

Memorandum

DATE: October 10, 2008
TO: Mayor & Council Members
FROM: Joel Walinski, Interim City Administrator
RE: Friday Memo for the week of October 6-10, 2008.

As fall approaches or better yet makes its presence felt, staff continues to work on the goals and priorities established by the Council early in 2008. City staff continues making progress on economic development in Northfield both on infill and redevelopment and the creation of a 3rd Business Park, the Planning Commission and staff supporting their efforts is making headway on the Comprehensive Plan, approving by motion this week to forward a final draft to the council. Longterm financial planning development continues with closer examination of the operating budgets, establishing financial policies and records management, and continued work on the 2009 – 2013 CIP – more information, better cost estimates, better tracks on the funding – in an effort to provide better information to the council for the decision making process. In conjunction with the work on the CIP, completion of current infrastructure and reconstruction projects continues as well as continued planning work on significant facility projects, such as the liquor store, public safety facility, and library. Many of these efforts also support the Council’s goal of retaining the identity and character of the downtown. Attached is the update of efforts completed in September by the Council, Boards and Commissions, and City staff towards accomplishing the 2008 City Council Goals.

The following is a list of city activities and information provided by the department directors and managers for the week of October 6-10, 2008:

City Clerk

Submitted by: Deb Little, City Clerk

Election activities continue to keep staff busy. Absentee voting is available through Monday, November 3, 2008. Residents may vote via absentee ballot in the Administration office Monday – Friday, 8:00 a.m. to 5:00 p.m. and from 10:00 a.m. to 3:00 p.m. on Saturday, November 1, 2008.

Eligible voters have until October 14, 2008 to pre-register for the November 4, 2008 General Election. Being pre-registered will save time on Election Day.

Additional information on voter registration and absentee voting is available under “election news” on the City’s website.

Finance

Submitted by: Kathleen McBride, Finance Director

What’s a “brokers statement”?: There is some apparent confusion regarding what this document is. It is not the monthly investment statement, but a form that that the City completes that states the City’s investment restrictions. By signing the form in return, the broker acknowledges the restrictions. A copy of one is attached for your review. Note that there are two sections that deal with the restrictions – the first deals with statutory restrictions and the second is for any additional restrictions that the City would have. Northfield doesn’t have any additional restrictions, so only the first section is completed.

Staff is working with Council Member Bond on fine-tuning a draft investment policy for Council consideration in 2009. A key piece of that will be developing a broader form for the brokers statement that will include a broker application component that will detail their insurance coverage levels, licenses and general financial information.

League articles on the financial crisis and city hall: If you didn't see this article from the League – it is reproduced below:

The financial crisis and city hall **Published:** October 8, 2008

By Jim Miller

As the financial crisis in our economy widens, cities across the state and nation are feeling the impacts. Not surprisingly, uncertainty has accompanied the situation.

With credit markets tightening, for example, many cities have found it difficult, if not impossible, to sell bonds. This has been especially true for cities intending to place large issues, those above \$15 million. That is because large institutional buyers such as Lehman Brothers have been the traditional market for large issues; many of those firms either no longer exist or are unable or unwilling to purchase bonds, at least for the time being.

Cities hoping to sell smaller bond issues face a somewhat different problem. Financial advisors to cities indicate that only those smaller issues that have an attractive rating are being sold. Unrated or lower quality bonds are not faring well. Many smaller cities, of course, don't sell bonds, but borrow directly from local banks. Unfortunately, it appears that many smaller banks are also having liquidity problems, which may make this option less viable for some cities.

Cities are also concerned about their investments. While high-grade commercial paper has always been seen as a safe investment, cities may want to limit exposure in that area. Being as liquid as possible in the short term, given the state of the economy and the state's potentially growing deficit, makes sense. This may be an ideal time for the city to ask its financial advisor to review its portfolio to ensure current investments are appropriate for this market.

Also, even though the FDIC insurance limits have recently been increased, it is well to remember that liquidity is as important as security. Having all of the city's funds in one bank, even if insured, could create cash flow problems for the city if the bank fails. It would likely be some time before the FDIC made good on the loss, and in the meantime, the city would be without its money. Cities should also be aware that banks, just like bond issues, are rated; your financial advisor may be able to help you assess the likelihood of potential problems before they occur.

