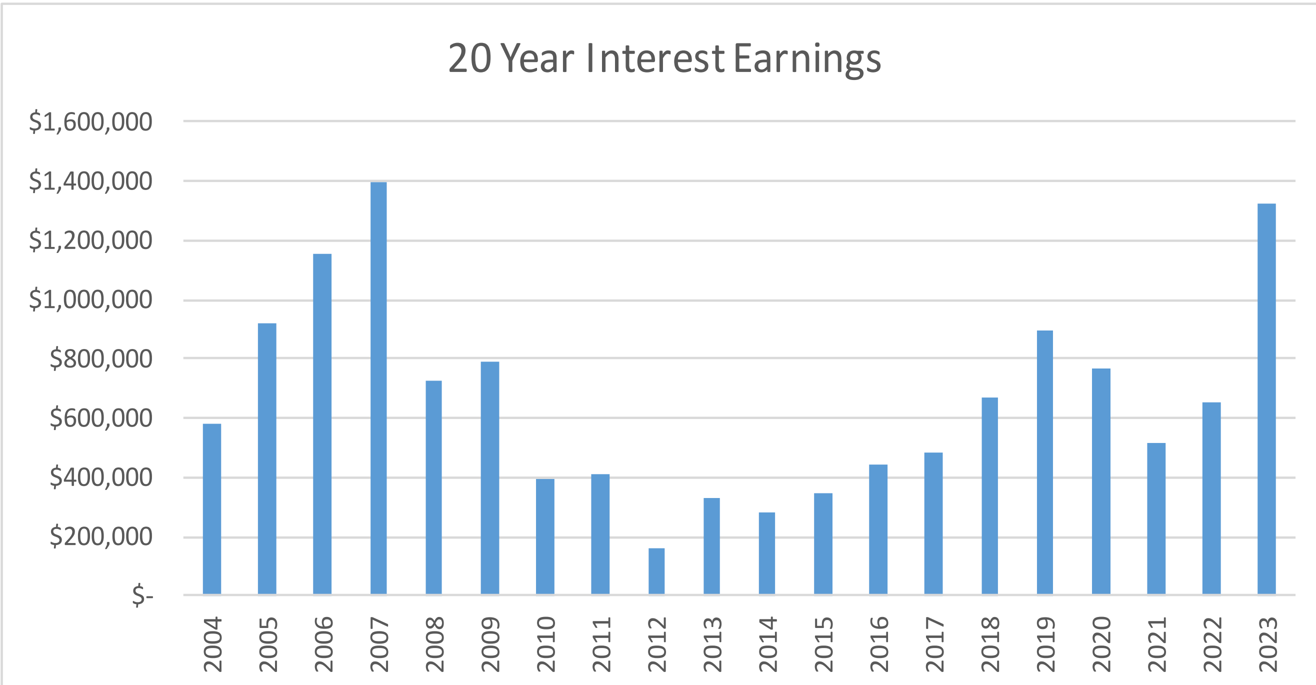
Interest earnings from pooled investments are allocated to the individual funds based on the applicable participation by each of the funds.

Interest Summary	2017	2018	2019	2020	2021	2022	2023
January	$ 29,282	$ 47,032	$ 58,806	$ 65,218	$ 27,275	$ 27,025	$ 72,991
February	41,906	60,012	71,636	80,527	88,742	80,401	141,493
March	19,435	47,086	74,950	70,112	60,081	19,433	90,951
April	41,382	63,723	78,472	45,069	40,514	14,472	53,733
May	53,849	71,263	88,658	68,929	52,448	60,983	79,506
June	64,550	49,046	64,669	35,220	33,644	36,094	185,506
July	-	46,183	73,227	37,955	29,760	28,914	98,613
August	52,411	64,546	84,727	93,224	42,273	121,147	156,447
September	33,908	33,543	81,936	64,584	55,104	67,442	110,992
October	64,550	55,109	67,454	49,324	38,634	38,806	145,944
November	40,403	76,958	82,959	74,037	53,551	76,434	106,733
December	43,441	56,546	68,346	80,534	(6,212)	86,123	83,992
Total	$ 485,116	$ 671,047	$ 895,840	$ 764,734	$ 515,814	$ 657,273	$ 1,326,901



YIELD

INTEREST SUMMARY (continued)



INVESTMENT TERMS

Liquid assets are deposit accounts and money market accounts.

1-5 Years are made up of certificate of deposit and U.S. Government Instrumentality Securities.

6-10 Years are U.S. Government Instrumentality Securities.

11-15 Years are U.S. Government Instrumentality Securities.

15+ Years are U.S. Government Instrumentality Securities and bonds.

U.S. Government Instrumentality Securities are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, such as homeowners, farmers and students. Most active issuers are Federal Home Loan Bank, and Federal National Mortgage Association (Fannie Mae). Maturities range from three months to 30 years with fixed interest rates.

COLLATERAL TERMS

Collateral represents protection for public funds in the event of a bank failure. All public funds on deposit in a bank or credit union must be protected by deposit insurance (FDIC), corporate surety bond or pledged collateral. Most institutions choose to pledge collateral for amounts not covered by the deposit insurance. The process involves the depository placing securities it owns within an account in the trust department of a commercial bank or a restricted account at the Federal Reserve, and pledging these securities to the government entity. If the depository fails, the government entity can take the securities pledge to make up for any loss to its deposited funds.

PERMISSIBLE COLLATERAL

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

- United State Treasury Issues
- Issues of U.S. Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the Federal Deposit Insurance Company (FDIC) or any federal agency)

In addition to these securities, banks may pledge irrevocable letters of credit issued by federal home loan banks. All of these allowable forms of collateral must meet certain additional requirements.

As part of the audit process, the auditors review all collateral as it pertains to the requirements of *Minnesota Statutes 118A.03, subd. 2*.

AMOUNT OF COLLATERAL

As of December 31, 2023, the Federal Deposit Insurance Company provides $250,000 of deposit insurance for all accounts held by a single depositor to protect the amount of deposit. If a depository is located in the state, public entities have an additional $250,000 available.

State law requires that the amount of collateral pledged be 10% more than the amount not covered by deposit insurance. For example, if the government entity has on deposit $1,000 over and above the deposit insurance amount, the financial institution needs to pledge collateral with a market value of $1,100 to protect the deposit.

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times. It is important that City staff develop procedures to monitor the amount of pledged collateral throughout the year; usually the treasurer or City’s chief financial officer monitors the deposit amounts against pledged collateral.

The City of Faribault invests excess funds for direct investment in securities authorized within *Minnesota Statutes 118A*, including joint powers government investment pools through the 4M Fund (League of Minnesota Cities).

It is recommended that each government entity have an adopted Investment Policy; the City of Faribault policy was last amended and adopted on January 28, 2020.

COLLATERAL COMPLIANCE

State law requires that the pledge of collateral be done through a written assignment from the bank to the government entity. To protect the security interest in the pledged collateral, the federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) requires that either the bank's loan committee or the bank's board of directors approve the assignment. To document compliance, the Office of the State Auditor recommends that the public entities insist that the depository provide to the public entity a copy of the minutes or the resolution adopted by either the loan committee or the board of directors approving the pledge of collateral.

