

The meeting convened at 6:30 p.m.

Councilmembers present: Mayor Jeff Jacobs, C. Paul Carver, Loran Paprocki and Sue Sanger.

Council members absent: John Basill, Phil Finkelstein and Paul Omodt.

Staff present: City Manager (Mr. Harmening), Chief Information Officer (Mr. Pires), Community Development Director (Mr. Locke), Director of Public Works (Mr. Rardin), Director of Inspections (Mr. Hoffman), Fire Chief (Mr. Stermmer), Finance Director (Mr. DeJong), Assistant Finance Director (Mr. Swanson), Deputy City Manager/Human Resource Director (Ms. Gohman), Police Chief (Mr. Luse), Superintendent (Mr. Altepeter), and Recording Secretary (Ms. Larrea).

Guest: Jeff Oertel (President Oertel Architects), and Deb Brandwick (Project Architect Oertel Architects).

1. Future Study Session Agenda Planning -- October 20 and October 27, 2008

Mr. Harmening presented the staff report.

On Monday, October 20, 2008 there will be a special study session regarding the ordinance relating to towers and antennas.

2. 2009 Budget

Mr. Harmening presented the report to the Council. Staff is recommending that budget changes be discussed by the Council in preparation for Truth-in-Taxation meeting and final budget adoption. The recommendations provided in this report provide for a balanced budget, but still assumes a 6.27% levy adjustment. Mr. Harmening also explained that the proposed budget assumed the use of some fund balance due to significant permit revenues received in 2008.

Mr. DeJong presented to the Council regarding the future budget and the changes that they have made to it.

Councilmember Carver asked if the cost of the permits covers the cost of the inspection. Mr. DeJong responded that it is not one to one. There is a development process for getting approval on a permit and the City does not charge people up front. The City takes people through a process and when they do the project the permit fees are part of the cost of doing the project. Councilmember Carver noted it is a net zero and continued that it shouldn't be a loss and should include all of the overhead.

Mayor Jacobs stated that he was in agreement with using fund balance to cover a portion of the gap.

Councilmember Sanger had questions on how the staff was able to cut \$144,000 on healthcare. Ms. Gohman noted that the original cost was estimated at \$70 per employee but they were able to get a plan at \$30 per employee. It is the same plan and the same product.

Councilmember Sanger questioned the storage of the Wifi equipment. Mr. Harmening responded that there are two storage needs. The first is general storage for the city and storage for the WiFi equipment. This was budgeted for 2009 and the staff has decided to take \$20 out of the \$40 used for WiFi storage and move it to another fund.

Councilmember Sanger questioned the reduced budget for graffiti cleanup. Police Chief Luse responded that most residents were calling inspections so the budget was moved from the police department to the inspection department. The budget has not changed, it just moved departments.

Councilmember Sanger noted that she would like to look at splitting with the school the cost of the police liaison if the school had some additional revenue.

Mayor Jacobs questioned how the Council felt about this and noted that he felt it should be left as it is. Councilmember Paprocki agreed with the Mayor Jacobs.

Mr. Harmening stated that what he was hearing from the Council was that staff should move forward with using fund balance for 2009 on a one time occasion. He questioned the Council on the levy, what was a ballpark number the Council might want to end up at?

Councilmember Sanger responded she would like to stay right where they are unless the state says the threshold is lower.

Councilmember Paprocki would like to leave their options open and keep in mind that everyone is having budget issues.

Mayor Jacobs noted that the Council has to be very careful and keep their options open.

Councilmember Carver noted that they need to keep their options open but they also have to prepare to tighten their belts.

Mr. Harmening stated that staff knew that the Council would want a hold on the line budget and that they are seeing a budget that is status quo. Mr. Harmening indicated that when staff returns to Council for the next budget discussions, staff would provide budget alternatives to the Council.

3. Municipal Service Center Project Facilities Planning Update

Mr. Hoffman presented to the Council regarding completion of a needs assessment and design possibility for the MSC remodel and expansion. Development of a final design and full construction drawings would need to start soon to enable construction during 2009. This project must occur first before the necessary construction of the fire stations to provide a location for Utilities Division to relocate into.

Mr. Oertel from Oertel Architects presented to the Council regarding the Needs Assessment Study completed on the Municipal Service Center site. The concept design provides for current and future expansion needs. The estimated costs presented in the report are for a good building, something that is going to last for years using durable materials.

Mr. Hoffman stated that it is possible to do this but the City needs to find out how they want to do things and the best way to do it. Staff is looking for direction from Council to commit to a consulting contract to design the building. This would allow the city out for bids in March of 2009 and planning for construction beginning late spring.

Mayor Jacobs noted that if they are going to build a building he would like to make sure that they do it right. This includes looking at wind generation, solar panels, extra insulation, etc. He would like to see options and see the cost benefits analysis. He is okay with spending a little more money upfront and saving money in the long run.

