

Administrator/Clerk's Report

City Council Meeting, August 14, 2017

To: Mayor and Council
From: John M. McCarthy
Date: August 11, 2017

Consent Agenda

Resolution 2017 – 18 Accepting Donation from VFW Post #4393: The Post is donating \$875.00 to the City to be used for improvements for the ballfield at Memorial Park.

PFA 1997 Clean Water Revolving Fund: This is the semi-annual payment for the 1997 PFA Loan. The final payment is to be made on February 20, 2018.

Transfer from General Fund to Tax Abatement Fund. This is the first half tax abatement payment for the Paper Inc. / Lonsdale Paint property. The abatement runs through 2022 with 11 payments remaining.

Ordinances and Resolutions

Resolution 2017 – 19 Designating Community Festival: Representing Dawn's Corner Bar, Dawn Kruse is requesting the City designate Sunday, September 3, 2017 as Dundas Detour Day, a City Celebration. As part of the request, the City is asked to approve the closing of Mill Street from the intersection with Railway Street westward to the intersection of the railroad tracks and approval for service and consumption of alcoholic beverages in the closed street between the hours of 12:00 pm Sunday, September 3rd to 12:00 am Monday September 4, 2017. Dawn's has been sponsoring the reprise of the community event for several years and has created a high quality event. Recommend approving the request by Dawn Kruse. (Motion)

Resolution 2017-20 – Approving Plans and Authorizing Advertising for Bids for Sidewalk Construction: Working with City Engineer Powell, WSB Associates have prepared plans and specification for the sidewalk project. Although it is later in the construction season, Powell believes construction can be completed this fall. After reviewing with Public Works Director Meliza, staff recommends approval of the plans and authorizing advertising for bids to be received on September 18, 2017. (Motion)

Resolution 2017-21 – Congratulating the Dundas Dukes on Qualifying for State Tournament: With their recent victories in the sectional playoffs, the Dukes have qualified to play in their 4th straight Class B State Tournament. The Dukes have won the Championship five times since 1982 and been runners up seven times since 1975. In the first round the Dukes play Forest Lake Brewers at 4:00 PM on Saturday, August 19, 2017, in Hamburg, MN. The winner of the first round moves on to the 8-team double elimination tournament and the loser is out. Recommend approving Resolution 2017–21 congratulating and supporting the team as they represent the City in the State Tournament. (Motion)

New Business

Consider RFP for Refuse Services: The 5-year contract with Waste Management Services will end on December 31, 2017. Staff has prepared a Request for Proposals for a new 5- year contract beginning January 1, 2018 to provide exclusive residential refuse collection services. (Motion)

Approve Attendance at LMC Regional Meeting: Requesting normal and customary expenses for attendance for the City Administrator/Clerk and any council members to attend a LMC Regional Meeting this fall. The closest meeting to Dundas is in Pine Island on Thursday, November 2, 2017. Registration is \$45.00 (Motion)

Review Possible Financing for 2018 CIP Projects (Discussion): Doug Green of Springsted has prepared a review of financing the 2018 CIP projects by the issuance of 20 year bonds at a projected interest rate of 3.4%. The issue price of the bonds would be \$2.715 million based on estimated project costs provided to Green. An interest only payment of just over \$66 thousand would be due in 2019 with twenty annual payments averaging about \$187 thousand. Some of the projects may not be eligible for 100% funding by issuing bonds and some projects, specifically the new City Hall may be subject to a reverse referendum. The projects included consist of:

1. City Hall - \$1,140,000 – repayment from general fund levy– subject to reverse referendum
2. Pedestrian Underpass - \$120,000 – general fund levy (county staff has suggested the county may finance for a 5-year period at no interest)
3. Street Reconstruction \$980,000 – general fund levy (some costs may be assessed)
4. Sidewalk - \$215,000 – general fund levy (possible abatement, staff is reviewing funding internally with intra fund loans)
5. Pressure Relief Valve –\$155,000 - water enterprise fund
6. Storm Water Pond – \$105,000 - storm water enterprise fund

About 90% of the proposed projects, City Hall, Underpass, Street Reconstruction and Sidewalks are general fund uses. If the sidewalks are taken out of the bonding and paid out of reserves it reduces the GF contribution to the project to about 83% or annual debt service payments of about \$55 thousand in 2019 and about \$155 thousand per year for 20 years. This amount may not be sustainable without significantly raising taxes. Staff is reviewing other sources of funding including assessments for the street reconstruction project.