2023 Investment Report

MARCH 6, 2024

City Of Faribault

2023 Investment Report

Market Commentary

Executive Summary

Portfolio

Fed Rate Hike

Interest Rates

Fed Rate Hike

Inflation

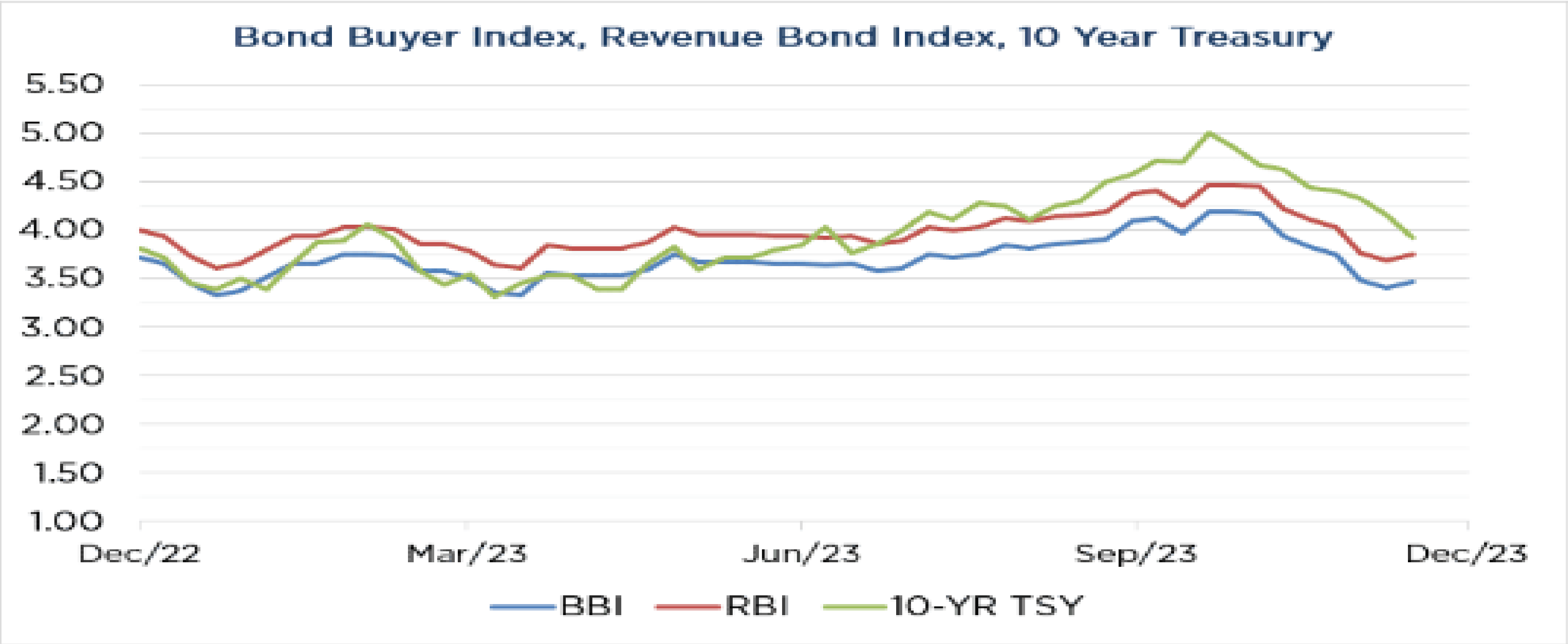
3.88% -4.92%

Market Commentary

Fed Rate Hike

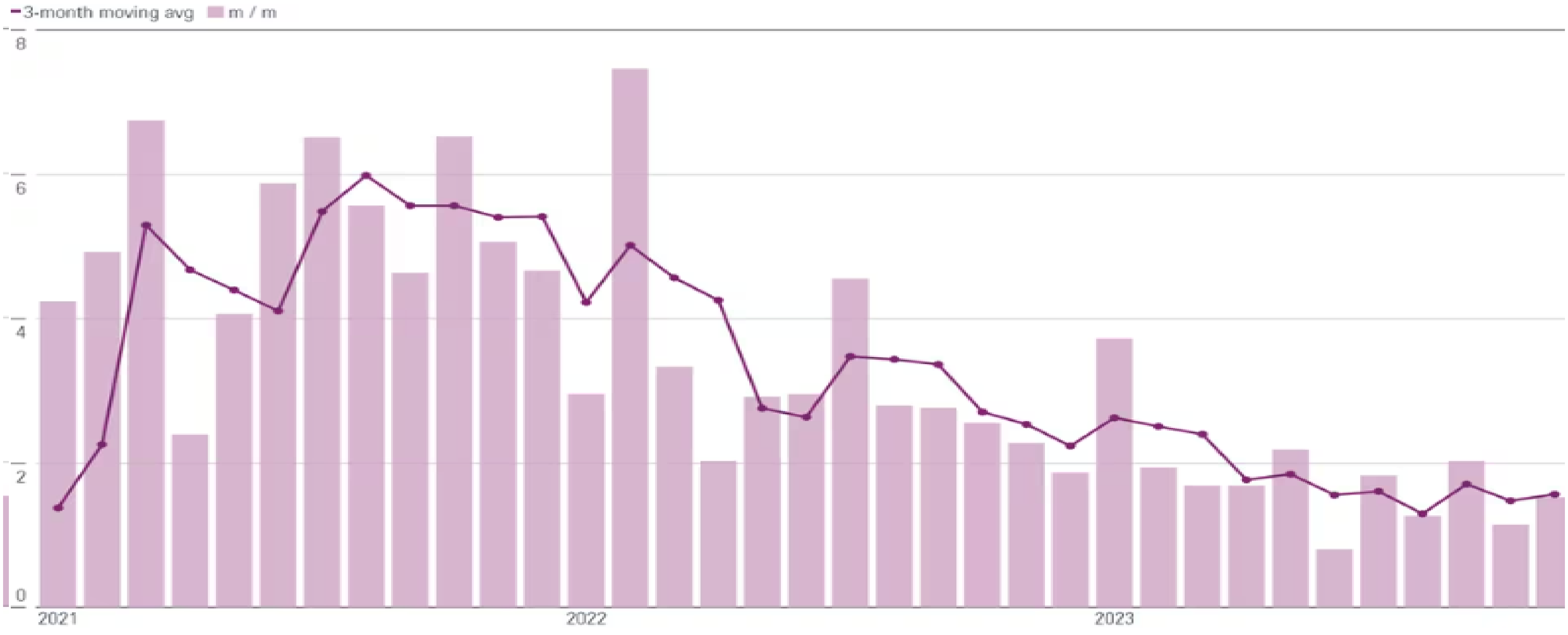
Fed Rate Hike

MARKET COMMENTARY



MARKET COMMENTARY

Nonfarm Payroll Employment, % Growth (Annualized)



Market Commentary

MARKET COMMENTARY

INVESTMENT POLICY

- Prudent Investments
  - Safety
  - Liquidity
  - Yield
- Conformity
- Operations
- Reserves

