

Study Meeting #18
Monday, June 26, 2006, 7:00 p.m.
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, Minnesota 55431-3027

Call to Order

Mayor Gene Winstead called the meeting to order at 7:01 p.m.

Roll Call

Present: Mayor Gene Winstead and Councilmembers R. Axtell, S. Elkins, A. Grady, K. Nordstrom, and S. Peterson.

Absent: V. Wilcox.

Awarded a Contract to Nord Excavating, Inc. ITEM 3.1

Motion was made by Grady, seconded by Nordstrom, and all voting aye, to award a contract for the 2006-901 Storm Sewer Maintenance Project to Nord Excavating, Inc. in the amount of \$315,407.90. The project includes maintenance of the storm sewer system at ten sites located throughout the city.

Funding is included in the Storm Water Drainage Utility Budget 530-8302-433.70-31 and no assessments will be involved in the project.

Approved Purchase & Agreements Relating to 8452 Humboldt Ave. ITEM 3.2ABC

Motion was made by Grady, seconded by Nordstrom, and all voting aye, to approve the purchase of 8452 Humboldt Avenue (owned by JoAnn Johnson's estate) in conjunction with the early acquisition process in the 35W corridor, under the Met Council's RALF (Right-of-Way Acquisition Loan Fund) Program, the RALF Loan Agreement, Purchase Agreement, and Relocation Benefit Payments to JoAnn Johnson's estate as follows:

- A. RALF Loan Agreement: Met Council to authorize \$240,000 to the City for the purchase of the Johnson property and other associated costs (including relocation services and benefits, appraisal fees, title work, closing costs, demolition expenses, and other items relating to the purchase).
- B. Purchase Agreement: Agreement between the City and JoAnn Johnson's estate for the purchase price of \$210,000 (City's appraisal value). The seller to be responsible for taxes due in 2006.
- C. Relocation: Authorization to pay up to \$30,000 at this time for the replacement differential, moving costs, debt increased service costs, and closing costs.

Adopted Resolution Dissolving Seagate Development District No. 6 & TIF District ITEM 3.3 R-2006-74

Motion was made by Grady, seconded by Nordstrom, and all voting aye, to adopt a resolution dissolving Seagate Development District No. 6 and the Tax Increment Financing District. The Seagate Project was an Economic Development TIF District and increment collections occurred over a 9-year period beginning in 1997. This plan is scheduled to expire in 2006.

**HANDOUT ITEM #1
Adopted Resolution
Approving Temporary
Waiver of Platting for
The Point
Development
R-2006-75**

Dave Ornstein, City Attorney provided the staff report explaining this meeting constitutes as a public hearing on the development on the northeast corner of France Avenue & Old Shakopee Road, a Housing & Redevelopment Authority (HRA) sponsored project. He reported the closing took place last week and the money changed hands. The City Council approved the Preliminary & Final Plat on January 3, 2006, and although the plat is in the process of being filed, because the owner of the Foreman Parcel has appealed a District Court decision to the Minnesota Court of Appeals, the Hennepin County Registrar of Titles won't process the plat pending resolution of the appeal, which might not occur until the end of the year. He explained City Code doesn't allow the issuance of permits until a plat is filed but Community Development could issue a temporary permit to allow Greco to start work. This resolution waives the platting regulations due to the hardship it causes the developer. As Staff doesn't anticipate Mr. Foreman will be successful in his appeal, it recommends Council approve this Temporary Waiver of Platting to allow the developer to begin work.

Motion was made by Grady, seconded by Axtell, and all voting aye, to adopt a resolution pursuant to Section 16.04 of the City Code temporarily waiving certain provisions of the City Subdivision Regulations and authorizing the issuance of building permits for The Point Development.

No public testimony was received.

**HANDOUT ITEM #2
Authorized Transmittal
of Letter to Senator
Coleman Regarding
CDBG Funds**

Clark Arneson, Assistant City Manager explained that Senator Norm Coleman's office contacted the City requesting a letter regarding Community Development Block Grant (CDBG) funding. He provided Council with a draft letter and explained HRA uses these funds for rehabilitation loans for Bloomington residents and that Bloomington's allocation of these funds is on the chopping block. Senator Coleman requested the letter as testimony on the City's behalf.

