

**DUNDAS CITY COUNCIL  
REGULAR MEETING AGENDA  
Monday, July 09, 2018  
7:00 p.m. Dundas City Hall**

- 1. Call to Order/Pledge Allegiance**
- 2. Roll Call:** Mayor Glenn Switzer; Councilors John Cruz, Larry Fowler, Grant Modory, Chad Pribyl
- 3. Presentation/Public Forum**
- 4. Approval of Agenda\***
- 5. Consent Agenda**
  - a. Regular Meeting Minutes of June 25, 2018\*
  - b. Special Action Items:
    - i. NAFRS Semi Annual Payment - \$15,290.25
    - ii. US Bank GO Series 2013A Bond Interest - \$31,716.25
  - c. Expenditures\* - \$103,494.29

**Motion by\_\_\_\_, second by\_\_\_\_**
- 6. Old Business**
  - a. Consider Accepting the 2017 Independent Auditor's Report  
**Motion by\_\_\_\_, second by\_\_\_\_**
- 7. Ordinances and Resolutions**
  - a. Resolution 2018-33\* A Resolution Providing for the Issuance and Sale of Approximately \$1,165,000 General Obligation Bonds, Series 2018A  
**Motion by\_\_\_\_, second by\_\_\_\_**
  - b. Resolution 2018-34\* A Resolution Relating to the Imposition of a Sales and Use Tax for Public Purposes of a Multi-Purpose Combination Civic Center and Ice Arena and Certain Parks, and Trails and Recreation Facilities and Calling a Special Election Thereon  
**Motion by\_\_\_\_, second by\_\_\_\_**
- 8. New Business**
- 9. Reports of Officers, Boards and Committees**
  - a. City Attorney
  - b. City Engineer\*
  - c. City Administrator/Clerk/Treasurer\*
  - d. Mayor, Councilors and Committees
- 10. Announcements**
  - a. Park and Recreation Advisory Board Meeting – Tuesday, July 10 at 7:00 PM
  - b. Planning Commission Public Hearings\* & Regular Meeting – Thursday, July 19 at 7:00 PM
  - c. City Council Regular Meeting – Monday July 25 at 7:00 PM
- 11. Work Session**
  - a. Review Draft 2019 Operating Public Works Budget Highways, Streets and Roads\*
- 12. Adjourn**

**DUNDAS CITY COUNCIL  
REGULAR MEETING MINUTES  
Monday, June 25, 2018  
7:00 p.m. Dundas City Hall**

**UNOFFICIAL MINUTES**

Present: Mayor Glenn Switzer; Councilors John Cruz, Larry Fowler, Grant Modory, Chad Pribyl  
Staff Present: City Attorney Paula Callies, City Engineer John Powell, Administrator John McCarthy,  
Deputy Clerk Linda Ripka

**CALL TO ORDER/PLEDGE ALLEGIANCE**

Acting Mayor Pribyl called the Council meeting to order at 7:01 p.m. with the Pledge of Allegiance. A quorum was present. Mayor Switzer arrived 7:02 p.m.

**PUBLIC FORUM/PRESENTATION**

Dundas Dukes and State Tournament

*Mike Ludwig*, Manager of the Dundas Baseball Association, informed the Council the 2022 State Amateur Baseball Class B and C Tournaments have been awarded to Dundas and Faribault. The tournament will run the last two weekends in August and into Labor Day weekend. He stated over the next three years the Duke's will explore improvement at the park. He explained some proposed changes to the field including a perimeter fence and looking at improved seating. He indicated Fox 9 News will be at the ballpark on Wednesday, June 27, as part of Fox 9 series on town ball.

2017 Financial Statement

*Thomas Cummings*, CPA, introduced *Monica Hauser*, Partner in Charge, Hawkins Ash, and explained Hauser would review the 2017 Financials. She reviewed the Independent Auditor's Report explaining the management is responsible for the information and the auditor reviews the information. She reported in the General Fund both revenue and expenditures came in over budget. Hauser stated overall the General Fund ended the year with a net increase of \$33,730 in the fund balance. She reviewed the Water Utility Fund and Sewer Utility Fund along with cash flow of each.