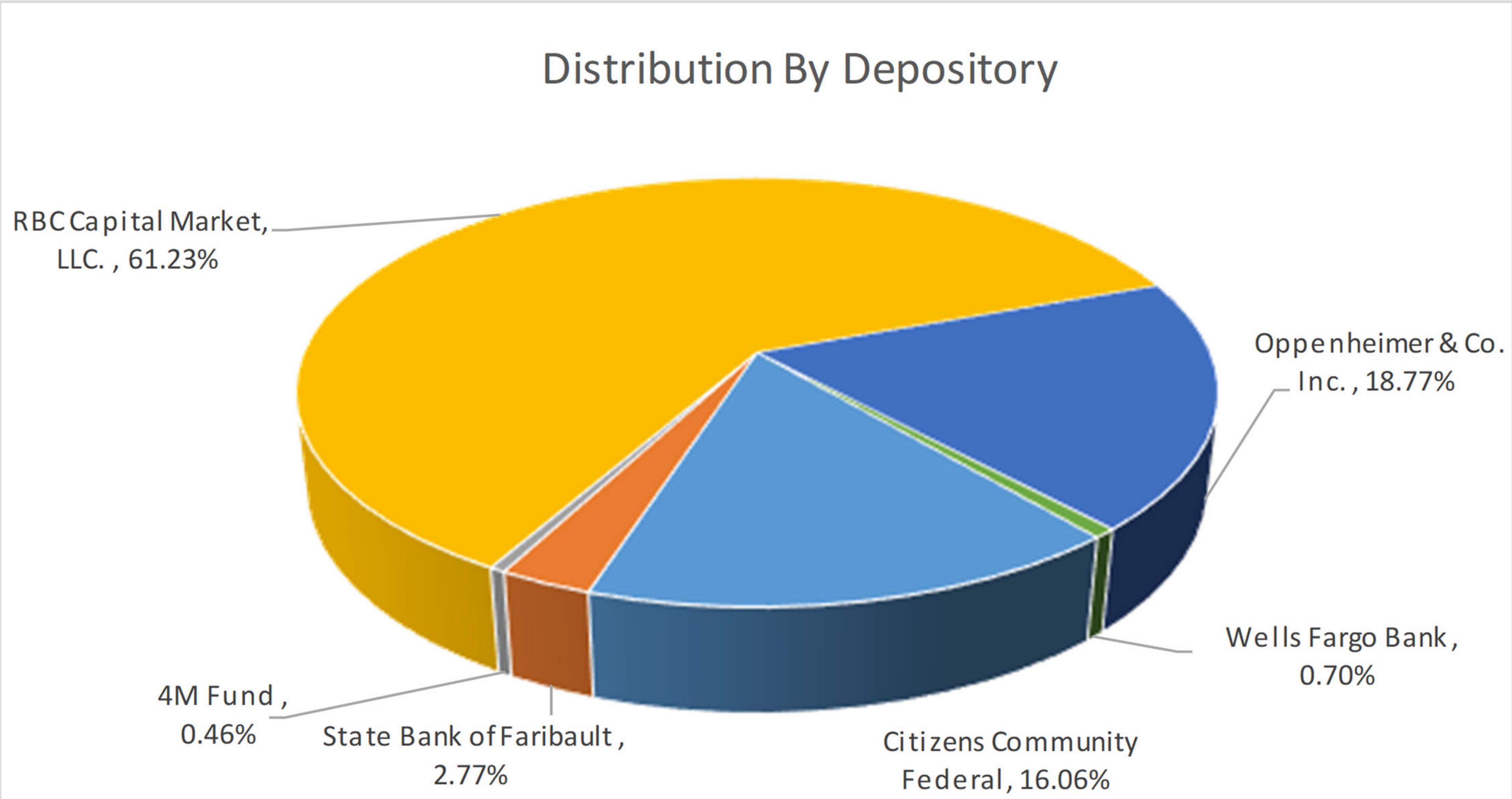
Prudent Investments

Safety

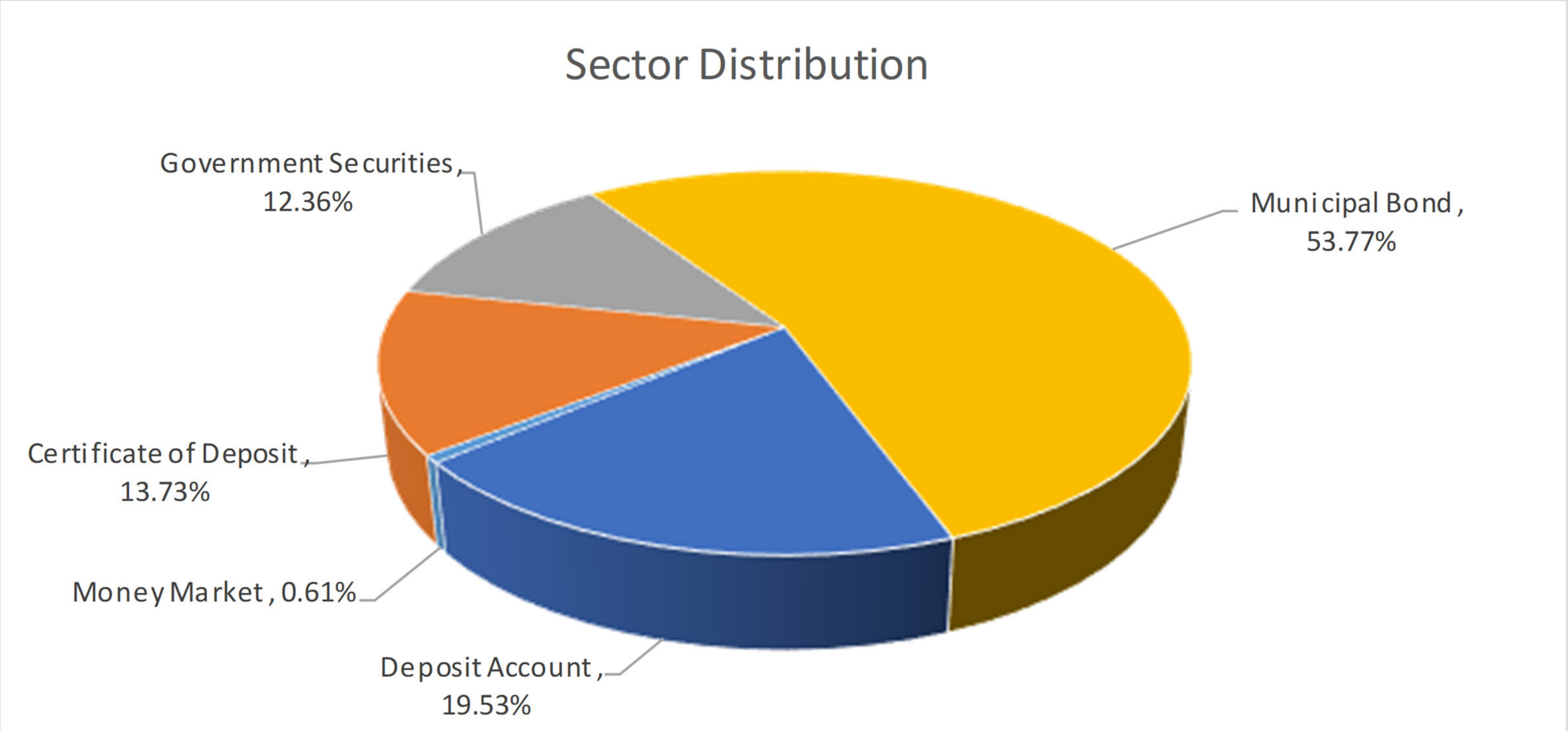
Liquidity

Yield

SAFETY


Distribution By Depository
RBC Capital Market, LLC. , 61.23%
Oppenheimer & Co. Inc. , 18.77%
Wells Fargo Bank , 0.70%
Citizens Community Federal , 16.06%
State Bank of Faribault , 2.77%
4M Fund , 0.46%

