

**CITY OF ANNANDALE  
COUNCIL SPECIAL MEETING AGENDA**

**Meeting #20  
Special Meeting**

**October 25, 2021  
7:00 PM**

**Mayor: Shelly Jonas  
Councilmember's: Matthew Wuollet  
Corey Czycalla  
JT Grundy  
Tina Honsey**

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**1. CALL TO ORDER/ROLL CALL/ADOPT AGENDA**

**2. NEW BUSINESS**

- A. Discuss Purchase of Land- 10719 70<sup>th</sup> Street NW
- B. Health Insurance Renewal

**3. ADJOURNMENT**

# CITY OF ANNANDALE

## REQUEST FOR COUNCIL ACTION

Originating Department: <b>Administration</b>	Meeting Date: <b>October 25, 2021</b>	Agenda No. <b>2A</b>
Agenda Section: <b>New Business</b>	Item: <b>Purchase of Land for Business Park Expansion</b>	
<p><b>Background:</b></p> <p>The City entered into a purchase agreement for the purchase of land at 10719 70<sup>th</sup> Street NW. The purchase of this property would allow for a business park expansion and development of a portion of the future East/West road as part of the City long range transportation plan.</p> <p>As part of the purchase agreement, the City has a 30-day contingency to determine development feasibility of the property. This contingency will expire at 11:59pm on October 25<sup>th</sup>.</p> <p>Staff has worked with the Economic Development Committee to develop a preliminary concept and utility layout for the development of this site and completed a Phase I Environmental review of the site. Copies of this information are attached.</p> <p>The most significant finding on the property is the existence of a 60-foot-wide gas main easement. This is shown on the concept going SW through the middle of the property. Although the location of this easement is not ideal, the Committee felt through the development of the site there are options to look at aligning property lines with the easements to lessen the burden on any property.</p> <p>After reviewing the market, the range for industrial land with Sewer and Water is between \$2-\$5/sf. The attached scenario shows the estimated cost for the development of this park as shown is \$2.10/sf. This is based on estimated utility expenses for the improvements within the parcel and its benefiting share of the improves outside of the parcel (70<sup>th</sup> Street, Klever Ave, Connection to Highway 55). The costs associated with the improvements outside of the business park would be recovered in part by future developed areas. A significant portion of those improvements are benefiting city owned property and those costs would need to be funded by either utility funds or the general fund levy. Additional information on this will be provided at the meeting.</p> <p>If the City moves forward with the project, additional work will be done to determine if there are other funding sources or potential layouts that could reduce this amount. After factoring the cost of the land and demolition of the current buildings, the City would be paying approximately \$9450/acre. If the City moves forward with the purchase of the land and its determined the City does not want to move forward with the development of the site, the City could sell the parcel.</p> <p>Staff would recommend the Council consider a bond to purchase the parcel and demo the existing buildings. The City currently has \$110,000 in the EDA fund from the sale of prior business park lots. The City has entered into a purchase agreement to sell an additional \$125,000 worth of land in our current business park. That would provide \$235,000 to go toward the purchase of this lot. The City could use existing cash to buy down that bond or fund the entire amount of the purchase through a bond. This will be discussed further if the City choses to move forward with the purchase.</p>		

<b>Council Action Requested:</b> Will be discussed at the meeting

## Business Park Cost Scenarios

Total Utility Cost	\$	2,839,290
Platting Costs	\$	40,000
Less Grant	\$	(600,000)
	\$	<u>2,279,290</u>

### Cost Comparison for cost per acre

Land Cost	\$	390,000
	\$	60,000
Land Sellable Acreage		42
Cost per Acre	\$	10,714.29
<b>Total Land Cost</b>	\$	450,000.00

<b>Total Cost to Bond</b>	<b>\$ 2,729,290.00</b>
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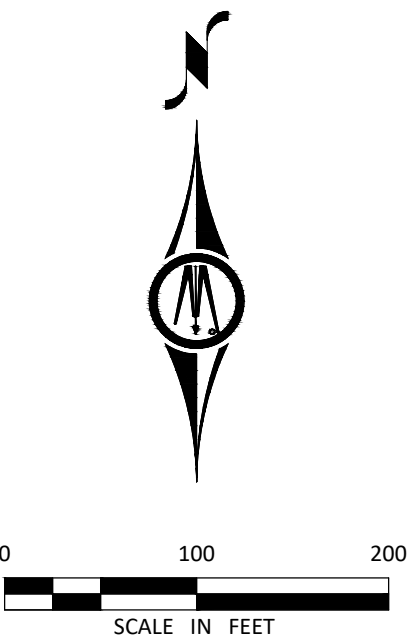
Interest rate on 20 year loan		3.50%
Annual Payment	\$	192,027.39
<b>Total Cost with Interest</b>	<b>\$</b>	<b>3,840,547.72</b>
Total Cost per Acre	\$	91,441.61
<b>Total Cost per SF</b>	<b>\$</b>	<b>2.10</b>



