



**Regular City Council Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Monday, August 25, 2014**

1. Roll Call

Mayor Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Willmus, Laliberte, Etten, McGehee, and Roe. City Manager Pat Trudgeon and City Attorney Mark Gaughan were also present.

2. Approve Agenda

Mayor Roe asked if there was any public comment related to Consent Item 7.i entitled, "Declare County Road B an Urban Section and Establish a Speed Limit of 30 mph along the Segment." No one appeared to speak at this time.

Councilmember Laliberte requested removal of Consent Items 7. c, f and g respectively entitled, "Approve General Purchases and Sale of Surplus Items in Excess of \$5,000;" "Approve Renewal of Ramsey County GIS User Group Joint Powers Agreement;" and Approve 701 Emerald Ridge Encroachment Agreement, for a comment or question.

At the request of Councilmember Laliberte, Mayor Roe clarified that representatives of the Finance Commission attending tonight's meeting with a recommendation on the City's Reserve Policy, would provide comment during budget discussions.

McGehee moved, Etten seconded approval of the agenda as amended.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

3. Public Comment

Mayor Roe called for public comment by members of the audience on any non-agenda items.

Sara Barsel and Randy Neprash, 1276 Eldridge Avenue

Ms. Barsel announced that the City's website was now hosting and providing a link (<http://www.cityofroseville.com/dementiainfo>) for information about the work of the Roseville Alzheimer's and Dementia Community Action Team and the Roseville ACT on Alzheimer's project, along with ways to participation in local efforts and monthly listings of dementia-related events in the Roseville area and resources for caregivers.

Ms. Barsel provided a brief history and the goals of the Alliance and community and agencies sponsors, including Roseville staff and elected officials. Ms. Barsel thanked the City of Roseville's Communication Manager Garry Bowman and City Manager Patrick Trudgeon for their stalwart participation and assistance with the Community Action Team.

On behalf of the community and City Council, Mayor Roe thanked Ms. Barsel and the Community Action Team for their efforts; and Councilmember Willmus thanked Ms. Barsel for spearheading the efforts and coordinating information and providing it to City staff.

Gary Grefenberg, 91 Mid Oaks Lane

Mr. Grefenberg asked that the City's budget information contained on its website contain up-to-date documents in clear and accessible language for the benefit of the public trying to follow the 2015 budget process. Mr. Grefenberg thanked the City Council for forming the Finance Commission; and from his understanding of the last budget discussion, the proposed levy increase was an approximate 11.7% increase for a median valued home in Roseville; while the tax levy was only proposed at 4.9% increase. Mr. Grefenberg opined that clarification on that information would be helpful on the website, but had not been included on the July 14, 2014 staff presentation; and expressed his concern with the apparent selective budget information being made available. Mr. Grefenberg stated that a proposed tax increase of 11.7% was significant information the public needed to be aware of before they completed their decision making. Mr. Grefenberg also asked that the proposed Housing & Redevelopment Authority (HRA) levy and budget also be provided before the City Council was ready to make a decision, and what impact that would have on an average valued home in Roseville. Mr. Grefenberg encouraged the City Council to direct staff to include that information on the City's website to allow for an informed decision by the public and their ability to comment before receiving their property tax statements later in the year. Ideally, Mr. Grefenberg suggested a separate page be provided on the City's website for this specific budget information.

4. Council Communications, Reports, and Announcements

Mayor Roe announced another "Playground Build" scheduled for September 6, 2014 from 9:00 am – 3:00 pm at the Langton Lake ballfields at 1894 County Road C-2 W. For additional information or questions, contact Volunteer Coordinator Kelly O'Brien at 651/792-7028 or e-mail at: Kelly.obrien@ci.roseville.mn.us.

Mayor Roe announced the deadline of August 29 for application to serve as a youth commissioner on the City's Parks & Recreation Commission, with additional information available at City Hall or at the City's website.

Mayor Roe announced the upcoming Roseville Volunteer Marketplace on September 20, 2014 from 9:00 – 10:30 am to review volunteer opportunities in Roseville on a one-time, seasonal or ongoing basis; with additional information available from Volunteer Coordinator Kelly O'Brien.