Motion was made by Peterson, seconded by Nordstrom, and all voting aye, to authorize the transmittal of the letter to Senator Norm Coleman thanking him for his ongoing support of the CDBG Program, which has been an important resource to Bloomington in many areas, including the preservation of housing, senior services and providing homeownership opportunities.

**STUDY ITEM #1
Conduit Debt**

Lori Economy-Scholler, Chief Financial Officer provided Council with a background memo regarding possible changes to the City's Conduit Debt Policy and requested their direction relating to it and a potential waiver to the policy for refinancing of conduit debt by Presbyterian Homes Bloomington Care Center, Inc. on an issuance of several series of non-rated conduit revenue bonds this year. She referenced a letter provided to Council by John Utley of Kennedy & Graven, the City and Port Authority's Bond Counsel regarding Policy and Criteria relating to the Review of Municipal Industrial Development Financing Applications and a potential waiver of the policy and criteria for Presbyterian Homes. Economy-Scholler stated such a waiver is necessary for Presbyterian Homes to achieve its objective. Referencing #1(g) in Utley's letter relating to the denomination of bonds, she stated \$100,000 is the minimum denomination specified in the general policy but that Presbyterian Homes is requesting a waiver from that down to an amount of \$25,000 in order to expand their market. She requested Council feedback on the following issues:

- Determine if Council has a desire to amend the Conduit Debt Policy in light of changes within the bond industry.
- Determine if Council has a desire to waive specific policy provisions for the Refinancing of the Presbyterian Homes original conduit debt of \$21,300,000.00.
- Determine if Council has a desire to amend the Conduit Debt Policy for department name changes.
- Determine if Council has a desire to amend Section 3.b Application Fees to a percentage of the bonds issued.

**STUDY ITEM #1
Continued**

Council provided feedback relating to possible changes to its policy, including whether or not the fees the City charges for issuing conduit debt should be increased and whether or not Presbyterian Homes should be granted a waiver.

Following Council discussion, staff suggested the policy discussion relating to fee options be continued to the July 10 Regular Council meeting.

Council discussed the request from Presbyterian Homes Bloomington Care Center, Inc. that the City waive the following portions of its Policy relating to the issuance of several series of non-rated conduit revenue bonds this year:

- Delete need for investment letters from subsequent purchasers to require it only with the application.
- Delete the limit of ten purchasers.
- Reduce the minimum denomination size from \$100,000 to \$25,000.

Motion was made by Axtell, seconded by Elkins, and all voting aye, to approve the changing of department names in the Policy as recommended by staff, to authorize the waivers from the City's policy as requested by Presbyterian Homes, and to continue the discussion relating to amendments to the charges associated with conduit debt issues to the July 10 Regular Council meeting.

**STUDY ITEM #2
Engineering Division
Staffing/Workload
Forecast**

Charlie Honchell, Public Works Director and Shelly Pederson, City Engineer presented the staff report regarding the short-term and long-term workload and workflow of the Engineering Division. Per the Council's request at the May 22 Council study meeting, staff presented its first attempt to prioritize projects by year rating them with the estimated costs associated with each project. They included information regarding the 2006-2007 Contract Civil Engineer and Technician Work Plan, Costs and a Recommendation plus a summary of the Engineering Division Staff/Workload Forecasting as follows:

- Attachment #1 - Example of the 2006-2007 Contract Civil Engineers proposed workload. Staff recommended the Contract Civil Engineer position be changed to a full-time City Traffic Engineer and the two Technician positions be made full-time as soon as possible. *(Council consensus to convert the three contract positions to full-time positions.)*
- Attachment #2 - Example of Civil Engineers staffing forecast estimate for General Fund Budget tasks for the deferred/eliminated list. Council was asked what items they wanted moved from 2006 to 2007 or if they agreed with staff's ranking. *(Council consensus to include \$350,000 in the General Fund Budgets for 2007-2009 to fund the delayed projects.)*
- Attachment #3 - Example of 2006-2009 Water Resources Civil Engineer staffing forecast estimate for the deferred/eliminated list. *(Council consensus to include \$300,000 in the Storm Water Budgets for 2007-2009.)*

Council was requested to review the project priorities as listed by staff and provide feedback to the City Manager.

