

Administrator/Clerk's Report

City Council Meeting, June 26, 2017

To: Mayor and Council
From: John M. McCarthy
Date: June 23, 2017

Old Business

2016 Independent Auditor's Report: Thomas M. Cummings, CPA has completed and presented the 2016 Financial Statements and Independent Auditor's Report. A review of the statement indicates total revenues of \$2,608,365 exceeded expenses by \$498,296. An increase in the General Fund balance of \$318,696 is reported, but should be considered along with the (\$235,842) decrease reported in the 2015 statement. The difference is primarily due to the timing of a partially grant funded purchase of property for the regional park in 2015 and receipt of the grant proceeds in 2016. It is recommended the Council accept the 2016 Financial Statements and Independent Auditor's Report (Motion)

Off-Premise Liquor License – Four Browns LLC d/b/a MGM Wine and Spirits: Due to the delay caused by relocating the MGM store and the dates of an annual license, the State of Minnesota has indicated Four Browns need to file for a new license instead of a renewal. The City has accepted the previous background check and the appropriate fees have been paid. Recommend approving the Off-Premise Liquor License application as submitted by Four Browns, LLC. (Motion)

Location for "Between Earth and Sky" Staff is assisting in finding a location for the sculpture. The original plan was to locate it at the corner of Hester and Railway Streets where the flagpole is now. After the trailhead was constructed and the flagpole installed, it was to be located north of the informational kiosk but the kiosk was moved in that direction and the space available doesn't appear to be adequate. Current locations being reviewed are between the kiosk and the mill ruins. Several photos of a pole the approximate height of the finished sculpture have been taken and will be able to be viewed at Monday's meeting. There may be a possibility of another location along the trail. Council is being asked to approve a location so the base design can be completed and cost estimates created prior so that the group raising funds can develop a complete picture of the amount needed. (Motion)

Resolutions and Ordinances

Resolution 2017 - 17 Approve Revised PUD / Subdivision Agreement: Staff is working with the developer of Bridgewater Heights and their professionals regarding the rehabilitation and completion of the portion of Bluff St West of the intersection with Tower Ave. and Amending/Replacing the Developer's Agreement for Phase II of the Bridgewater Heights Subdivision. The revised agreement is not completed, but is essentially the same, including the Letter of Credit as the 2012 agreement. Staff met with the owners of Bridgewater Development and Landholding, LLC, (BDLH) and Premier Bank Minnesota (Premier) on Monday, June 26, to finalize the agreement. BDLH and Premier tentatively agreed to the terms described the City of Dundas to further amend the PUD/Subdivision Agreement and provide a Letter of Credit in the same amount and terms as the current agreement. The recommended amendment includes a requirement to complete Bluff St. by September 15, 2017 and extends the time of completion of Phase II to June 30, 2020. Staff recommends approving the resolution. (Motion)

New Business

Approve 2017 Sealcoating Project: Pearson Bro., Inc. has submitted a quote of \$43,791.66 to sealcoat 42,933 square yards of City streets. A reduction in the price of \$0.43/sq. yd. will permit the sealcoating of 13,113 sq. yds. more than was carried over from last year. Last year's road maintenance budget was underspent as the crack

filling and patching was not complete in time to sealcoat. It was intended to use the undesignated reserve for 2016 to assist with the 2017 projects. Based on past performance and a review of the budget, Public Work Director Meliza recommends the City approve the 2017 sealcoating and authorize the City Administrator/Clerk to accept the quote of \$43,791.66. (Motion)

Approve 2017 Crackfilling and Asphalt Patching: Gopher State Sealcoating has submitted quotes totaling \$18,440 to crackfill 9,768 feet of City streets and repair 20 areas of damaged asphalt. Based on past performance and a review of the budget Public Works Director Meliza recommends the City approve the 2017 crackfilling and asphalt patching and authorize the City Administrator/Clerk to accept the quotes from Gopher State Sealcoating. (Motion)

City Engineer's Report

City Engineer Powell has prepared another extensive memo regarding ongoing work related to the City of Dundas.

Administrator's Report

Financial: General Fund revenues as of May 31, 2017, are \$94,950 or \$12,136 more than last year. The increase is entirely related to building permit fees. General Fund operating expenditures for the 5 months ending in May are \$351,088 or about 37% of the budget.

First Half Property Taxes: The City has received a payment of \$522,236.60 from Rice County for the 70% payment of the first one half of the 2016 taxes paid in 2017. The advice regarding which accounts will not be received until after the 1st of July.

Property Inspections: In accordance with the Settlement Agreement, an inspection of the Titan Supply Company property was conducted by the Neutral Building Inspector on June 16, 2017.

In accordance with the Settlement Agreement, an inspection of the John Zander property was conducted by the City Zoning Administrator on June 20, 2017. The building panels required to be removed by December 31, 2016, were still present in the area designated. Zander indicated he was preparing to have the panels moved and the area around the panels had been cleared so the panels are accessible. Later on the day the inspection was conducted, a truck carrying two of the panels was seen leaving the site. It appears the removal has begun. A follow up inspection will be conducted.

The removal process may be delayed due to the collapse of the crane used to load the panels. A crane has been contracted from a construction company to continue the loading.

The inspection also revealed a gate had been installed in the fence, which defines the area permitted for permanent outside storage. The settlement agreement does not include any description of a gate or movable fence. The neutral building inspector has been contacted regarding the gate.