Councilmember McGehee reported on her recent attendance at a Metropolitan Council meeting and their charge by the State Legislature to coordinate a sustainable water management plan. Councilmember McGehee provided presentation materials from the meeting and potential impacts to water bodies and residents.

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Councilmember Laliberte reported on her recent attendance at a joint Arden Hills, Shoreview and Roseville Chamber of Commerce meeting, where Metropolitan Transit's Bus Rapid Transit (BRT) representatives unveiled projected plans for possible routes and preliminary information as part of a future expansion into the TCAAP redevelopment area. However, Councilmember Laliberte advised that Metro Transit had no definite timeframe in mind, and that it was not on their current list of priorities. Councilmember Laliberte stated that a number of good questions were raised by members of the business community and municipal representative; including the potential for construction of a park and ride to support a BRT since it was not considered sustainable as an urban BRT and requiring other modes of transportation to connect to other lines. Councilmember Laliberte noted that the next BRT slated was the West Seventh Street line, but at the request of Ramsey County and the City of St. Paul, the Metro Transit had put that project on hold for completion of the Ramsey County Transportation Study. When asked about available funding for that proposed BRT line, Metro Transit representatives advised that those funds had been diverted to the Penn Avenue BRT line as part of their criteria was for a "shovel ready" project. Therefore, Councilmember Laliberte reported that those funds would not be kept in this area for other uses, even though University of Northwestern-St. Paul representatives had provided information on their projected ridership and other businesses expressed their interest in incorporating their employee base into plans for a BRT in this area.

At the request of Councilmember McGehee, Councilmember Laliberte advised that whether a future Hamline or Lexington Avenue BRT path was chosen, it would eventually serve businesses along that path and connect to Highway 96, with TCAAP as the end destination for the line. When she asked about phasing of the BRT line, Councilmember Laliberte advised that Metro Transit representatives talked about phasing with regular bus routes rather than and before consideration of extending the BRT line.

Mayor Roe thanked Councilmember Laliberte for her ongoing advocacy for improved transportation in Roseville and the northern suburbs.

Mayor Roe provided a brief update on the Comcast Cable Franchise Renewal process and formal negotiations proceeding to the administrative hearing stage with dates still pending. Mayor Roe confirmed that the Shoreview City Council, one of the ten member cities, had voted at their recent meeting to pull out of the commission, potentially changing the membership. Mayor Roe advised that the rationale of the City of Shoreview in making this decision was based in part to legal and consulting fee costs for the renewal process as well as the general working relationship of the cable commission with Comcast, even though theirs seemed to be a minority view among member cities. Since the City of Shoreview has until October 15, 2014 to make their final decision, Mayor Roe expressed his hope that something happened in the meantime with informal negotiations to resolve the remaining issues. However, Mayor Roe advised that the Shoreview City Council had authorized their City Manager to hire an attorney to negotiate on their behalf in this process; and as a result were no longer participating in commission negotiations, including

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their City Manager Terry Schwerm, a member of the Negotiating Subcommittee, no longer participating due to a probable conflict of interest.

While the commission's focus is currently on the franchise renewal itself, Councilmember Laliberte opined that, regardless of which City representatives or member cities stayed involved in the process, a conversation was needed on the future of the commission and its focus moving forward.

Mayor Roe concurred, noting that the future of video programming and new technologies would eventually negate delivery through cable television; and the term of a future franchise agreement would probably be no longer than ten years, if that; and language included in the agreement for devolving the franchise if it became no longer practical. Mayor Roe noted that the mission of cable access was also evolving, partly due to changes in funding, but also changes in media and delivery of video, which would also affect training needs and affect the 2015 budget. Given the many unknowns at this time, Mayor Roe opined that it may be possible that the current franchise agreement may need to be extended yet again, which would retain the status quo. Mayor Roe advised that he could continue to keep the public and City Council posted during the process.