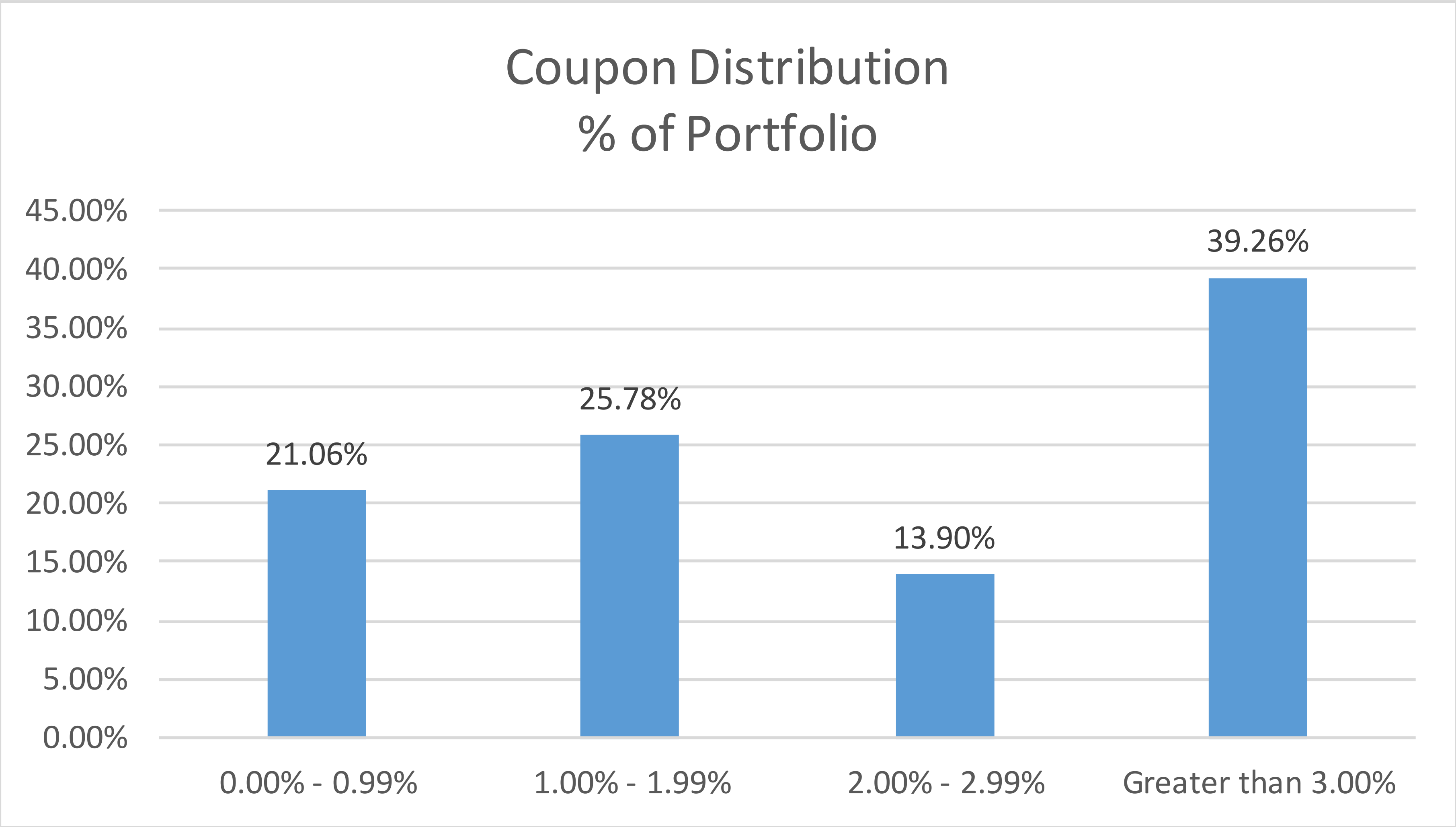
SAFETY


Sector Distribution
Government Securities, 12.36%
Municipal Bond, 53.77%
Certificate of Deposit, 13.73%
Money Market, 0.61%
Deposit Account, 19.53%

LIQUIDITY

Cash Flow Distribution	
Type	Cost
Less than One Year	$ 19,133,068
1-2 Years	19,900,677
3-5 Years	15,268,565
Greater than 5 Years	229,515
	$ 54,531,826

LIQUIDITY



Coupon Distribution
% of Portfolio
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
21.06%
25.78%
13.90%
39.26%
0.00% - 0.99%
1.00% - 1.99%
2.00% - 2.99%
Greater than 3.00%

LIQUIDITY


20 Year Interest Earnings
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023

City Of Faribault

2023

INVESTMENT

REPORT

Questions?

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	John Sherwin, Chief of Police
MEETING DATE:	March 6, 2024
SUBJECT:	Public Safety Aid Spending Plan and Budget Update

Discussion:

During the October 17, 2023, City Council Work Session, Finance Director Schmuck, Fire Chief Dienst, and Police Chief Sherwin presented a spending plan for Public Safety Aid money being allocated to the City from the 2023 Minnesota Omnibus Tax Bill. On December 26, 2023, the City received $1,063,288 from the State. Since that time, items outlined in the spending plan have been purchased or on-order by both the Police and Fire Departments. There have not been deviations from the spending plan; however, one additional need has been identified.

On October 10, 2023, the City Council approved Resolution 2023-187 authorizing the Police Department to receive $300,000 in grant funds from the Bureau of Justice Assistance (BJA) to implement a violence reduction program. In the grant application, the Police Department budgeted approximately $100,000 to expand and upgrade the downtown community safety camera network. These funds included the purchase of 13 cameras and Wi-Fi routers. Unfortunately, the initial cost estimate provided to IT and the Police Department by the contracted vendor did not include the cost of installation. Unknowingly, these costs were not accounted for in the Police Department's BJA grant application. An additional $20,000 in funding is needed to install the grant equipment that was purchased. In discussion with City Administrator Murray, one option to fund the installation would be to utilize Public Safety Aid funds.

The Police and Fire Department wish to provide an update to the Council on Public Safety Aid expenditures to date, and seek feedback on designating non-allocated funds to install and expand the downtown camera network.