Lift Station Startup: A test startup of the new lift station is scheduled for Friday, June 30. City Engineer Powell and Public Works Director Meliza will be present at the startup.

LMC Annual Conference: I attended the League of Minnesota Cities Annual Conference in Rochester. Educational sessions attended included *Bridging the Urban-Rural Divide*, *Investing in Infrastructure*; *Public-Private Partnerships*, and *Communicating City Spending Information to the Public*. I was able to talk to several vendors regarding matters of interest to the City.

Rice County Administrator's Meeting: The Rice County area Administrators met on June 15, 2017.

Speed Control Devices: At the LMC Conference, I was able to spend time with two vendors on radar speed signs and will be getting more information regarding the signs. Chief Mincke is suggesting a permanent speed sign be installed along CSAH #1 where it enters the City from the West and a battery operated moveable sign be purchased for use at various locations. Staff will obtain pricing and specifications for both. A review of the forfeiture monies available indicate a high portion of the cost will be able to be assigned to the permitted uses of the funds.

Vehicles to be Disposed of: Chief Mincke has reported the City has received the title to a 2005 Dodge as part of the settlement of a DUI arrest. The 2010 Crown Victoria has been detailed and the decals have been removed. It looks great and is ready to be sold.

Public Hearing: The Dundas Planning Commission will be holding a public hearing on July 20, 2017 to consider a Preliminary Plat and Planned Unit Development proposal for DeMann Riverside Properties, LLC. The developer is proposing to subdivide an 11.085 acre parcel into a PUD which will consist of 19 single family lots. DeMann is in the process of removing the old barn and has indicated the other buildings will be removed shortly.

Boards and Committees

Park and Recreation Advisory Board: The P&RAB met on Tuesday, June 20. There was a considerable amount of discussion about the location of "Between Earth and Sky" sculpture at the Trailhead/historic Archibald Mill site. Some members of the Board expressed concern regarding the process and a prior Board's recommendation. The Board also reviewed the 2018 budget and made several suggestion regarding adjustments to more closely track recent expenditures.

NAFRS: The Northfield Area Fire and Rescue Service met on June 22, 2017. The meeting was delayed one week due to a mix-up in the meeting location. The Board discussed the proposed 2018 Budget which needs to be approved in July for submittal to the Parties by August 1. The current proposal includes an increase of \$25,000 to help fund needed administrative/clerical assistance. Some members supported no increase but did support the immediate hiring of a part-time administrative assistant for the Fire Chief. A discussion of the McGrath report fell off the rails and was put off until the July meeting. There was a good discussion regarding the need to begin looking forward and the possibility of engaging an outside consultant to facilitate strategic planning. . The Board will be proposing an amendment to the JPA to change the terms of the lease for the purpose of paying Northfield for the costs associated with debt service. Due to lack of administrative support, the Board will not be able to get the annual report to the Members until after the July's meeting. As the report only covers an already completed year, this does not create a problem although some of the information might be helpful reviewing service levels for the parties to establish a new appropriation.

Budget Work Session:

Review 2018 Budget Estimate from 2017 Budget

Public Works/Highways, Streets and Roads: Staff has reviewed the Highways, Streets and Roads budget and has several recommendations to adjust the budget for 2018. For the past three years, the department has underspent the budget by an average of \$26,173 per year. Most of the amount underspent occurred in the 2016 FY as some annual road maintenance was delayed to this year. The proposed adjustments will decrease the amount proposed to be budgeted by \$14,578 or 6.8%, primarily by reallocating certain expenditures to other budgets.

After review in trends from the last three years, some adjustments recommended are:

1. The amount budgeted for wages and benefits be reduced by \$8,077. The amount being recommended is still below the three year average and more than the actual from 2016.
2. The line item for street sweeping will be eliminated. Street sweeping is now a component of the Storm Water Utility. An additional reduction in the proposed budget of \$4,386 is achieved by the reallocation of this line item.

Other minor adjustments were made in future budget based on trends.

Cultural and Recreation/Parks: The Park and Recreation Advisory Board has reviewed the budget and has several recommendations to adjust the budget. Due to an increase in park maintenance, the budget has lagged behind necessary expenditures. For the past three years, the department has overspent the budget by an average of \$9,220. The proposed adjustments will increase the amount proposed to be budgeted by \$12,581 or 16.3%.

After review in trends for the past three years and anticipated needs, the Park and Recreation Advisory Board recommends the following adjustments:

1. The amount budgeted for wages and benefits be increased by \$6,016. Although this is higher than the three year average, costs are trending up due to increasing the staff time involved with park maintenance.
2. An amount for professional services, (engineering) has is proposed to be added as this item is beginning to be a more consistent component of the P&RAB Budget.
3. Repairs and maintenance has been increased.
4. Lawn mowing also is recommended to increase to about the three year average.

Other minor adjustments were made in future budgets based on trends.

Future Meeting Items

Items listed may be moved to future meetings.

July 10, 2017

1. Worksession
 - a. Review 2018 General Government / Administration Budget
 - b. Review 2018 General Gov./ Council and Elections Budget

July 24, 2017

1. Worksession
 - a. Review 2018 General Gov. / Planning and Zoning Budget
 - b. Review 2018 Public Safety / Police Budget

August 14, 2017

1. Worksession
 - a. Review 2018 Public Safety / Building Inspections Budget
 - a. Review 2018 Public Safety / Fire Protection Budget