At the request of Councilmember McGehee, Mayor Roe reviewed the potential impact to subscribers and member cities as part of the proposed Time-Warner and Comcast merger and Comcast's intent to divest itself of subscribers in several areas, including the Twin Cities area with formation of a new cable company probably made up of Charter and Comcast entities as a separate and independent company. If that occurs, Mayor Roe advised that a transfer of the franchise would need to be approved by member cities as part of any franchise agreement. While not a lot of information was yet available on the make-up of this new company, Mayor Roe advised that the cable company had already submitted preliminary paperwork to the commission for approval of a transfer, but due to the timeframe involved in the process, he anticipated a recommendation at the Commission's September meeting to not approve the transfer due to the lack of information. Mayor Roe noted that, while those discussions were still internally focused given their preliminary nature, it added yet another interesting aspect to the overall picture. Mayor Roe noted that this was not unique to Roseville, but was also occurring in several other areas of the country as Comcast divested itself of those assets.

5. Recognitions, Donations and Communications

a. Proclaim Golden K Kiwanis Peanut Day

Mayor Roe invited representatives of the North Suburban Golden K Kiwanis Club, headquartered in Roseville, to share about their organization in general and this specific fundraiser. Representatives reported on the purpose of this \$15,000 to \$20,000 annual fundraiser, with funds going to the area food shelf and other programs to help community youth educationally and spiritually.

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Mayor Roe read the Proclamation declaring September 26, 2014 as Golden K Kiwanis Peanut Day in Roseville.

Willmus moved, Etten seconded, proclaiming September 26, 2014 as Roseville Golden K Kiwanis Peanut Day as a day set aside in Roseville for distribution of peanuts as a fundraising effort to support the many and varied community youth programs of the Golden K Kiwanis Club.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

6. Approve Minutes

Comments and corrections to draft minutes had been submitted by the City Council prior to tonight's meeting and those revisions were incorporated into the draft presented in the Council packet.

a. Approve August 18, 2014 Regular Council Meeting Minutes

McGehee moved, Laliberte seconded, approval of the Meeting Minutes of August 18, 2014 as amended.

Corrections:

- **Page 6, Lines 17/18 and Page 12, Line 2 – Bench Handouts (Roe)**
Mayor Roe pointed out, and City Manager Trudgeon duly noted, those bench handout notations Will remain in the minutes, and the handouts will be included with the minutes.
- **Page 8, Line 37 (McGehee)**
Change “abilities” to “options”
- **Page 19, Line 31 (McGehee)**
Correct to read: “...area *and* includ[e][ing] nearby residential areas...”

Roll Call

Ayes: Willmus, Laliberte, McGehee, and Roe.

Nays: None.

Abstentions: Etten.

7. Approve Consent Agenda

In addition to those changes to the Consent Agenda already noted, an audience member, Cal Ross, having arrived later in the meeting after Mayor Roe's initial announcement, requested removal of Consent Item 7.i entitled “Declare County Road B an Urban Section and Establish a Speed Limit of 30 mph along the Segment” for public comment.

At the request of Mayor Roe, City Manager Patrick Trudgeon briefly reviewed those items being considered under the Consent Agenda.

a. Approve Payments

McGehee moved, Willmus seconded, approval of the following claims and payments as presented and detailed in the Request for Council Action (RCA) dated August 25, 2014, and attached check register.

ACH Payments	\$671,153.83
74697 – 74895	1,018,844.88
TOTAL	\$1,689,998.71

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

b. Approve Business Licenses & Other Licenses & Permits

McGehee moved, Willmus seconded, approval of business license applications for the period of one (1) year, unless otherwise noted, for applicants as listed in the RCA dated August 25, 2014.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

d. Certify Delinquent Utility and Other Charges for Collection on 2015 Property Taxes

McGehee moved, Willmus seconded, adoption of Resolution No. 11169 (Attachment A) entitled, “Resolution Directing the County Auditor to Levy Unpaid Water, Sewer and Other City Charges for Payable 2015 or Beyond.”

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

e. Reappoint Youth Commissioner to Human Rights Commission

McGehee moved, Willmus seconded, reappointment of Joan Dao to serve as Youth Commissioner on the HRC for a term expiring July 31, 2015.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

h. Request a Variance from State Aid Rules for the County Road B-2 Sidewalk Project

McGehee moved, Willmus seconded, adoption of Resolution No. 11170 (Attachment A) entitled, “Resolution Requesting a Variance from State Aid Rule

8820.2800, Subpart 2.A for Project No. S.A.P. 062-030-19;” for the County Road B-2 Sidewalk Project.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

8. Consider Items Removed from Consent

c. Approve General Purchases and Sale of Surplus Items in Excess of \$5,000

At the request of Mayor Roe, City Manager Trudgeon briefly reviewed this request as detailed in the RCA dated August 25, 2014.