**STUDY ITEM #3
Non-Smoking in Parks**

This item was postponed to the July 30 Council Study meeting per a request from the Public Health Division.

**STUDY ITEM #4
Farmers Market
Update**

Council discussed Staff's recommendation to pursue a Farmer's Market in 2007 in the east parking lot of Civic Plaza on Wednesday evenings from 3-7 p.m. Council inquired if Wednesday would be a better day than Saturday to hold a market.

Motion was made by Peterson, seconded by Nordstrom, to hold the market on Wednesdays for the first year. No vote taken at this time.

**STUDY ITEM #4
continued**

Council indicated which day/night they desired to see a market as follows: Grady preferred Saturday or Thursday due to Wednesday being a church night, Winstead preferred Saturday, and Elkins preferred Wednesday.

Bernhardson suggested staff focus on Saturdays for now and will check with vendors to see how many of them could come to a Saturday market in Bloomington with a weekday as a backup.

Council stated the quality of a market is very important to its success and inquired if a \$200 fee could be guaranteed to vendors who start up now and if they could be locked in at that fee for the next five years.

Staff to explore how to get vendors to commit long term.

**STUDY ITEM #5
Presentation/
Demonstration of the
AutoMARK Voter
Assist Terminals**

Tom Ferber, City Clerk and Kim Engberg, Deputy City Clerk provided the staff report explaining this new equipment is required as a result of the 2002 HAVA Act and will be used in the Primary Election. They demonstrated how it works. It doesn't tabulate any votes, just assists individuals with the voting process. The capital cost of the equipment will be paid for by federal funds with the State of Minnesota getting \$33 million for all of the precincts in the state. The costs to the City would be for storage, transportation of the equipment, preliminary testing, programming, training of election judges, and staffing to deliver and set up. It will require one more election judge per precinct. Information about the new equipment has been posted on the City's Website and will be available on the City's local government channel. In addition, Public service announcements will be provided by the State. They explained the City Council already approved a lease agreement with the County that includes preventive maintenance but the equipment is owned by Hennepin County. Staff will also provide a demonstration for the Human Rights Commissioners.

**STUDY ITEM #6 –
Bloomington Center
for the Arts Capital
Project Priorities**

Jim Urie, Arts Center Manager provided the staff report.

Council inquired if the Rehearsal Hall floor had previously been replaced so Arneson explained that the contractor had repaired it previously and that this is the first actual floor replacement. The consensus of the Council was to move ahead with the following four items on the priority list:

- Dance Floor Replacement
- Schneider Theater HVAC (heating, ventilation, and air conditioning) Noise Mitigation
- Art Studio HVAC Noise Mitigation (Painting Studio, Drawing Studio, Children's Studio and Craft Studio)
- Relocation of sundial

Regarding the fly loft, Bernhardson stated an architect is studying the wall surface to determine the appropriate type of art materials to be used. In response to Council's inquiry about the possibility of adding a .25¢ or .50¢ tax on tickets for maintenance and improvements in the Arts Center, staff replied that every Art Center user group already adds \$1.00 to every ticket and described the projected revenue targets for Years 2006, 2007 and 2008.

Council discussed potential funding for the identified enhancements to the Arts Center and what items should not be reoccurring expenses. There was discussion regarding the cost of relocating the sundial to Civic Plaza and a possible donation from the Schneiders for the art on the fly wall and their request to provide feedback on the final decision. A comment was also made regarding a waterfall and a fireplace at Civic Plaza sometime in the future with a suggestion that Council consider setting aside funding now for those possible enhancements down the road.

Continued further discussion relating to specific budget amounts to the July 10 meeting.

Adjourn Meeting

Mayor Winstead adjourned the meeting at 9:36 p.m.

Barbara Clawson
Council Secretary