### Business Park Expansion Cost Summary

	Total	Busienss Park Share	Other Property Share
Purchase of Land	\$ 390,000.00	\$ 390,000.00	\$ -
Preperation of Land	\$ 60,000.00	\$ 60,000.00	\$ -
Platting	\$ 40,000.00	\$ 40,000.00	\$ -
<b>Total Land Costs</b>	<b>\$ 490,000.00</b>	<b>\$ 490,000.00</b>	<b>\$ -</b>
Estimated 70th Street Construction Costs	\$ 2,322,540.00	\$ 743,163.00	\$ 1,579,377.00
Estimated Klever Ave Construction Costs	\$ 714,580.00	\$ 356,627.00	\$ 357,953.00
Estimated Highway 55 Connection Cost	\$ 2,515,540.00	\$ -	\$ 2,515,540.00
Esimated Internal Development Costs	\$ 1,739,500.00	\$ 1,739,500.00	\$ -
<b>Total Improvement Costs</b>	<b>\$ 7,292,160.00</b>	<b>\$ 2,839,290.00</b>	<b>\$ 4,452,870.00</b>





LEGEND

WETLAND PER NWI DATABASE





H:\ANNA\DW1123451\CAD\C3D\Business Park Expansion\2021-10-05 123451\_ External-Street&Utility-Extension - 70th St & Klever Ave.dwg 10/6/2021 8:51:00 AM









H:\ANNA\DW1123451\CAD\C3D\Business Park Expansion\2021-10-12 123451\_ External-Street&Utility-Extension - Hwy 55 Connection.dwg 10/13/2021 12:50:55 PM







# CITY OF ANNANDALE

## REQUEST FOR COUNCIL ACTION

Originating Department: <b>Administration</b>	Meeting Date: <b>October 25, 2021</b>	Agenda No. <b>2B</b>
Agenda Section: <b>New Business</b>	Item: <b>Insurance Renewal</b>	
<p><b>Background:</b></p> <p>Attached is a copy of the City insurance renewal effective 1/1/21. The open enrollment for staff to make changes to coverage needs to be completed prior to 11/15/21. The following is a summary of this renewal and recommendation on changes to the health care coverage.</p> <p><u>Medical Coverage</u></p> <p>The City received the medical renewal- the increase was 9.1%. The City's agent, Jim Latour, provided a comparison with other renewals and the current plan is the lowest option available. More information will be provided to Council on the City's benefit coverage at the meeting.</p> <p><u>Dental Coverage</u></p> <p>As part of the medical renewal, the City quoted Dental coverage through PEIP (current medical coverage provider). The total savings would be approximately \$2400 annually, but the benefit coverage is different then the current policy. The most significant changes in the benefit would be the loss of the lifetime deductible most staff have already met, but also decreased benefit per person, per year and a 5% reduced benefit for most major services. This could have an impact on staff of \$25-500 annually if additional dental services are performed outside of preventative care.</p> <p><u>Life Coverage</u></p> <p>As part of the medical renewal, the City quoted Life coverage through PEIP as well. The annual savings for the same benefit is approximately \$600 annually. The City could also consider offering an optional supplemental life amount under PEIP. This would allow staff to purchase additional life insurance under our group policy at their expense. This would be a very beneficial option to add to our benefit package for staff.</p> <p><b>Council Action Requested:</b> Will be discussed at the meeting.</p>		

# City of Annandale

## MEDICAL RENEWAL

RENEWAL DATE  
January 1, 2022

PREPARED BY:

 Christensen Group  
Insurance



**City of Annandale**

<b>PEIP</b>		

MN PEIP	Monthly Rates			Preferred One	Health Partners
Advantage HSA Blue Cross	Enrollment	Current	Renewal	PIC.3000.80.HSA CompleteST	Emb HSA Rx Plus 3000-70% Perform
Employee Family	4	\$422.36	\$459.60	\$0.00	\$0.00
	5	\$1,085.10	\$1,184.12	\$0.00	\$0.00
Monthly Subtotals:	9	\$7,115	\$7,759	\$0	\$0
Plan Increase/decrease %			9.1%	-100.0%	-100.0%
Advantage Value Blue Cross	Enrollment	Current	Renewal		
Employee Family	0	\$536.78	\$584.46	\$0.00	\$0.00
	1	\$1,391.50	\$1,518.48	\$0.00	\$0.00
Monthly Subtotals:	1	\$1,392	\$1,518	\$0	\$0
Plan Increase/decrease %			9.1%	-100.0%	-100.0%
Advantage HSA Health Partners	Enrollment	Current	Renewal		
Employee Family	0	\$422.36	\$459.60	\$0.00	\$0.00
	4	\$1,085.10	\$1,184.12	\$0.00	\$0.00
Monthly Subtotals:	4	\$4,340	\$4,736	\$0	\$0
Plan Increase/decrease %			9.1%	-100.0%	-100.0%
Advantage HSA Preferred One	Enrollment	Current	Renewal	4th Quarter Rates 2021	4th Quarter Rates 2021
Employee Family	1	\$422.36	\$459.60	\$0.00	\$0.00
	2	\$1,085.10	\$1,184.12	\$0.00	\$0.00
Monthly Subtotals:	3	\$2,593	\$2,828	\$0	\$0
Plan Increase/decrease %			9.1%	-100.0%	-100.0%
Monthly Total	17	\$15,439	\$16,842	\$19,142	\$19,860
Annual Total		\$185,273	\$202,102	\$229,710	\$238,321
Annual Percentage Change			9.1%	24.0%	28.6%
Est. Annual Dollar Change			\$16,829	\$44,437	\$53,048