Regarding the IT Department purchase of two virtual machine host servers, Councilmember Laliberte noted projected \$62,000 on the CIP for IT equipment for 2014, and questioned whether the remainder of planned funds would be spent in the remaining few months of 2014.

In response, Finance Director Miller advised that, while the department was coming close to the end of major equipment purchases for 2014, he anticipated several additional purchases before year-end.

Willmus moved, Etten seconded, approval of the submitted list of general purchases and contracts for services presented as follows; and as detailed in the RCA dated August 11, 2014; and Attachment A entitled, “2014 Capital Improvement Plan Summary as of 07/31/2014.”

Department	Vendor	Description	Amount	Budget / CIP
Bldg. Mtnce.	Yale Mechanical	Replace City Hall Boiler	43,200.00	CIP
IT	Hewlett Packard	Virtual Machine Host Services	17,980.70	CIP

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

f. Approve Renewal of Ramsey County GIS User Group Joint Powers Agreement (JPA)

At the request of Mayor Roe, City Manager Trudgeon briefly reviewed this request as detailed in the RCA dated August 25, 2014; with a three year term for the JPA and an annual budget under \$3,400.

Councilmember Laliberte noted in the RCA’s “financial impact” section, staff was projecting no significant changes to the amount proposed for 2015; however, she requested more specific information before making a decision. Councilmember Laliberte stated that she was generally supportive of the JPA and being a part

of that group; however, she advised that she was not comfortable approving items without a specific number to determine budget impacts versus a vague supposition.

City Manager Trudgeon suggested approval of the item be deferred to a later meeting once staff provided that information.

Willmus moved, Etten seconded, **TABLING** to a later date the consideration of a revised Ramsey County GIS User Group Joint Powers Agreement.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

g. Approve 701 Emerald Ridge Encroachment Agreement

At the request of Mayor Roe, City Manager Trudgeon briefly reviewed this request as detailed in the RCA dated August 25, 2014.

Councilmember Laliberte again expressed her general support for moving forward with this request; however, as noted in the RCA (lines 14 – 18), she questioned if agreements were in place for those other encroachment areas.

City Manager Trudgeon responded that staff had been unable to determine how and why agreements had not been done as part of the permitting process for existing structures encroaching on the easement; but as mentioned during his initial summary, staff would be following up to determine if the current easement width was necessary, or could be reduced to eliminate the need for pursuing agreements with all affected property owners. Short of that, Mr. Trudgeon advised that structures were not allowed on easements and would need to be removed as applicable to ensure access by the City to infrastructure as needed.

Councilmember Laliberte opined that there should be some standardization and fairness applied for all property owners.

City Manager Trudgeon noted that this request had been prompted due to the urgency of the homeowner to build a deck during this construction season, and as part of the permitting process, the situation had been discovered and was intended for resolution, along with issues at adjacent properties.

Mayor Roe opined that, with respect to fairness, since the background was unknown, staff was attempting to resolve the situation now on one way or another.

At the request of Councilmember Willmus, City Engineer Mark Culver addressed the depth of sanitary sewer service in this area; with Councilmember Willmus noting that the deeper the lines, the wider easement area needed.

McGehee moved, Etten seconded, approval of an Encroachment Agreement (Attachment A) for the construction of a deck at 701 Emerald Ridge.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

i. Declare County Road B an Urban Section and Establish a Speed Limit of 30 MPH along the Segment

Additional written public comment related to this issue was provided as a bench handout, from Julie Watkin, 2093 County Road B West, in support of the reduced speed limit.

At the request of Mayor Roe, City Manager Trudgeon briefly reviewed this request as detailed in the RCA dated August 25, 2014; and Mayor Roe opened the meeting to public comment on this agenda item.

