

## **Administrator/Clerk's Report**

City Council Meeting, October 23, 2017

**To:** Mayor and Council  
**From:** John M. McCarthy  
**Date:** October 20, 2017

### **Old Business**

**Proposal for Residential Solid Waste Collection:** After further reviewing the data used evaluate the cost to the City for residential solid waste collection, In order to fully review the process using correct information, I recommend a motion to reconsider the action to enter into a contract with DSI taken at the City Council Meeting of October 9, 2017, and authorizing staff to prepare a resolution and contract for Waste Management to provide residential solid waste collection for the City of Dundas for a 5-year period beginning January 1, 2018. (Motion) Deputy Clerk Ripka determined the cost comparison prepared by staff was incomplete as the totals were based on monthly instead of annual costs. Both Waste Management (WM) and Dick's Sanitation (DSI) were immediately informed of the review and that the proposal would be re-evaluated at the next Council meeting. A calculation using annual figures indicates the Waste Management proposal would result in a savings of over \$15,000 for the 5-year contract period. The evaluation does not consider growth in number of accounts or any change in the distribution of container sizes. The greatest savings with the WM proposal would occur in the 5th year of the contract as the container charges increase at a lower annual percentage. WM also has a lower charge from year one for the 65 gallon container which currently includes about 52% of the containers in service. DSI has provided additional information regarding their service level and a price comparison. The price comparison appears to use some container numbers different than used by the City, but the results are not especially significant. In addition to considering the cost over the contract period, Council may want to discuss the following:

1. Due to the inflationary factor DSI becomes significantly more expensive at the final year. How this will impact future pricing is a guess.
2. DSI has an excellent reputation for customer service. The City continues to receive complaints regarding missed pickups and other problems with WM.
3. DSI appears to have a more flexible ability to schedule collection times.
4. DSI will reimburse the youth recycling program at a higher rate.

**Purchase Compact Track Loader:** The City has received quotes from 4 different suppliers for 6 different compact track (skidsteer) loaders. The supplier and equipment are as follows:

Matejcek Implement	Bobcat T595	\$49,778.20
Matejcek Implement	Bobcat T650	\$53,752.33
Minnesota AG Group	Case TV370	\$56,833.00
Minnesota AG Groiup	Case TV380	\$64,859.00
Ziegler	Cat 257DS	\$53,210.00
SEMA Equipment	John Deere 317G	\$47,500.00

All of the quoted loaders are similar in capabilities with the more expensive machines usually having slightly higher capacities. Public Works Director Meliza is recommending the Bobcat T595 due to having more horsepower, two speed travel and a higher dump height than the lower priced John Deere. If Council approves the purchase, it can be fully funded by current public works capital budget, reserves for public works equipment and a transfer of excess reserves from the refuse fund. (Motion)

## Ordinances and Resolutions

**Resolution 2017- 29 Accept Letter of Credit:** In order to begin site grading and utility work prior to final plat approval, the developer of Cannon River Valley Estates, DeMann Riverside Properties, LLC had agreed to provide a letter of credit (LOC) to insure completion of the work. Normally a LOC would be part of a final developer's agreement, but to assist with the timely completion of the project, City staff agreed to permit certain work to begin if a LOC was provided. City Engineer Powell has determined the proposed work is properly described and reviewed cost estimates. City Attorney Callies has examined the LOC and indicated it complies with the requirements of the City. If the City Council accepts the LOC, grading and site work is scheduled to begin tomorrow. It is recommended the Council approve the resolution. (Motion)

### Administrator's Report

**Financial (and investment report):** As of the end of the first three quarters, the City's General Fund revenues are \$742,400 or \$76,296 more than last year. Revenue from taxes, permit fees, police aid and interest account for most of the increase. General Fund operating expenditures are \$737,282 or \$68,579 more than the same period last year. Departments contributing to increase are Police due to the purchase of a new squad, Building Inspection and Parks. Costs related to Planning and Zoning and Fire Protection are less than budgeted.

Year-to-date Water Fund revenue is \$247,886 or \$35,527 more than the same period last year. Revenue from water sales is up by \$20,944 with access fees and sale of water contribution to the increase. The increase in water sales revenue is due both to more outside watering and an increase in the base rate. Water fund operating expenditures are \$146,842 or \$4,338 more than last year. At 75% of Budget, expenses for the year-to-date period are in line.

For the first three quarters Sanitary Sewer Fund operating revenue is \$304,975 or \$7,565 less than last year. Revenue from sewer use is \$29,052 less than last year due to a reduction in the user charge. Sewer fund operating expenditures are \$220,351 or \$53,620 more than last year.

Refuse Fund revenue is \$76,477 or \$955 more than the prior fiscal year, with expenses being \$59,507 or \$873 more than last year.

Storm Sewer Fund revenue is \$48,023 or \$12,174 less than last year. Expenditures are \$23,674 or \$8,652 more than last year.

The City had \$3,332,050 in certificates of deposit, money market, checking and imprest funds as of the end of September. The total includes \$655,433 of Restricted Funds with the remainder being either Assigned or Unassigned. Restricted funds include Tax Increment monies.