Attachments:

1. Quote - 27911 - City of Faribault Camera/Router Installation

2. Public Safety Aid Allocations

Five Star Telecom Inc.
Phone: 608.796-9088
Fax: 608.519-3599
5136 Mormon Coulee Rd
La Crosse, WI 54601

Quote

No.: **27911**
Date: 2/13/2024

Prepared for:
Ben Mueller (507) 209-3543
City of Faribault
208 1st Avenue NW
Faribault, MN 55021 U.S.A.

Prepared by: Andy Smith
Account No.: 8389
Phone: (507) 334-2222

Quantity	Item ID	Description	UOM
	Installation of Remote Street and Parking Lot Cameras		
8	277009	Junction Box 12" X 12" X 6" Grey	
40	NM1/2	1/2" Liquatite	
24	NMLT50	1/2" NM Straight Liq Connector	
13	566-135-003 Non - Booted	Category 6 Patch Cord 3 ft Black Non-Booted	
13	566-135-005 Non - Booted	Category 6 Patch Cord 5 ft Black Non-Booted	
13	FS2BLANK	2 Gang Waterproof PVC Blank Box Cover	
13	FSHUBLESS2G	2 Gang PVC WP FS Hubless Box	
6	0816/5I	10.1OZ GRAY RTV SILICONE SEALANT	
20	88693	.05 oz. Silicone Grease Tube	
2.00	79016J	10-16 X 1" Hex Washer Head Tek Screw (100/Pack)	
5	B52SHGALV10	13/16 X 1-5/8" 12 GA Galv Slotted Unistrut 10'	
50	HHCS3/8X2	#5 HEXHD Cap Screw HHCS3/8 X 2	
50	N228ZN	Spring Nut, 3/8"-16 Thread, 3/8" Nut	
1	FST-ProService-001	Five Star Telecom Professional Installation and Service Support	
	Complete Installation and Testing		

Your Price: **$19,243.93**

Total: **$19,243.93**

Prices are firm until 3/14/2024 Terms: 50% on Signing, 40% on Delivery, 10% on Completion

Prepared by: Andy Smith, asmith@5startel.com **Date:** 2/13/2024

Job Scope

1. **New Location** Creamery Parking Lot
  A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
 Please Note customer to supply constant power for the new box and power supply.
2. **New Location** 1st Avenue NW and 3rd St NW
  A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
 Please Note customer to supply constant power for the new box and power supply.
3. Existing Location - Central Ave and 3rd St NW
  A. Swap existing Arecont camera with new Verkada CH52 Muti Sensor Camera.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
4. Existing Location - Burkhartz Meyer - 2nd St NW and Central Ave
  A. Swap existing Arecont camera with new Verkada CH52 Muti Sensor Camera.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
5. Existing Location - Southeast Corner of Central Ave and Division Street
  A. Swap existing Arecont camera with new Verkada CH52 Muti Sensor Camera.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
6. Existing Location - Redemption Parking Lot
  A. Move existing camera location up the pole to above the current foliage, leaving the existing box in place, just move the camera.
  B. Swap existing Arecont camera with new Verkada CH52 Muti Sensor Camera.
  C. Installation of customer provided Cradlepoint.
  D. Installation of customer provided POE Injector.
  E. Installation of customer provided CH52 Multi Sensor camera.
  F. Installation of customer provided camera mounting hardware.
7. Existing Location - NE Corner of 4th St and Central Ave
  A. Swap existing Arecont camera with new Verkada CH52 Muti Sensor Camera.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
8. **New Location** - SW Corner of 4th St and Central Ave
  A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
  B. Installation of customer provided Cradlepoint.
  C. Installation of customer provided POE Injector.
  D. Installation of customer provided CH52 Multi Sensor camera.
  E. Installation of customer provided camera mounting hardware.
 Please Note customer to supply constant power for the new box and power supply.
9. **New Location** - SW Corner of 5th St and Central Ave
  A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.

B. Installation of customer provided Cradlepoint.
C. Installation of customer provided POE Injector.
D. Installation of customer provided CH52 Multi Sensor camera.
E. Installation of customer provided camera mounting hardware.
Please Note customer to supply constant power for the new box and power supply.

10. **New Location** - Lot 9
A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
B. Installation of customer provided Cradlepoint.
C. Installation of customer provided POE Injector.
D. Installation of customer provided CH52 Multi Sensor camera.
E. Installation of customer provided camera mounting hardware.
Please Note customer to supply constant power for the new box and power supply.

11. **New Location** - Lot 9
A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
B. Installation of customer provided Cradlepoint.
C. Installation of customer provided POE Injector.
D. Installation of customer provided CB52 Bullet camera.
E. Installation of customer provided camera mounting hardware.
Please Note customer to supply constant power for the new box and power supply.

12. **New Location** - Lot 15
A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
B. Installation of customer provided Cradlepoint.
C. Installation of customer provided POE Injector.
D. Installation of customer provided CH52 Multi Sensor camera.
E. Installation of customer provided camera mounting hardware.
Please Note customer to supply constant power for the new box and power supply.

13. **New Location** - Lot 18 Hour / 10,000 Drops
A. Installation of a new 12 x 12 x 6 Box mounted on the existing light pole.
B. Installation of customer provided Cradlepoint.
C. Installation of customer provided POE Injector.
D. Installation of customer provided CH52 Multi Sensor camera.
E. Installation of customer provided camera mounting hardware.
Please Note customer to supply constant power for the new box and power supply.

14. Complete installation, testing and camera comissioning

Accepted by: ______________________________ **Date:**___________

Disclaimer

The above price, specifications and conditions are satisfactory. You are authorized to do the work described, payment will be made as indicated above. Cancellation of this proposal once accepted as an order is subject to restocking charges of 15% of contract price. Seller shall not be liable for failure to deliver due to strikes, casualty, loss or delay of carriers of suppliers. Unless Specifed otherwise on proposal, all new products are warranted to be free from defects in material and workmanship for one year following date of installation. Defective equipment will be repaired or replaced at Five Star Telecom's option without charge during normal working hours. (Normal workday 8:00 A.M. – 4:30 P.M. Monday-Friday excluding Holidays.) Any service performed after hours shall be subject to a minimum of 2 hour labor charge and overtime rates of time and a half. This warranty does not apply to equipment subject to misuse, abuse, tampering, negligence, accidents, unsuitable electrical conditions, lightning, or forces of nature. Any call for service not directly caused by the failure of equipment provided by Five Star Telecom shall be subject to service charges. Equipment moved or serviced by anyone other than an authorized Five Star Telecom representative shall void warranty. This agreement bears interest on any unpaid balance at the rate of 18% per year