Public Comment

Cal Ross, 2181 St. Croix Street

Mr. Ross reviewed the history of this area, including closure of County Road B at Highway 280, opining that it essentially put neighbors on a dead-end cul-de-sac without exit capabilities in case of a disaster. Mr. Ross further opined that no pedestrians had been struck by a vehicle to-date, and with the installation of an 8' pathway, it even further increased safety along the corridor; and therefore questioned why the speed needed reduced to 30 mph. Mr. Ross stated that this put a damper on traffic in and out of the neighborhood, and questioned the rationale in the City making this decision and whether or not it was based solely on the recent speed counter and calculation of the number of vehicles and their speeds. Mr. Ross opined that the typical rate of speed was not excessive at this time and reducing it to 30 mph was an inconvenience for residents on that end.

Mayor Roe clarified that the speed study and calculations used by the State of MN considered the 85th percentile speed, indicating the average speed was 36.2 mph.

Mr. Ross referenced his perception of past discussions related to speed and e-mails he had with staff, indicating that the State would be unlikely to reduce the speed to 30 mph.

Mayor Roe clarified that the request to reduce speed had come from a majority of residents in that area.

Mr. Ross questioned the validity of that request and whether it was based on a significant number or only a vocal minority, opining that he would like to petition that the speed limit be maintained as is or increased.

Mayor Roe noted that this had been a lengthy discussion and based on public information, not just the written e-mail included in tonight's agenda packet, but addressing safety issues over time, and in conjunction with the neighborhood requested pathway installation; with many issues beyond safety and quality of life being part of that consideration. Mayor Roe recognized that it may not be the point of view shared by Mr. Ross.

Councilmember McGhee added that, as part of the speed study, while a portion of the roadway was measured at 36.2 average mph, further to the east, it was measured as high as 46 mph on this residential street.

George LaTendre, 2121 County Road B

Mr. LaTendre spoke in support of reducing the speed limit to 30 mph for safety purpose. Mr. LaTendre referenced rough calculations of traffic accelerating at Cleveland Avenue and County Road B, and only a difference of ten seconds between a 30 mph and 40 mph speed limit, opining that amount of time was not worth the many safety issues this reduced speed would address.

Jeanne Martenelli, 2211 St. Croix Street

Over her twenty-five year tenure in the neighborhood, Ms. Martenelli opined that there have been no instances during her walking in the neighborhood where she'd found the 40 mph speed limit to be a problem. Ms. Martenelli advised that it was common for vehicles to move into the next lane if pedestrians area walking on either side of the road. With the installation of the sidewalk that should address safety concerns, Ms. Martenelli questioned the need to also slow traffic even lower than what it is to the east, opining that it didn't make any sense when the majority of people she'd spoke to at a recent block party supported the 40 mph speed limit as is, especially since residences were only along one side of the street, with a golf course on the other side, and a totally unique and different area than County Roads B-2 or C, and without commercial traffic from Highway 280. Ms. Martenelli opined that those residents living on that end care about people and none are reckless drivers, and would slow down for pedestrians. Since this is America, Ms. Martenelli asked that the government not get involved in deciding everything but give residents a choice.

Nancy Nelson, 2151 County Road B

Ms. Ross spoke in support of the reduced 30 mph speed limit based on her observations of many cars from Eustice to Cleveland traveling in excess of 50 mph, especially from the apartment building at the end of the street when you could actually hear vehicles speeding up. Since many pedestrians and children may not pay attention when crossing County Road B, Ms. Nelson opined that an extra ten seconds hardly seemed worth keeping the speed limit at 40 mph.

Ann Ross, 2181 St. Croix

Ms. Ross spoke in support of the 40 mph speed limit. While speed may be a problem from those living in the apartment building, Ms. Ross opined that people knew the speed limit when they moved in to the neighborhood.

Paul Romanowski, 2195 Acorn Road

Mr. Romanowski opined that from his perspective, the 40 mph speed limit was a handicap, as many times vehicles coming off Cleveland and traveling west on County Road B cause him to use extreme caution. Mr. Romanowski questioned the haste needed for preferring the current 40 mph versus the proposed 30 mph.

David Nelson, 2280 W Highway 36

Mr. Nelson spoke in support of reducing the speed limit in this residential neighborhood with cross traffic and the walkway on the other side of the street with senior citizens and children having to make that crossing and not always as aware as they should be.