# City of Annandale

## DENTAL PROPOSAL - JANUARY 1, 2022

Christensen Group Insurance	
General Listing of Services	
<b>Preventive Services</b>	
- Exams & Cleanings	
- X-rays, Fluoride Treatment	
- Periodontal Maintenance	
<b>Basic Services</b>	
- Space Maintainers	
- Sealants	
- Fillings	
- Endodontics	
- Periodontics	
<b>Major Services</b>	
- Other Surgery	
- Inlays, Onlays	
- Crowns, Bridges	
- Dentures, Implants	
<b>Deductible</b>	
- Per Person	
- Family	
<b>Calendar Year Maximum</b>	
- Per Person	
<b>Enrollment</b>	
<b>Monthly Rates</b>	
Employee Only	
Employee + Spouse	
Employee + Child(ren)	
Family	
<b>Monthly Premium*</b>	
Annual Premium	
Annual \$ Change from Current	
Annual % Change from Current	

Delta Dental Pathfinder Value Plan	
In-Network Benefits	
Delta PPO	Delta Premier
100%	100%
100%	100%
100%	100%
80%	80%
80%	80%
80%	80%
80%	80%
80%	80%
<b>6-12 month waiting period</b>	
55%	50%
55%	50%
55%	50%
55%	50%
<b>Lifetime Deductible Applies to All Services</b>	
\$100	\$100
\$1,500	\$1,500
<b>3 EE/3 EE+SP/2 EE+CH/9 Family</b>	
Current	
	\$37.94
	\$78.29
	\$79.31
	\$125.87
	<b>\$1,640.14</b>
	<b>\$19,681.68</b>
	N/A
	N/A

Delta Dental - Proposed PEIP Comprehensive Dental	
In-Network Benefits	
Delta PPO	Delta Premier
100%	90%
100%	90%
100%	90%
Not covered	Not covered
80%	80%
80%	80%
80%	80%
80%	80%
50%	50%
50%	50%
50%	50%
50%	50%
<b>Applies to Basic &amp; Major Services</b>	
\$25	\$50
\$50	\$100
\$1,000	\$1,000
<b>3 Single/14 Family</b>	
Rates are based on Employer paying 90% or more of cost	
	\$40.16
	\$95.73
	<b>\$1,460.70</b>
	<b>\$17,528.40</b>
	<b>-\$2,153.28</b>
	<b>-10.9%</b>

- Enrollment was taken from current billing.

- At least 50% of eligible employees must enroll for dental to be offered.

- An annual open enrollment for dental is **NOT** available. Members must enroll when eligible or have a qualifying event to gain coverage.

This is only a summary of benefits and any errors and/or omissions are unintentional. If there is a discrepancy between this summary and the contract/proposals, the contract/proposals are deemed correct.

# City of Annandale

## LIFE PROPOSAL – JANUARY 1, 2022


CG   Christensen Group Insurance		Principal Current	PEIP Proposed
Salary Based or Flat		Flat	Flat
Life Amount		\$25,000	\$25,000
AD&D Amount		\$25,000	\$25,000
Guarantee Issue		\$25,000	\$25,000
Dependent Life (12)		\$5,000 Spouse/\$2,000 Child	\$5,000 Spouse/\$2,500 Child
Reduction Schedule		Reduces by 25% at age 65; an additional 25% at age 70	Reduces by 35% at age 65, 50% at age 70, 75% at age 75 and 80% at age 80
Minimum Participation		100%	100%
Premium Paid by		100% Employer Paid	100% Employer Paid
Volume		\$450,000	\$450,000
Dependent Life (per unit) 12		\$1.09	\$1.18
Life Rate per \$1,000		\$0.253	\$0.180
AD&D Rate per \$1,000		\$0.039	included above
Monthly Premium		\$144.48	\$95.16
Annual Premium		\$1,733.76	\$1,141.92
Annual \$ Change from Current			-\$591.84
Annual % Change from Current			-34.1%

PEIP - Supplemental Life available. Benefits up to \$300,000 in combination with Basic Life. \$100,000 Guarantee Issue.



# City of Annandale

## VOLUNTARY SUPPLEMENTAL LIFE PROPOSAL – JANAUARY 1, 2022


Employee Life Amount
Employee AD&D Amount
Employee Guarantee Issue
Premium Paid by
Age Banded Rates per \$1,000
< 35
35-39
40-44
45-49
50-54
55-59
60-64
65-69
70-74
75+

<u>PEIP</u> Proposed
\$5,000 increments, subject to certain restrictions. Maximum benefit: \$300,000 (combined with basic Life coverage) is available with evidence of insurability
Same as Life
\$100,000
100% Employee Paid
Life/AD&D Rates
\$0.110
\$0.130
\$0.170
\$0.260
\$0.440
\$0.710
\$0.790
\$1.490
\$2.680
\$4.810