Now would also be a very good time to review the investment portfolio of the fire relief association. Because relief associations have wider discretion in types of permissible investments, they may also be at greater risk. For those cities with defined benefit retirement plans for firefighters, the city must make up deficiencies if state aid payments and fund earnings are inadequate to make pension payments.

Cities should not panic, but they should also not rest on assumptions made years ago. Reviewing the city's current financial situation, possibly deferring new debt until markets stabilize, and talking with business leaders in the city are all sound strategies for minimizing surprises and providing maximum flexibility if they do occur.

For more information, contact **Jim Miller**, LMC, at jmiller@lmc.org or (651) 281-1205.

Library

Submitted by: Lynne Young, Library Director

Working with the Teen Advisory Board, Kathy Ness developed a design for repainting the teen area of the library. She'll be working on that this weekend and hopes to have it completed in time for the "Too Cool for School" event scheduled for October 25 at the library. Two local high school garage bands have already been booked for the event –

Feedback Frenzy and Second Chance. "Too Cool for School" is made possible by a grant from the Healthy Community Initiative.

Kathy Ness reports that attendance at the preschool story time on Thursday morning has been very high. She's looking forward to continued fun and participation from children and families.

Booker will be back on the road next week, providing service at day cares and community stops.

Patrick Ganey will be the new facilitator for the library's reading group for boys age 9 and up. The group has been renamed "Reading Raiders," and will meet on Monday evenings at 7:00. Call the library at 645-6606 or check the website for additional information www.northfieldmn.info.

The Contemporary Women Writers book discussion group will meet next week to discuss *Loving Frank* by Nancy Horan. The discussion will be held at 7:00 p.m. on Tuesday, Oct. 14 in the meeting room.

Lynne Young and Leesa Wisdorf along with Michael Scott of the regional library system, SELCO, attended a groundbreaking event for a new assisted living facility in Lonsdale. The facility will be run by Three Links and will include a 3,000 square foot library plus meeting room space.

Lynne Young attended a SELCO Advisory Committee meeting. The SELCO Advisory Committee is made up of the 37 directors of public libraries throughout the 11-county region in southeastern Minnesota. More than 75 public, school and academic libraries use the SELCO Integrated Library System to handle library operations. The Northfield Public Library's participation in SELCO enables users to borrow materials from all of these libraries – and from libraries all around the state of Minnesota. Northfield library staff handled over 40,000 shared items last year, borrowing 21,986 items from other libraries and loaning 17,679.

Public Services

Community Development

Submitted by Brian O'Connell, Community Development Director

The zoning use summary table, that is part of the proposed development regulations, was reviewed in detail that resulted in comments and suggestions for changes being sent to ACP Planning consultants for revision. This work will be part of the revised land development regulations that will be reviewed by the Advisory Group, the Planning Commission and the City Council in November.

Staff met with an owner of a small parcel of property along Highway 3 in Waterford Township who is exploring annexation. This may come to the City council for a request for annexation in the early part of 2009.

City staff met with the Business Park Land Committee to discuss the status of annexation west of the Hospital. Staff will contact Dunbar Development to outline a strategy of trying to obtain a mutual rights agreement with the property owners seeking annexation. The progress of developing a concept plan for the property west of Armstrong Road was also discussed.

Economic Development

Submitted by Jody Gunderson, Economic Development Director

The EDA held its regularly scheduled meeting on October 9, 2008. The EDA board was asked to approve the \$75,000 Downtown Revolving Loan request from New Division Development Company for exterior renovations to the Phoenix building located at 618 Division Street. The EDA Board asked a number of questions to Mr. Randy Lutz, a principal partner in the project, and approved the loan. The EDA Board also had a presentation from representatives of the Prairie Creek Charter School. The School has plans to expand its existing building with additional classrooms and an auditorium, and was inquiring whether the EDA would be willing to consider Public Activity Revenue Bond

Financing for the project. The EDA board said that they would need to consult with the Staff further, but did not rule out assisting the school in their expansion efforts.

Additionally, the EDA Director has been working with the City Engineer and Community Development Director preparing information that will be used for the EDA's infill & redevelopment and new business park initiatives.

Housing

Submitted by Michele Merxbauer, Housing Manager

The HRA met this week and finished reviewing and revising the covenants for Spring Creek Commons. Staff will make all requested changes and the board will review a final time at the November meeting and then vote to approve.

New flooring is being installed today through next Tuesday at the HRA owned rental units at 517 Washington. The existing linoleum in the kitchens and bathrooms was showing signs of wear and in need of replacement. New windows on the west side of the building will be installed later this fall.