**APPROVAL OF AGENDA**

**Motion by Pribyl, second by Fowler, to approve agenda. Motion Carried Unanimously (MCU)**

**CONSENT AGENDA**

**Motion by Fowler, second by Cruz, to approve consent agenda as follows:**

**Regular Meeting Minutes of June 11, 2018;  
Special Item: League of MN Deductible - \$250.00;  
Expenditures - \$63,895.85. MCU**

**OLD BUSINESS**

No Old Business reported

**ORDINANCES AND RESOLUTIONS**

No Ordinances or Resolutions presented

**NEW BUSINESS**

Consider Bridgewater Township Representative to Serve Remaining Term on the Dundas Planning Commission

Mayor Switzer stated Bridgewater Township has submitted the names of Francis Boehning and Kathleen Dornan-Norton as candidates for the remaining term on the Dundas Planning Commission vacated by the resignation of John Klockeman.

NEW BUSINESS

Consider Bridgewater Township Representative to Serve Remaining Term on the Dundas Planning Commission (con't)

**Motion by Modory, second by Switzer to appoint Francis Boehning to serve as Bridgewater Township representative on the Dundas Planning Commission to complete the remainder of the term of John Klockeman through December 31, 2020. MCU**

Request for Exclusive Use of Memorial and Mill Parks including Pavilion

**Motion by Pribyl, second by Cruz, that it is in the public interest to approve the exclusive use by the Northfield Area Family YMCA at certain times of parts of Mill Park and Memorial Park including the Pavilion and to waive any fees associated with the use.** McCarthy explained the “Y” will be working with the Dundas Dukes to provide this expanded youth program. **MCU**

Call for Public Hearing on Solar Ordinance at Planning Commission on July 19

**Motion by Modory, second by Cruz, to call for a public hearing to be conducted by the Dundas Planning Commission on July 19, 2018, at 7:00 p.m. to review and receive comments regarding amending City Code Title 15, Section 4, Subsection 11, Solar Energy Systems. MCU**

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

City Attorney – Paula Callies

Callies explained she has been working on the animal control contract and issues associated with the road projects.

City Engineer – John Powell

Powell reported on the sidewalk construction is moving along on Hester Street. He stated he met with contractors for Cannon and Stafford Roads projects noting Cannon Road signage regarding the projects have been installed and Cannon Road will be closed for about a month. He explained there are some issues with the location of the new PRV station and staff is researching combining of the booster station with the PRV. He reported on Xcel needing a new ‘feeder’ route and working with MnDNR. Mayor Switzer indicated it is important that signage explaining access to businesses on Stafford Road be clear.

City Administrator/Clerk/Treasurer – John McCarthy

McCarthy reviewed the year-to-date financial information indicating it continues to show the City is in good financial position. He explained the excess in sewer and water fund revenue is due to receiving income from trunk charges. He reminded the Council there is no longer any TIF Revenue and the last payments related to the bonds have been made.

McCarthy gave an update on the S&P Rating as it relates to upcoming bond sale for street projects and PRV station indicating their rate will be determined on June 28th with the bonds to be sold on Monday, July 9th. He expects the rating will remain at AA-.

McCarthy stated early voting begins June 29 at Rice County Government Services Building or Northfield City Hall.

Mayor, Councilors and Committees

Mayor Switzer reported NAFRS is looking to hire a consultant to do administrative duties. He thanked Linda Ripka for organizing and handling the Dedication Event for the “Between Earth and Sky” sculpture on Saturday, June 23.

**WORK SESSION**Discussion Regarding Cannon River Civic Center and Resolution

*Ben Martig*, Northfield City Administrator, reviewed the information presented at the Northfield Council meeting of June 19 and the subsequent action to approve a referendum. He reported the second sheet could be used for other events during the summer. He reviewed the financing and impact of the vehicle excise tax and special local sales tax. Martig requested the Council look at the proposed Resolution which is similar to what Northfield approved.