Mary Bachhuber, 2223 Marion Road

As a four-year resident and daily walker on that road, Ms. Bachhuber opined that 40 mph had been a problem for her personally. Even though residents treat each other well and try to move over when seeing a walker, Ms. Bachhuber noted that the school bus stop was on County Road B and Acorn and St. Stephens, and children would need to cross and should be able to do so safely. Ms. Bachhuber spoke in support of the 30 mph speed and asked the City Council to vote accordingly.

Mayor Roe closed public comment at approximately 7:08 p.m. for Council consideration.

McGehee moved, Etten seconded, adoption of Resolution No. 11171 (Attachment A) entitled, "Declare County Road B to be an Urban District from the Western Terminus to Cleveland Avenue and Establishing the Statutory Speed Limit of 30 Miles Per Hour."

Councilmember McGehee noted her residence on a busy street also with homes only on one side of the street, but still creating a dangerous proposition to cross that street. Councilmember McGehee stated that she would support the 30 mph for a residential street in a residential neighborhood with the sidewalk located on the other side of the street from residential homes; opining that it was appropriate for the City to make these changes now.

Councilmember Willmus noted that, over the last year or more as part of the sidewalk installation discussion, speed issues had been brought forward; and most recently over the past summer the vast majority of public testimony had wanted the speed reduced along County Road B. Councilmember Willmus recognized, for those residents living on side streets adjacent to County Road B, they would

like to access their properties more expeditiously; however, he stated that he supported those living on County Road B who lived with the speed on a daily basis, and therefore would support the reduced speed at 30 mph.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

Mayor Roe thanked those providing public comment tonight.

8. General Ordinances for Adoption

9. Presentations

Recess

Mayor Roe recessed the meeting at approximately 7:11 p.m. and reconvened at approximately 7:14 p.m.

a. Joint Meeting with the Human Rights Commission (HRC)

Members present included Chair Wayne Groff, Vice Chair Scot Becker, Youth Commissioner Joan Dao, and Commissioners David Singleton, Mary Bachhuber, Molly Slade, and Lisa Carey

Chair Groff advised that Youth Commissioner Gabe Cederberg was unable to attend tonight's meeting due to a conflict.

Chari Groff reviewed the purpose of the Human Rights Commission; and reviewed activities and accomplishments since the last joint meeting with the City Council, and proposed work items for 2014/2015; all detailed in the RCA dated August 25, 2014.

Commissioner Carey reported on Work Item #2, spurred by corporate training she'd experience through her employee recently, and applications for similar civility training from the community level, and hopefully in partnership with the School District. Commissioner Carey spoke to considering the "Golden Rule" in looking at the benefits and/or risks of behavior and positive or negative efforts as a society that impact treatment of each other on a daily basis. Commissioner Carey advised that she was currently working to determine if there was sufficient community interest, with the topic receiving good feedback so far from different organizations, and coordination with the Police Department and community organizations for potential funding of such an effort to get the entire community aware of and involved in that training.

Commissioner Bachhuber reported on Work Item #3 for a community-wide read in partnership with the Ramsey County Library-Roseville Branch and working

with Youth Commissioner Dao on how to present the program and determine other potential partners.

Mayor Roe suggested area schools would be good partners since this topic had come up a couple of years ago when the City Council had met jointly with the School Board.

Chair Groff spoke to Work Item #4 and how the essay contest could be reformulated in the next meeting; recognizing the work of Commissioner Bachhuber in preparing questions to submit to the Minnesota Human Rights League for approval. As part of the annual essay contest, Commissioner Bachhuber noted the interest in also recognizing community members who have done well for Roseville through their human rights efforts, and include them in some type of awards ceremony on an annual basis; with Commissioners Slade and Singleton researching that with her.

Chair Groff advised that Commissioner Slade was researching Work Item #6 exploring further community dialogues and appropriate topics.

At the request of Councilmember Willmus, Chair Groff reported on the delay in and building upon follow-up opportunities from the immigration experience forum.

Related to the immigrant experience, Vice Chair Becker noted that the facilitator for the Roseville forum, working with Kids for Human Rights, produced a long report on the experience in MN and was available on the HRC and Community Engagement Commission websites if the City Council was interested.

Mayor Roe asked that Chair Becker forward that to City Manager Trudgeon for dissemination to Councilmembers.

At the request of Councilmember Willmus, Chair Groff noted the difficulty in getting essay contest participants from schools unless a specific teacher could be found to lead the charge; and stated that the HRC was open to any and all suggestions to get more participation from other schools.