Public Safety Aid Funds	Balance	Estimate	Actual		Department	Program/Equipment		
12/26/2023	$ 1,063,259	$ 1,063,259		PSA Funds				Eligible & Ineligible Uses of the Aid
9/18/2023	1,063,288	29		PSA Funds Actual Certification				
7/18/2023	946,771	(116,517)		2024 Fire Fighter	Fire	Staffing		
7/18/2023	822,098	(124,673)		2025 Fire Fighter	Fire	Staffing		
10/10/2023	767,098	(55,000)		Fire Chief Vehicle	Fire	Equipment		CIP
8/31/2023	734,298	(32,800)		New handguns x40	Police	Equipment		
8/31/2023	731,082	(3,216)		Magazines x134	Police	Equipment		
8/31/2023	720,501	(10,581)		Holsters x40	Police	Equipment		
8/31/2023	716,701	(3,800)	3,800	Transition amo	Police	Supplies		
8/31/2023	674,701	(42,000)	33,029	Craddlepoint router upgrade/antenna/dockingstations x12	Police	Equipment		
8/31/2023	624,701	(50,000)		Community engagement fund	Police	Program		
8/31/2023	549,701	(75,000)		Wellness fund	Police	Program		
10/10/2023	520,676	(29,025)	17,500	Wellness cardio screening	Both	Program		
8/31/2023	509,776	(10,900)	11,025	Traffic Speed Trailer replacement	Police	Equipment		
8/31/2023	505,598	(4,178)		40mm Launchers x2	Police	Equipment		
8/31/2023	502,468	(3,130)		Handheld ID unit	Police	Equipment		
8/31/2023	499,068	(3,400)	2,942	Ebike	Police	Equipment		
8/31/2023	476,568	(22,500)	1,525	86" smartboard-police & firex2	Both	Equipment	Added EOC computer @ 1,525	
8/31/2023			36,145	All terrain vehicle-police & fire	Both	Equipment		PD CIP
8/31/2023	396,568	(80,000)	50,605	All terrain vehicle-police & fire (Includes Addl Tracks)	Both	Equipment		Fire CIP
10/13/2023	390,568	(6,000)		Additional for tracks	Fire	Equipment		
10/23/2023	389,368	(1,200)		More additional for tracks	Fire	Equipment		
8/31/2023	375,368	(14,000)		Ultrasonic gun cleaner	Police	Equipment		
8/31/2023	355,368	(20,000)		LUCUS chest compression	Fire	Equipment		CIP
8/31/2023	347,368	(8,000)		#2115 Flipdown ladder truck	Fire	Equipment		
8/31/2023	307,368	(40,000)		SCBA Washer	Fire	Equipment		CIP-future
10/10/2023	183,268	(124,100)	5,745	Additional Handheld Radios x 17	Fire	Equipment		
10/23/2023	184,468	1,200		Radio adjustment for UTV Tracks	Fire	Equipment		
8/31/2023	181,268	(2,000)		N95 Masks	Fire	Supplies		
10/10/2023	172,268	(9,000)		Aluminum whalers x2	Fire	Equipment		
8/31/2023	159,268	(13,000)		Digital Fire extinguisher trainer	Fire	Equipment		
8/31/2023	109,268	(50,000)		COP House-rotary	Police	Program		
10/10/2023	100,268	(9,000)		2023 CIP Trailer additional	Fire	Equipment		Budget Adjustment needed
9/27/2023	(1,200)	(101,468)		Future Decisions		Adjusted for additional UTV tracks above		
		$ (0)	$ 162,315					

Indicates Order, But Not Paid

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	John Sherwin, Chief of Police
MEETING DATE:	March 6, 2024
SUBJECT:	Homeless Encampment Cleanup Update

Discussion:

During the summer and fall of 2022, homeless encampments on City property generated numerous calls to the Police Department. The encampments were generally located in wooded areas along the Straight River and consisted of 2 to 8 occupants. Concerns expressed by citizens over the encampments ranged from occupants being involved in criminal activity in adjacent neighborhoods to environmental, health, and fire hazards.

Police Department leadership worked with the City Attorney and City Administrator to draft a policy for homeless encampment cleanup and removal. The policy was drafted in accordance with existing case law and legal guidance regarding the property rights of individuals experiencing homelessness. The policy was brought forward and approved by the City Council during the October 25, 2022, council meeting.

The purpose of this discussion is to update the Council on our efforts to date and review existing policy.

Attachments:

1. City of Faribault Homeless Encampment Policy and Procedure (2)
2. Encampment Cleanup Map

1. INTRODUCTION AND PURPOSE

This policy establishes a standard procedure for clearing encampments on property being used unlawfully by encampment residents for shelter or temporary residence within the City of Faribault. This policy also outlines the procedures for managing and—when necessary—storing personal property discovered during an encampment closure.

This policy is intended to provide guidance and direction to Faribault governmental officials and employees in evaluating and closing areas of public space being used by people experiencing homelessness for shelter or temporary residence. Nothing in this policy is intended, or should be understood, as the City of Faribault criminalizing or punishing people experiencing homelessness. The City of Faribault recognizes people experiencing homelessness—like everyone—should be treated with dignity and respect.

2. DEFINITIONS

A. Encampment. A location where one or more tent, structure, or assembly of camping equipment or personal property has been erected within the City of Faribault, and which appears to a reasonable person as being used for camping or shelter.

B. Personal property. An item that can be reasonably recognized as belonging to a person; has apparent use in its present condition and circumstances; and is not hazardous or otherwise a danger to health or safety (for example, a needle-strewn tent), or is not reasonably expected to become a hazard during storage (for example, wet/soiled bedding materials or food capable of spoiling).

Examples of personal property include, but are not limited to, identification, personal papers and documents, tents, bicycles, radios and other electronic equipment, eyeglasses, prescription medications, photographs, jewelry, clothing, crutches, and wheelchairs. Personal property does not include building materials such as wood products, metal, pallets, or rigid plastic.

3. INITIATING AN ENCAMPMENT CLEARING

A. Criteria to initiate an encampment clearing. An encampment may be cleared if the encampment is a documented threat to the health, safety, or security of the encampment's residents, or to City residents neighboring the encampment. Documentation may include, but is not limited to, photographs of the encampment, police reports, fire department reports, calls for service, eyewitness statements, or reports from other City officials. Evidence of the condition of the encampment should be collected prior to clearing. Records of encampment conditions should be retained after the clearing is complete.

B. Factors. Risk factors will be considered in determining the urgency of encampment removal, including but not limited to:

- **i.** Presence of especially vulnerable people within the encampment (children, youth, women seniors, people with disabilities, people with addiction).
- **ii.** Dangers posed by physical location (proximity to traffic, unsafe structures).
- **iii.** Environmental hazards (fires, used needles, dangerous weather, and other natural hazards).
- **iv.** Health hazards (disease, infestations).
- **v.** Extreme weather (precipitation, very high and low temperatures).

vi. Reports of violence, drug or sex trafficking and other criminal behavior.
vii. Size and duration, including build-up of trash and waste.
viii. Fire/asphyxiation risks (including flammable shelter materials, evidence of prior uncontrolled fires, layering of tents, generator use, dangerous heating agents near/within flammable materials).
ix. Difficulty for first responders to reach the encampment in case of emergency or in a location that may create a notification delay

C. **Approval for encampment clearing**. The decision to initiate an encampment closure will be made by the Faribault Chief of Police. The Chief will consult with the Faribault Police Department; Faribault Fire Department; the Faribault City Attorney; and any other relevant department, governmental agency, or community partners before initiating an encampment cleanup.

D. **No criminal penalties**. If the city is unable to identify and document available alternative housing for the encampment residents, prior to the clearing of the encampment, then no criminal penalties shall be imposed on the encampment's residents.

E. **Outreach to residents.** Faribault officers will work with Rice County Community Based Coordinators to offer services, referrals, and alternative housing or shelter assistance to encampment residents prior to initiating an encampment clearing action.