Councilor Modory asked about what appears to be a discrepancy regarding the original \$7 million to be raised by the combined sales tax and the current estimate which appears to be closer to \$21 million. Martig explained the most recent projections of sales tax revenue assumes an increase in collections. Mayor Switzer asked about spending city funds outside of the corporate boundaries and McCarthy indicated a joint powers agreement would be required. Martig explained the projections are based on the estimated construction and interest costs at the time the project proceeds.

*Chris Sorenson*, President of the Hockey Association, explained he is part of the private fundraising group. He stated the goal, if the referendum is approved, is to have cash donations of \$3.4 million on hand prior to beginning work on the facility. He stated twenty-two families are involved in hockey from Dundas. Modory and Sorenson discussed the apparent discrepancy between what Modory understood to be a request for Dundas to authorize a sales tax to support about 14% of \$7 million and the currently suggested cap for Dundas of \$3.5 million. Councilor Cruz asked why a stronger effort to raise funds has not been made by the supporters. Sorenson explained about \$30,000 has been raised. Modory asked about the projected growth in sales tax revenue. Martig explained the projections assume sales tax revenue will grow faster in Dundas than in Northfield and that the increases can be used to offset the property tax burden for Northfield. He also indicated the need to get the sales tax referendum on the General Election ballot this fall has placed a significant burden on bringing all information forward in timely manner.

Review Draft 2019 Operating Budget Public Safety

Administrator McCarthy reviewed the Public Safety 2019 draft budget consisting of Police, Fire, Emergency Warning, Animal Control and Building Inspections. He indicated changes will only really be significant in the Fire and Police Departments. He stated although the Fire budget will not be finalized until the NAFRS budget is delivered to the Parties, he reviewed the long term budget.

McCarthy reviewed the Police department indicating wages and benefits will be increasing more than average due to contract settlements and budgeting for increased hours. He reported due to a new mandated reporting requirement, it appears additional clerical help will be required.

**ADJOURN**

**Motion by Fowler, second by Cruz, to adjourn the meeting at 8:50 p.m. MCU**

Submitted by:

Attest:

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John M. McCarthy, Administrator/Clerk

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Glenn Switzer, Mayor

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

City Council Meeting, July 9, 2018

**To:** Mayor and Council  
**From:** John M. McCarthy  
**Date:** July 6, 2018

### **Consent Agenda**

**Second Half NAFRS Payment:** This payment is the 5.55% share of the operating budget for NAFRS. The payments are due on the 1st of January and July of each year. The 2018 amount includes the Operating Budget of \$525,000 and a Capital Budget of \$26,000.

**US Bank:** This payment is an interest only payment for the 2013A Series Bonds. The bonds included a refinancing of bonds issued in 2005, the Depot Street Project and the Public Safety/Public Works building.

### **Old Business**

**2017 Independent Auditor's Report:** Thomas M. Cummings, CPA, Hawkins Ash CPAs has completed the 2017 Financial Statements and Independent Auditor's Report. The Statements and Report were presented by Monica Hauser, CPA Partner in Charge, Hawkins Ash. A review of the statement indicates total revenues of \$3,387,496 exceeded expenses by \$275,169. It is recommended the Council accept the 2017 Financial Statements and Independent Auditor's Report (Motion)

### **Ordinances and Resolutions**

**Resolution 2018 – 33 Awarding the Sale of General Obligation Bonds, Series 2018A:** The City will receive proposals for the Series 2018A bonds at 10:00 a.m., July 9, 2018. These bonds will be used to fund several capital improvements including the Cannon Road Improvement Project, the Stafford Road Improvement Project, the CSAH #1, Pedestrian Underpass and the Pressure Reduction Valve Relocation. It is anticipated the City's Financial Advisor, Springsted, Inc. will recommend the Council approve the sale of the bonds. In anticipation of the sale, the City requested a rating review from Standard & Poor's. The review by S&P Global resulted in the City maintaining the "AA-" rating. According to the rationale supplied by S&P, the ratings were based on factors including adequate economy, strong management, very strong budgetary performance (an upgrade from the strong received in 2016), very strong budgetary flexibility, very strong liquidity, weak debt and contingent liability position and adequate institutional framework. (Motion)