Commissioner Bachhuber stated that the HRC attempted to solicit input from Roseville Area Middle School (RAMS) teachers, and wanted to do so at other schools as well, to encourage participation by developing good questions. Recognizing that the annual contest could be broader and better and achieve a stronger interest, Commissioner Bachhuber stated that one consideration that the HRC was reviewing was what the annual contest should look like, and whether it needed to be an essay contest, or could be an art project or some other way to showcase that interest.

Commissioner Dao noted that last year Parkview dropped even though they had consistent winners overall, which she attributed to time spent by teachers on creative writing; which RAMS didn't have due to other curriculum needs (e.g. standardized testing) making it hard for them to participate.

Mayor Roe recognized that without a teacher or administrator being personally involved from a particular school, it was just became another thing on their list of many other things to accomplish.

From his discussions at the state level, Chair Groff noted that the City was fortunate to have as much participation as it did compared to other communities.

Councilmember McGehee thanked the HRC for their informative information contained in the RCA; and also thanked them for including the 2014 Roseville and State Essay Contest winner in this year's Rose Parade.

Related to Work Item #6, Councilmember McGehee encouraged the HRC to change their language from "or" to "and" when considering future community dialogues; and while having been favorably impressed based on her participation in the immigrant experience dialogue, expressed the importance of the mental health issue that she found discriminatory and occurring in all areas of society. Councilmember McGehee suggested tying that into the Alzheimer's Alliance group since that link was already available. In supporting the potential of Work Item #2, Councilmember McGehee referenced her personal experience in kindness efforts and her observations of reactions from those experiences, opining that they did have an impact.

Councilmember Laliberte recognized the past work of the HRC, and her support of their proposed work items moving forward.

Discussion ensued on the upcoming Karen Organization of Minnesota's Gala on October 2, and the HRC's sponsorship of a table; and availability of and attendance at the event by HRC members, the Mayor, and City Councilmembers.

Councilmember Laliberte also spoke in support of changing the "or" to "and" on Work Item #6, opining that mental health and aging issues affected all population groups, including the immigrant population.

Councilmember Laliberte referenced an upcoming community dialogue at the Roseville Library sponsored by the Humanities Center and U of MN Lifelong Learning program with three different focuses on October 2, 9 and 16 at 7:00 pm at the Library and entitled, "Towards a More Perfect Union."

Councilmember Etten congratulated the HRC, opining that splitting the Community Engagement work out of the focus of the HRC had proven beneficial allow-

ing them to work on these important community efforts without spreading their membership too thin.

Mayor Roe concurred; and opined that the highlight of this year's Rose Parade for him was the Karen dancers, and expressed his appreciation of their enthusiasm in participating.

Mayor Roe thanked the HRC for all their work, and providing a great summary of what they had accomplished and where they planned to go, and expressed the City Council's support in those efforts.

Recess

Mayor Roe recessed the meeting at approximately 7:41 p.m. and reconvened at approximately 7:47p.m.

10. Public Hearings

11. Budget Items

a. Review the 2015 -2034 Capital Improvement Plan (CIP) and Funding Strategies

Finance Director Chris Miller noted that several members of the Finance Commission were in the audience to observe this discussion; and to address the City Council with a recommendation on the current Cash Reserve Policy after deliberation at their last few meetings.

Mr. Miller presented an overview of the 2015 – 2034 Capital Improvement Plan including recommended funding strategies for 2014, financial impacts, and future funding considerations.

As part of this presentation, Mayor Roe advised that the former CIP Task Force had made recommendations for - 2016-2020 future CIP funding for facility repair/replacement and the Pavement Management Plan (PMP) and addressing the funding gap through use of repurposing of debt service retirements and including additional levy dollars as part of that recommendation. Mayor Roe reviewed some of the looming issues for the City Council to address to resolve those funding shortfalls, with the projected shortfalls sufficiently addressed to a great degree if the Task Force's recommendations were enacted as proposed.

Specific to the Park Improvement Program (PIP), Mayor Roe noted that the CIP Task Force had further addressed the debt service retirement in 2020 of City Hall bonds and their recommendation to repurpose some portion of them for other purposes, including the PIP.