Attorney's Report

League of Minnesota Cities Insurance Trust attorneys have informed the City that claims against the City of Dundas and 87 other Minnesota Cities filed by Cory and Jessica (Miles) Kampschroer under the Driver's Privacy Protection Act have been time barred by the US District Court. The attorneys anticipate an appeal of the Judge's decision.

Administrator's Report

Tax Increment Financing: The City's Municipal Advisors, Springsted, has prepared the required Annual Disclosures and Disbursement Reports for the Dundas TIF districts. TIF District 3, College City Beverage, decertified last year and this will be the final report for that district. TIF District 2, K-Mart and Menard's, will decertify at the end of 2017 and with the end of District 2, the City will have no TIF districts. District disclosures are available from the City Administrator.

Chapel Brewing: The brewer has applied for the City to issue a brewer's on-sale and brewers off-sale licenses. The on-sale license will permit the operation of the tap-room and the off-sale license will permit the sale of "growlers".. The Brewer has indicated they intend to start brewing as soon as possible and may have already begun.

Panel Removal at John Zander Property: Panel removal is progressing. As Zander indicated they are continuing to work on the removal. Staff determined it would be unnecessary for Attorney Callies to send the letter as authorized at the last meeting.

NAFRS: The City has received the annual report for 2016 from The Northfield Area Fire and Rescue Service. The NAFRS Board has also approved and recommended a 2018 operating and capital budget request to the Parties (Dundas, Northfield and Northfield Rural Fire). The request includes a recalculation of the percentage distribution of each party as required by the Joint Powers Agreement. Beginning in 2018, the distribution based on population and market value must be recalculated every two years. For 2018 and 2019, the share to Dundas will increase from 5.37% to 5.55%.

Mill Towns State Trail JPB: The Joint Powers Board met at Rice County on Wednesday, August 2.

Planning Commission: The Dundas Planning Commission will meet on Thursday, August 17, to continue a review of the proposed DeMann Riverside Farms residential development. It is expected that a recommendation will be prepared for action at the next City Council meeting on August 24, 2017.

Building Permits: The building permits continue to come in to the building department. Since the first of August, the Building Department has issued another permit for a single family residence and a permit for a 8,000 sq. ft. expansion of the existing Mechanical Systems building on Weaver Lane.

Budget Work Session:

Public Safety / Building Inspection: Based on a review of the last three years revenue and expenditures, it is recommended revenue for building permits be increased to \$34,000 per year with the budget of \$33,363 for building inspection expenditures for 2018 unchanged. YTD revenues for 2017 are exceeding expenditures, but inspection work always lags the issuance of permits.

Public Safety / Fire Protection: In reviewing the Fire Protection budget, it is being recommended there be no increase in 2018. The recommendation is based on information received from NAFRS regarding their 10-year capital equipment budget. A five-year projection has been created with NAFRS budget information and establishing a FP designated reserve at 50% of annual spending. In November of 2016 Northfield provided information regarding issuing a \$3,655,000 GO CIP Bond in 2017 to finance the facility improvements. Repayment schedules were prepared for periods of 15 and 20 years. The City has not received a budget request associated with a lease increase to cover the bond payments in 2018 so an increase in the City's obligation to cover the appropriate share of debt service will be budgeted beginning in 2019. Based on the current understanding, the bond will be repaid over a 20-year period. The proposed budget is assuming a 2018 bond with payments beginning in 2019. It is highly likely the repayment amount be higher than proposed in 2016. The 5-year budget review anticipates a 3% annual increase in the operating budget and an adjustment to the contribution from Dundas of 5% every two years beginning in 2020. The 2017 Budget anticipated an increase in fire protection costs for 2018 of 10% to \$54,553. The proposed budget does not include any increase in 2018 and suggests a possibility of decreases in future years.

Future Meeting Items

Items listed may be moved to future meetings.

August 28, 2017

1. Consider Planning Commission Recommendation for DeMann Riverside Preliminary PUD and Plat
2. Consider 2018 NAFRS Operating and Capital Budget Request.
3. Work Session
 - a. Review Draft 2018 Budget and Levy

September 11, 2017

1. Adopt preliminary levy for 2017 taxes paid in 2018.
2. Work Session
 - a. Review Water Enterprise Fund
 - b. Review Sanitary Sewer Enterprise Fund