

Memorandum

DATE: November 6, 2009
TO: Mayor & Council Members
FROM: Joel Walinski, City Administrator
RE: Friday Memo for the week of November 2-6, 2009

The October Board & Commission Update is included as an attachment to this memo. Much appreciation to the Board and Commission members that provide the information included in the monthly updates.

The discussion on the 2010-2014 Capital Improvement Plan (CIP) will continue at next Monday evening's work session. The majority of projects included in the CIP are primarily funded through debt financing, which is directly reflected in property tax levels. Additionally the City will hold the Public Hearing on the 2010 Budget Expenditures on December 7, 2009. As we continue to discuss the CIP and budget expenditures, the implications on tax rates and property taxes will need to be part of the ongoing assessment by the council. For your information, I've provided a chart of Northfield Property Tax Revenues/Collected by Zoning District. The chart is a breakout of property taxes paid by Zoning Districts. Residential units paying 66.9 % of the taxes paid to the City, 22.8 % by commercial and 8.5 % by industrial. The chart also provides a breakdown by percentages of the cumulative total of other zoning districts pay in property tax: C-1, C-2, C-3, Ind., etc.

Below is information on city activities and information provided by the department directors and managers for the week of November 2-6, 2009:

COMMUNITY DEVELOPMENT

Economic Development

Submitted by Jody T. Gunderson, Economic Development Director

The Economic Development Authority held its regular Board meeting on Thursday and discussed various aspects of their proposed 2010 Work Plan and Budget. The Board examined each program area to determine what financial resources were required in order to ensure that proposed initiatives were adequately funded. Additionally, the EDA Board is well aware of the 2013 expiration date for the City's Master Development District, which will in affect eliminate one of the City's economic development loan programs. The Board is currently working to develop a new loan program that will in effect serve as a transition from the current Master Development Loan, and would like this program to be available in 2010. The Board also spent considerable time discussing their funding of partner organizations and the impact it will have on the EDA budget.

Housing

Submitted by Michele Merxbauer, Housing Manager

Staff continues to monitor the Federal Stimulus funds for new grants and opportunities that may be beneficial to the City and City processes. Currently, staff is watching for grant opportunities for energy efficiency upgrades to public buildings, and also for private homeowners. Additionally, it has been announced that another \$6,500 tax credit for home buyers will be available. Staff is watching this news closely in order to be able to answer questions from the public and direct them towards the proper places for information and applications.

The HRA will meet next Thursday, November 12, for the November board meeting. Items on the agenda include the 2010 Community Development Block Grant application, updates on the Cherry Street and 8th Street rehabs, updates on the purchase of the town homes on Elianna, and information on the tax credit project happening at Jefferson Square town homes.

Planning

Submitted by Dan Olson, City Planner

The Planning Commission met this week to continue its review of the draft Land Development Code (LDC). Next week, the Zoning Board of Appeals/Planning Commission will meet to review a variance for a downtown apartment, as well as a Conditional Use Permit for an apartment in the single family residential zoning district. The Development Review Committee (DRC) reviewed a proposal for a new three-story office building downtown. The Community Resource Bank at the intersection of Division and 4th Streets would be demolished, and replaced with the new building. The Heritage Preservation Commission (HPC) is expected to review this proposal at their meeting on November 19th.

ENGINEERING

1st Street Reconstruction

Submitted by Katy Gehler, City Engineer

Sodding and seeding were finished this week that marked substantial completion of the project. The project will be completed next year with the installation of the second lift of asphalt and correction of any punch list items.

Riverside Trail Extension

Submitted by Katy Gehler, City Engineer

The contractor mobilized onsite Monday and started removals of trees and shrubs. The contractor also excavated for the poured retaining wall behind 500 Water Street and began pouring the footings. Work will continue on the wall next week.

4th Street Reconstruction

Submitted by Katy Gehler, City Engineer

The second neighborhood meeting was held on Thursday, Nov. 5, 6:00-7:30 PM in the City Hall Council Chambers. In general there seems to be support for the project. Staff heard comments related to the following issues: street widths/bike accommodations in the north/south direction, traffic speeds along 4th, a pedestrian access across 4th, and assessments. Staff will present the feasibility report to the council on Nov. 16, 2009 for consideration.