**Resolution 2018 – 34 Relating to the Imposition of a Sales Tax and Calling a Special Election:** The City of Northfield intends to issue just over \$18 million in bonds to finance the construction of a civic center and ice arena. The bonds will be paid in part by the imposition of a 0.5% sales tax on eligible sales in Northfield and Dundas. Northfield has provided additional information regarding the how the proposed \$3.5 million cap on sales tax revenue would be applied. Although the original proposal was to raise \$7.0 million through the sales and use tax, current projections based on estimated growth in sales tax revenue indicate up to \$17.7 million could be raised. The projections are based on about a 4% per year increase in sales tax revenue. Although the projections indicate revenues for both cities will grow at about the same percentage, it is anticipated that revenue from Dundas will increase faster than from Northfield. (Motion)

### **Administrator's Report**

**Downtown Development:** Staff has continued to work with the Brennan Companies regarding a proposal to redevelop the "Old School" property. It is anticipated Brennan will submit an offer to purchase prior to the next meeting. If the offer is submitted in enough time for the City's consultants to properly review, a closed meeting to consider an offer for the purchase of real property as permitted by Mn Statutes § 13D.05, Subd 3.(c)(3).

**First Half Taxes and Assessments:** The City has received the first ½ tax and assessment payment of \$502,077.80. Last year, the first half payment was \$746,052.28 which included \$248,028.08 in tax increment revenue. Of the total, the levy accounts for \$505,257.94 with special assessments, fees & interest of \$18,488.63. The total is reduced due to a court ordered reduction in property taxes for a parcel in TIF District #2. The levy is reduced by \$21,668.77 for overpayment of TIF due to the assessment reduction.

**Local Government Aid and Small Cities Assistance Distributions:** As the omnibus tax bill was vetoed it is estimated there will be a slight increase in LGA for 2019. The distribution is estimated at \$175,781 which is up \$742 from this year. It does not appear that there will be a Small Cities Assistance (SCA) distribution for 2019. For the last couple of years, the SCA has been distributed to cities with populations under 5,000 to assist with street maintenance.

**Police & Fire PERA:** Since the work session on Public Safety, the City has been reminded about an increase in the contribution rate for the Police, Fire PERA Plan. An increase in the employee's contribution from 16.20% to 16.95% will cost the City almost \$1,700 / year. The rates will go up again in 2020.

### Work Session

**Review Draft 2019 Operating Budget Public Works Highways, Streets and Roads:** The first run of the Highways, Streets and Roads 2019 budget suggests a very slight increase of about 0.6% over all. To summarize the adjustments:

1. Wages and Benefits will not increase substantially due to a reallocation of costs between the GF budget and enterprise funds. The reallocation is based on actual costs for the various funds.
2. Supplies and Equipment is anticipated to double as equipment as a separate line item will be discontinued. This will bring the reporting closer in line to the Financial Statements.
3. Utilities are reduced as the city has established an actual cost of operating the new facility.
4. Professional fees are increased.
5. Repairs and Maintenance are being increased.
6. Grounds Maintenance is being decreased to reflect historical amounts.
7. Sand, Rock and Dirt is being decreased.
8. Vehicle O&M is decreased, again to reflect actual records.
9. Capital Outlay is indicated as a reserve item to reflect the policy of budgeting and saving for future expenses.

The today estimated for the department is \$214,164 which is about \$10,000 less than was projected in the 2018 budget.

### Future Meeting Items

Items listed may be moved.

#### July 23, 2018

1. Work session
  - a. 2019 Operating Budget General Government (Administration, Council / Elections, Planning & Zoning)
2. Closed Meeting to Consider an Offer to Purchase Real Estate

#### August 13, 2018

1. Work session
  - a. Review Draft 2018 Budget and Levy

### Continuing Projects

#### Administration:

1. City Hall Project
2. 2019 Budget
3. Comprehensive Plan

#### Public Safety:

1. Electronic Speed Signs

#### Public Works:

1. PUD Compliance for Dundas Dome
2. CSAH #1 Rebuild
3. Water Supply Plan