4. NOTICE OF ENCAMPMENT SITE CLEARING

A. **Timing of notice**. Ideally 5 days, but no fewer than 72 hours before an encampment clearing, the City shall post conspicuous notices/signs (the "Clearing Notice") throughout the immediate area of an encampment site, which shall be visible to residents of the encampment site.

B. **Contents of notice**. The Clearing Notice shall contain the following information:

i. The day the notice was posted.
ii. The future date and time the encampment clearing is scheduled for.
iii. An advisement that all residents of the encampment site should gather their personal property and leave the encampment site by the time of the scheduled encampment clearing.

C. **Exceptions to Notice Requirement**. The minimum 72-hour notice is not required if Faribault Police are currently performing law enforcement activities in response to credible information regarding a threat of imminent harm and complying with the minimum 72-hour notice requirement would undermine those ongoing police activities or in the event of an emergency when there is an immediate danger to human life or safety.

5. ENCAMPMENT CLEARING

A. **Police Presence.** The Faribault Police Department will be present at every encampment closure to ensure the safety of the occupants as well as city staff. If an officer cannot be present, the encampment closure will pause until an officer is available.

B. **Personal property**. Personal property shall be stored as provided for in Section 6 and may be recovered as provided for in Section 8.

C. **Disposal of non-personal property**. The City may remove and dispose of any non-personal property that is hazardous or otherwise a danger to health or safety or is reasonably expected to become a hazard during storage including, but not limited to garbage, debris, waste, a needle-strewn tent, wet bedding materials, perishable foods, or food contaminated property.

D. **Determining personal property**. City staff member assisting in the encampment clearing will determine if an item is personal property based on the totality of circumstances. In cases when the status of an item cannot reasonably be determined in the staff member's judgment based on the totality of the circumstances, the staff member will treat the item as personal property.

6. PERSONAL PROPERTY STORAGE

A. **Storing personal property**. The City shall store all safely storable personal property encountered when clearing an encampment.

B. **Itemized-property procedure**. Personal property removed from a camp must be listed on an itemized inventory.

C. **Storage location**. Personal property shall be stored at a location commonly used by the City for storing property.

D. **Personal property deemed abandoned.** Any personal property that is collected and stored by the City, and which is not reclaimed by its owner within 60 days of its associated encampment clearing, shall be considered abandoned by the City per City policy.

7. POST ENCAMPMENT-CLEARING

A. **Contents of notice**. After an encampment has been cleared where personal property has been stored, the City shall prominently post a notice/sign (the "Post Clearing Notice") at the encampment site. The Post Clearing Notice shall contain:

i. The date the encampment was cleared.
ii. The general location where any personal property was taken and is now being stored.
iii. How any personal property being stored by the City may be reclaimed by its owner.
iv. An advisement that personal property will be stored for 60 days following the encampment cleanup.

B. **Timing.** The Post Clearing Notice shall not be removed by the City for a minimum of 10 days.

8. RECLAIMING PERSONAL PROPERTY

A. A property owner claiming their personal property was removed from an encampment may contact the Faribault Police Department. The department will coordinate the recovery of personal property.

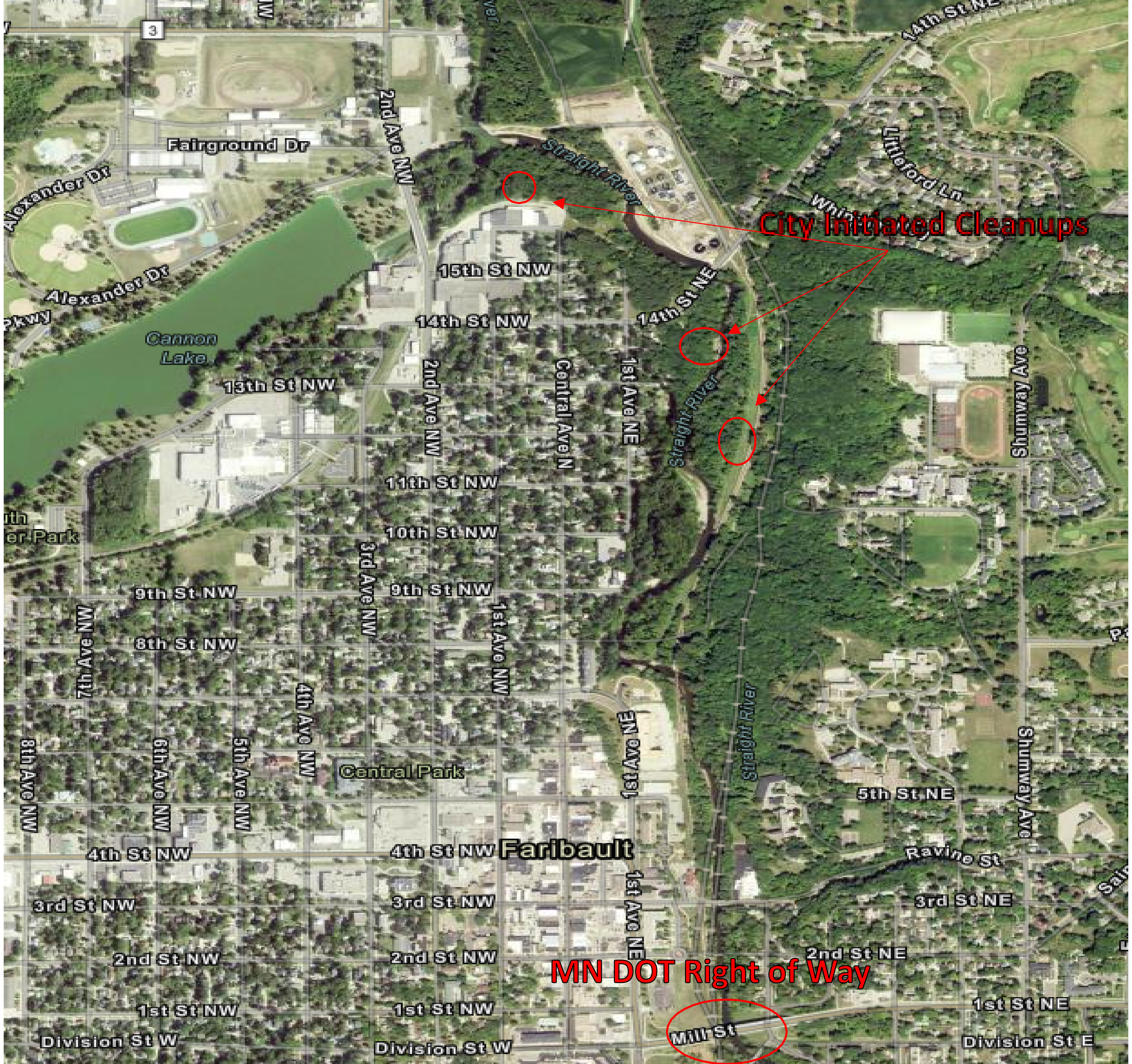
B. The property owner shall identify themselves and describe the personal property with particularity. No proof of identification is required for an owner to recover the property. The City shall maintain a log of personal property that indicates who received the recovered property.