FINANCE

Submitted by Kathleen McBride, Director

Upcoming Bond Sale: Noted two weeks ago, at the November 16th Council meeting, a resolution will be presented calling for the sale of general obligation (and other) bonds related to the First Street improvement project. As with any new bond sale, Ehlers & Associates reviews savings opportunities with refunding existing bonds as part of the same issue. One of the issues analyzed for refunding was the 2001A G.O. Improvement Bonds.

And Maturing Debt Service Funds: At this point it has been determined that it is best to call the bonds (2/1/2010) and pay off the debt early – two years early. Debt service on this bond has been made mostly through special assessments. There are adequate resources within this debt service fund to pay off the full amount of principal next year.

In accordance with the "draft" matured debt service fund policy, any remaining surplus would then be transferred out to other funds – first to any other G.O. Improvement Bond debt service fund that has a

projected deficit with any remaining surplus split - ½ to the Insurance Fund and ½ to the Capital Reserve Fund. What's the projection for the 2001A G.O. Improvement Debt Service Fund at this point?

Projected surplus at 2/1/2010 (point of bond maturity):	\$576,345
Disposition of projected surplus:	
Transfer to the 2002A G.O. Improvement Bonds Debt Service Fund (projected deficit)	\$159,835
Transfer to the Insurance Fund	\$208,255
Transfer to the Capital Reserve Fund	\$208,255

The last update on the deficit in the **Insurance Fund** due to the investment loss was provided with the request to authorize payment to the League of Minnesota Cities Insurance Trust for their pro-rata share of restitution received.

Current estimated balance of loss:	\$903,714
2/2010 transfer from 01A debt service fund	(208,255)
12/2009 transfer from 99D debt service fund	(14,095)
2/2010 transfer from 99E debt service fund	<u>(36,889)</u>
Projected balance at 2/28/2010	\$644,475

This projection doesn't include other amounts that may be transferred with the 2nd half tax settlement in December of this year.

The **Capital Reserve Fund** net assets stand at \$713,098. With the approval of the interfund loan of \$125,000 to the HRA for the purchase of the townhomes on Monday, the available balance is \$588,098. The call of the 2001A bonds and subsequent transfers out next February bring the balance to \$796,353 – exclusive of interest earnings in the interim.

PUBLIC WORKS

Streets and Parks

Submitted by TJ Heinrich, Streets & Parks Supervisor

Leaf cleanup continues from City streets. Loading of leaves will be completed next week. Sweeping will continue as weather permits. Citizens are reminded that it is against the City of Northfield ordinance to rake leaves into the street. Staff started the final phase of sign installs on 1st Street. Work continues on the Holiday decorations. The current electric cords need to be lengthening to be compatible with the Downtown lights poles. Installation of the new banners and lights will take place in two weeks. There were 3,698 visits to the compost site for the month of October. Friendly reminder that the City compost site closes for the season November 15, 2009.

Water

Submitted by Doug Lien, Water Superintendent

The Water Divisions Equinox radio reading software and the software for the handheld radio-reading device was corrupted, believed to be caused by a power surge at the Water Division. Water Systems Technician Jay Hall worked with Neptune's support staff on reestablishing the software to both the desktop computer and the handheld radio-reading device. They were able to get the software back up and operational within a couple of hours and were also able to retrieve and save the readings for the month of November.

Thursday afternoon the Water Division had an all systems failure at the St. Olaf storage tanks. Water Operator Scott Murphy found that there was no power at the storage tanks. He met with St. Olaf maintenance and was informed that St. Olaf had a power outage and their backup generator system was not able to provide power to over half of the campus (including our storage tanks) because of where the power failure was. Scott switched all of the water systems controls over to the Hall Ave. storage tank until the outage was repaired. Everything was put back to normal operations Friday morning.

Wastewater

Submitted by Glenn Lindroos, Wastewater Division Superintendent

The wastewater treatment facility experienced a power glitch at about 3:00 PM on Thursday that caused pump system failures in three separate areas of the plant. The systems were reset and returned to normal operation. At about 5:30 another power glitch failed two of those systems again. This time one of the two backwash waste pumps would not reset. With one pump available the process will function normally, but it is important to have the second pump available as a backup. It took about 2 hours for staff to rectify the problem and put the unit back in service.

cc: Department Managers