Councilmember Sanger questioned why they are considering moving engineering staff. Mr. Harmening answered that there is a space issue at City Hall and some departments are split. Mr. Harmening noted that he wanted to see what the cost implications would be if engineering and public works were moved to the Municipal Service Center. It is still in discussion.

Mr. Oertel noted that this plan would have the ability to move part or all of the public works engineering and administrative divisions if needed. Councilmember Sanger questioned if this building was being built with accommodation for future expansion. Mr. Oertel said that there wasn't a lot of space to begin with but this plan does build in some flexibility for changes.

Councilmember Sanger asked why there aren't airlocks. Mr. Oertel noted that there is a requirement to exhaust air with vehicles running. You can be as good as you want with insulation but no matter what, you are sucking air-out and bringing in that cold or warm air. Good energy savings products for the City to consider would be a heat exchanger or a high speed door, they cost 5-7 times the amount of a regular door but they can save on heating.

Councilmember Paprocki noted that he would like to look into leaving space for bike racks in the front of the building and noted there were no sidewalks for the nearby businesses with the idea in mind that the LRT will be near by.

Mr. Harmening noted that the next step is doing detail design on this building if the City wants to be under construction in 2009. Staff has gone as far as they can go without going into design.

Councilmember Carver felt that they need to look at the pay back on some of these energy conserving items like rapidly opening and closing doors. They need to have a report on how many years for the pay back.

Council consensus was that staff should move forward on the detailed design of this project.

4. Facilities/ Infrastructure Financing Plan

Mr. Harmening presented to the Council the potential financing plan for new city facilities and two major infrastructure projects scheduled to be undertaken over the next 5 years.

Mr. DeJong presented to the staff regarding a summary of the projects included in the financing package:

MSC

The approximate total cost of this project is \$6 million. This project would be paid through a combination of approximately \$2 million in cash on hand and utility revenue bonds.

Park Place Boulevard

The approximate total cost of this project is \$5 million. The City needs to bond for the project cost and related capitalized interest until the district actually begins generating increment.

Highway 7 & Wooddale Ave Grade Separated Crossing

The approximate total cost of this project is \$20,700,000 million. Funding sources identified thus far include approximately \$6 million in federal funds, approximately \$2 million from MnDOT in cash and in-kind contributions, \$3.2 million of pooled TIF dollars used to acquire property and \$8.6 million in funding from the Elmwood TIF district.

Sunset Ridge Housing Improvement Area

The approximate total cost of this project is \$5 million. This amount is in excess of what the City can fund internally. If approved, this debt would be issued on a taxable basis, so the City would retain the full \$10 million bank qualification in 2009.

Fire Station #1

The approximate total cost of this project is \$8 million. It is proposed that \$3 million from the Fire Pension Fund will be the equity contribution leaving \$5 million in bonding in 2009. Please note that using \$3 million from the Fire Pension Fund would exhaust all of the resources in the account.

Fire Station #2

The approximate total cost of this project is \$4.4 million. The staff does not intend to begin the financing process until the main station is completed.

Highway 7 & Louisiana Ave Grade Separated Crossing

The approximate total cost of this project is \$20,000,000 million. Funding sources identified thus far include approximately \$7 million in federal funds. At this point no other funding sources have been identified other than the City.

Mayor Jacobs questioned how much the City would be borrowing as compared to the City's limit. Mr. DeJong responded that they are no where near the capacity that they are allowed to borrow by the State.

Mr. Harmening noted that the bonds will go up significantly next year for the levy but this will be skewed because you have to look at the new tax increments that they will be bringing in. He also noted that the City will have to do a good job explaining this.

Mr. DeJong discussed the impact of the debt services funds and that staff is making sure that this does not have a dramatic impact on the taxpayers.

5. City Manager's 2008 Performance Evaluation

Council discussed which process to use for the annual evaluation of the City Manager. The two options included using a 360 Evaluation and going through a General Evaluation Process facilitated by a consultant.

It was the consensus of the Council to use the 360 Evaluation for the annual evaluation of the City Manager.

6. Communications (Verbal)

The Southwest LRT meeting is tomorrow. Councilmember Sanger and Councilmember Paprocki will be attending the meeting.

The staff would like a group photo and individual photos of the Councilmembers on the website. Staff would like schedule a time to take a group photo.

The meeting adjourned at 9:00 p.m.

Written Reports provided and documented for recording purposes only:

- 7. Proposed Amendment to Business Licensing Chapter- Vacant Properties**
- 8. Hoigaard Village Update & Environmental Assessment Worksheet**
- 9. Surface Water Management Plan Update**
- 10. Residential Survey Update- Vision St. Louis Park**
- 11. Proposed Amendments to the City Charter**
- 12. Fire Station Site Expansion Purchase Agreements**
- 13. Proposed Community Residential Facility License**

Nancy Stroth, City Clerk

Jeff Jacobs, Mayor