**Complaints:** There are several complaints which have not been resolved. Due to the number and time of receipt, it is taking longer than normal to respond.

**Annexation Tax Rebate:** Although the Township submitted an edited Excel spreadsheet, it was in locked and protected format so staff could not review all of the data on which the current charges were computed. A request for the data as received from Rice County was sent on October 11, 2017, but as of this writing, no additional data has been received. The Township apparently had the data audited by an independent auditor, but to the best City records, there has been only 1 instance of a math error and was only due to a misunderstanding of how commercial taxes are computed. Any other error in the calculation has been due to what appears to be a misunderstanding of how "fully developed" is defined. Almost all of the errors have resulted to higher payments to the Township, but usually beginning one year later.

**Open House for CSAH #1 Reconstruction Project:** The open house on October 11 was well attended. Rice County staff and the project engineering firm did a great job of presenting and describing the project.

**Panel Removal on Zander Property:** A visual inspection of the Zander property from public property indicates the temporary storage area appears to be void of the concrete panels.

**East Cannon River Trail:** Paving of the ECRT has begun. The regional park will remain closed until the contractor has completed the project.

**Bluff Street:** The final paving course has been installed.

**Solar Garden:** Geronimo Energy is progressing with a proposal to build a Community Solar Garden on a property in Dundas. A meeting with representatives indicates they are reviewing the option of applying for a PUD waiver instead of going through the PUD process.

**State of the City:** The Northfield Area Chamber of Commerce is offering to host a State of the City function for Dundas. The chamber is suggesting a lunch in November on either the 14<sup>th</sup> or 15<sup>th</sup>.

**Excess Total Suspended Solids:** Lately, Northfield has been identifying what appears to be excess TSS when measuring the flow and constituents in the sanitary sewer system. Staff is working to identify the source of the unusual activity. There will be additional monitoring of flows, first to try identify the area and then to narrow down to the source.

**MGM:** The MGM store will be having a grand opening on Saturday, October 28, 2017.

### **Other Meetings**

**NAFRS Finance Committee:** The Finance Committee met on October 12. Bron Scherer reviewed the YTD financial and reported expenses were less than budget. Glen Castore reported representatives of Northfield Rural Fire met on October 11. Castore indicated the smaller townships expressed concern regarding potential cost increases and indicated they may explore other options for fire protection. Castore indicated he has prepared a spreadsheet, apparently for the townships, which reviewed their financial commitment for the next 9 years. The townships have also sought and received a legal review of the proposed lease agreement and the proposed amendment to the JPA which would use lease payments to reimburse the City of Northfield for the debt service payments.

**Area Intergovernmental Meeting:** The quarterly Dundas/Northfield area intergovernmental meeting was held on October 18. The townships remain concerned about control of noxious weeds, especially wild parsnip. Northfield reviewed proposed improvements to Jefferson Parkway E. Rice County offered information on the CSAH #1 project.

**NAFRS:** At the monthly board meeting, the proposed facility was the main issue. A new timeline for beginning construction was presented. Modifications to the JPA and the lease to tie the lease to bond repayments were proposed. The board adopted a resolution recommending the JPA be amended. Although Northfield is still in the process of drafting a lease and a draft has not been presented to the board until this meeting, one of the parties to the JPA, Northfield Rural Fire has engaged an attorney and prepared a list of concerns including term of lease, termination, rental amount, permission for improvements and a couple of non-lease proposed amendments. A copy of the proposed lease was received from Jenny Bolton, Kennedy and Graven, on October 21, 2017. In addition a project schedule and templates for approval resolutions were received on October 23, 2017. Staff has not reviewed any of the documents. The City has not received any information regarding how Northfield intends to address the concerns raised by Northfield Rural Fire. A proposal to engage a facilitator to lead a review of the McGrath report did not proceed due to lack of support.

### **Work Session**

**Review Refuse Enterprise Fund:** The proposed budget for 2018 anticipated an across the board reduction of \$1.50 per container. The pricing is based on the higher of the two responses to the RFP.

**Review Storm Sewer Enterprise Fund.** No adjustment to the Storm Water Rates are proposed.

**Review Draft Code Title I and III.** This is just a beginning of a review to determine some technical improvements when the final codification occurs. Currently the only change being recommended is removing the designation of the City Attorney and City Engineer as ex-officio members of the Planning Commission. The remaining titles will be reviewed at future meetings.

### **Future Meeting Items**

Items listed may be moved.

**November 13,**

1. NAFRS Facility Presentation
2. Set Utility Fees for 2018.
3. Worksession
  - a. 2018 Budget Update
  - b. Review Draft Code Title VII .

**November 27,**

1. Consider Resolution of Support to Proceed with NAFRS Facility Project
2. Worksession
  - a. Review Draft Code

**December 11,**

1. Public Comment for 2018 Levy
2. Approve Final 2018 Levy

**Continuing Projects**

**Administration:**

1. Codification
2. Final levy and budget
3. City Hall Project
4. Close TIF District #3

**Public Safety:**

1. Hire part-time officer
2. Electronic Speed Signs

**Public Works:**

1. Final C.O. for Dundas Dome
2. Final C.O. for Chapel Brewery and Taphouse