Staff attended the annual CDBG meeting at Dakota County Community Development Agency this week. For fiscal year 2009, the allocation to Northfield was reduced by \$12,000; the HRA will decide at the November meeting what programs to apply these dollars. Funding will be available in July 2009.

Staff assisted a household in Viking Terrace with an Acquisition and Demolition program. The existing unit was demolished and the program allowed for a down payment on a newer, updated and code compliant unit. It is expected that the new unit will be delivered on Saturday.

Planning

Submitted by Dan Olson, City Planner

The Planning Commission met this week to discuss the comments from the public hearing on the 2008 Comprehensive Plan. After making some text revisions, the Commission recommended adoption of the Plan. Staff will prepare the document for City Council review at a Work Session on November 10th, with adoption expected on November 17th. Prior to the Work Session, the Commission will also review the draft Transportation Plan and provide comments on that Plan to the City Council.

Staff is expecting a draft of the proposed Land Development Code by October 15th, and will begin reviewing the document before sending it to the Advisory Group by the end of the month. The Advisory Group is made of up Board/Commission members, design professionals, developers, and persons interested in environmental concerns that will provide input to the Planning Commission on draft regulations.

Public Works Operations

Submitted by Brian Erickson, Public Works Operations Engineer

Facilities

Bernie Shakal, Facilities Supervisor

Facilities staff completed the evidence room remodeling project at the Safety Center this week. This enables Lynn James and Karen Mangold to more easily conduct their jobs as evidence technicians and to work from one secure area.

Projects that Facilities have been involved in at the Arena are winding down; when the divider wall is built in the mechanical room, we will paint that wall along with some painting on the floor around the equipment. Thanks to combined efforts from the Streets and Parks Division the project came together quite nicely.

Johnson Controls continues progress on projects around the City, the NCRC project is getting closer to completion, we are doing a lot of fine tuning on the heating and cooling components and working on getting the radiant floor heating working properly.

Recreation

Jason Eisold, Recreation Manager

The newly renovated arena will open for users starting Friday, October 10th. The first open skate of the season will be Sunday from 4:00-5:15, check the city web site for additional open skate times through out the season.

Streets and Parks

TJ Heinrichy, Streets & Parks Supervisor

The usual City park chores were performed and a formal inspection of the Heywood Park playground was completed. The last of the Park reservations is for this weekend after which staff will begin draining the City irrigation and water systems. Park benches and trash containers will be installed in two parks.

Staff also assisted the MN Dept. of Agriculture with the removal of Ash trees used for Emerald Ash Borer detection. The trees are stressed throughout the summer to attract the Ash Borer if it is in the area. There was no Emerald Ash Borer found in the sacrificed trees this year.

The fall street sweeping program started this week. Residential streets are swept throughout the fall as part of the stormwater maintenance program. Clean streets, free from leaf debris also help with the efficiency of snow removal.

Finally annual street maintenance is ongoing with crack sealing in the northeast part of the city. Next summer another round of seal coating will be performed along the streets that had crack seal performed.

Wastewater

Glenn Lindroos, Wastewater Superintendent

The biosolids storage building is getting full so a few loads of biosolids were hauled and applied on agricultural land in the area this week. When more land becomes available the building will be emptied. The building will hold about 2,500 tons of biosolids and annual production is about 7,000 tons so hauling operations are scheduled 4 or 5 times per year to keep adequate storage available for biosolids processing.

The emergency generator test schedule has been increased to weekly until we are confident that the system will function properly in the event of a real power outage. Some problems were encountered last week after being on line for about 15 minutes during a routine monthly test. The unit shut down and was subsequently restarted. The same problem occurred after about 15 minutes of operation again. Staff could not isolate the problem so the equipment supplier was called in. He did not find any cause for the problems and when it was put back on line the problem did not reoccur. This week's 2.5-hour test of the system was normal as well.

Water

Doug Lien, Water Superintendent

The Water Division had a scheduled water main shutdown on Friday morning. A hydrant needed to be moved and water main work needed to be completed. Residents at Water's Edge town homes, Islandview town homes and on Heywood Drive were informed and the shutdown began at 8:00AM. Six radio-read meters were found to be defective this week and needed to be replaced. Neptune Meter Company was contacted and will be working with the Water Division to resolve the problems.

cc: Department Managers