C. Storage and recovery of personal property shall be at no cost to the individual that owns the property within the City of Faribault.

9. PROVIDING ALTERNATIVE SHELTER

A. As mentioned in section 3(E) of this policy, the City and any outreach partners, to the best of their abilities, will assist encampment residents in identifying available resources for alternative housing or other shelter.

B. While the City and any outreach partners will attempt to identify all alternative housing options, the City is not required to provide supplemental alternatives to individuals who have been previously or are currently excluded from available alternatives because of the individual's past behavior at these locations.


City Initiated Cleanups
MN DOT Right of Way
Faribault
Straight River
Cannon Lake
Central Park
Fairground Dr
Alexander Dr
15th St NW
14th St NW
14th St NE
13th St NW
11th St NW
10th St NW
9th St NW
8th St NW
5th St NE
4th St NW
3rd St NW
3rd St NE
2nd St NW
2nd St NE
1st St NW
1st St NE
Division St W
Division St E
Mill St
Ravine St
2nd Ave NW
3rd Ave NW
4th Ave NW
5th Ave NW
6th Ave NW
7th Ave NW
8th Ave NW
1st Ave NW
1st Ave NE
Central Ave N
Shumway Ave
Littleford Ln

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	
FROM:	Tim Murray, City Administrator
MEETING DATE:	March 6, 2024
SUBJECT:	Downtown (Viaduct Area) Park - Contract and Improvements Discussion

Discussion:

Since discussing the results for the three bid packages (BP) for the Downtown Park at the February 20, 2024 Special Work Session, the City Engineer and I have met with the contractors which had the low bids for BP-1 Multipurpose Building (Robert W. Carlstrom Co.) and BP-2 Site Work/Splash Pad (BCM Construction), as well as the consulting engineers (B32) for BP-3 Skate Loop.

The meetings with the two low bidders on BP-1 and BP-2 was to identify and discuss options for potential cost reductions, in part by reducing the scope of the projects (under the assumption that the skate loop as it was designed and bid will not be built at this time), and also with any alternatives the contractors might propose.

Information provided by B32 identified a number of factors that they believed led to receiving only a single bid, and the bid being significantly over the estimate for the skate loop contract. We also discussed some options and alternatives with them on moving forward with an ice package.

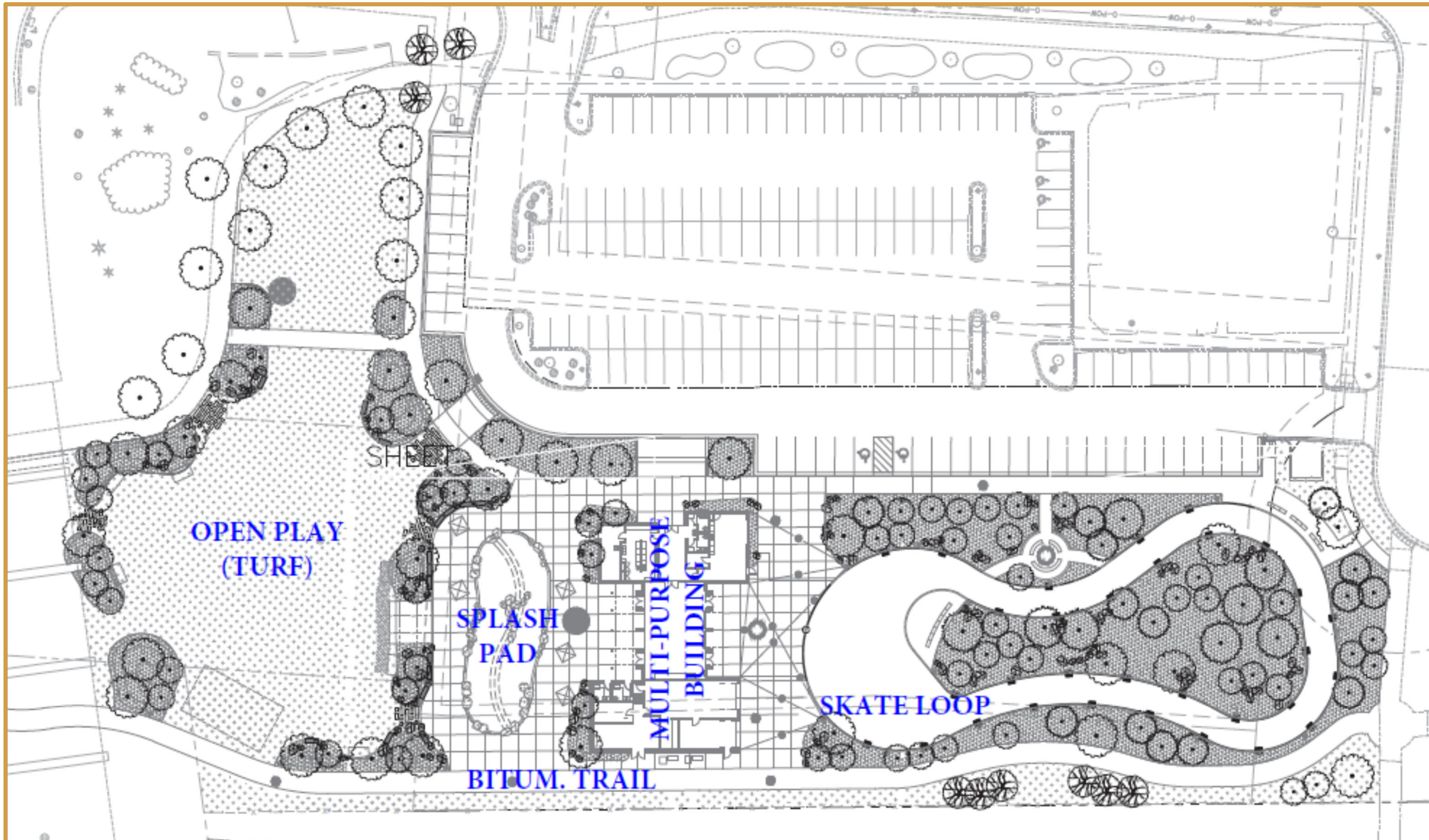
We will provide more background on the contractor/consultant meetings at the Work Session, and will go through some of the options and alternatives that have been identified. We will look for direction from the Council on moving forward, and based on that direction, reengage with the low bidders and the design consultants on the project.

Attachments:

1. Summary - Estimates vs Low Bids
2. Overall Site Layout

DOWNTOWN (VIADUCT AREA) PARK DEVELOPMENT					
			Amount	**%**	
Bid Package	**Estimate**	**Low Bid**	**Over/Under**	**Over/Under**	**# of Bids**
BP-1 - MULTIPURPOSE BUILDING	$3,432,700	$3,867,000	$434,300	12.65%	3 Bids
BP-2 - SITE IMPROVEMENTS/SPLASH PAD	$2,900,260	$3,272,272	$372,012	12.83%	3 Bids
BP-3 - SKATE LOOP	$2,936,100	$4,178,243	$1,242,143	42.31%	1 Bid
SUBTOTAL	$9,269,060	$11,317,515	$2,048,455		

City Of Faribault



OVERALL SITE LAYOUT