Finance Director Miller noted that, in 2012, the City Council took action to support that funding plan and the CIP Task Force's recommendations by resolution;

but clarified that it would still require action by the City Council as part of the 2015 budget process to ratify those recommendations.

Mayor Roe clarified that resolutions didn't set the annual levy, and confirmation of those recommendations were on the annual docket for this and future City Councils.

Specific to raising revenue through increased fees, Councilmember McGehee asked that the Finance Commission be charged with discussion the pros and cons of annual bonding for some of these CIP items, particularly infrastructure needs to avoid repetitive fee increases to pay for them. Recognizing that the City Council usually had an annual fee review and update provided by staff, Councilmember McGehee asked if that would be the case this year as well; and sought consensus interest in having those discussions in light of the large volume of fees or CIP gaps that seem to be related to Parks and Recreation needs with new facilities coming on line in 2016 and 2017, even after the \$19 million bond issue. Councilmember McGehee expressed her surprise in seeing such a large amount of unfunded needs remaining, even through the most recent community survey results supported the resident interest in retaining the same level of services and programs as they were currently receiving. However, Councilmember McGehee opined that the City Council needed to determine how to accomplish that, and often failed to pay attention to basic infrastructure needs, which she considered essential services, such as consistent and continual water, sewer service and street infrastructure needs as well.

Regarding the assumptions outlined by Finance Director Miller in his presentation, particularly Assumption A entitled "The City desires to maintain all existing programs and services at existing levels;" Councilmember Willmus opined that question #47 of the latest 2014 community survey conflicted with that assumption. Councilmember Willmus expressed his disappointment that the same survey format had not been followed over time, and to find the same question he went back to 1998 and percentage changes from then to the 2014 survey for responses to that question, with favorable responses for support of a tax increase to maintain those levels being significantly reduced, and the opposition to a tax increase becoming higher over that same time. Councilmember Willmus opined that, as more residents became aware of proposed 2015 cost and increases, that opposition number may increase; and therefore it behooved the City Council to begin the reprioritization process as mentioned by Councilmember McGehee. Councilmember Willmus advised that this would be a critical or key component moving forward.

Regarding the bonding proposal, Mayor Roe stated that they still had to be paid, and a plan of how to pay them needed to be part of the discussion. While bonding was often used at the state level for infrastructure needs, Mayor Roe clarified that they also removed debt service as they added more, so the net impact didn't create

a large fluctuation. However, Mayor Roe noted that when initiating such a bonding program the City would not have that same advantage.

Specific to prioritization, Mayor Roe opined that the key aspect would be to look at the plan over the next twenty years to ensure everything was included that needed to be, and that those items included were appropriately timed, which required staff to keep the plan up-to-date and valued in current dollars to the greatest extent possible. However, Mayor Roe observed that the City Council also had to weigh in using those same basic assumptions, even when the reality may contradict some of those initial assumptions.

Councilmember Etten sought clarification on the pathway maintenance item as part of the CIP budget and projected annual maintenance based on the recommendations of the CIP Task Force at the end of 2012. However, with additional assets not part of that recommendation, Councilmember Etten asked if those increases had been addressed, since the community survey indicated the strong interest by the community, with the need for the City to ensure they were adequately funded.

Finance Director Miller advised that, at the onset, the City Council could expect changes on the CIP budget annually based on many different things, including the cost of input and as new technologies and costs become known, the CIP should change annually. In his review of the CIP needs as identified by the Public Works and Parks & Recreation staff, Mr. Miller opined that it didn't appear that an additional \$80,000 amount of funding infused for 2015 was needed, but the proposed amount should be sufficient. However, Mr. Miller noted that this could and should be revisited in the future to determine if that assumption held true.

At the request of Councilmember Etten, Finance Director Miller clarified that while he reviews the CIP needs of each department overall, the annual asset replacement need forecast was done by each department and updated accordingly.

Mayor Roe asked that staff double-check their projections, noting that sometimes the recommendation didn't jive with their current situations and may not apply to the entire differential.

While recognizing that it was great to continually review the numbers before taking action, Councilmember Etten supported the determinations made by individual departments.

Recognizing that last year the CIP was funded with the one-time local government aid (LGA) allotment from the State of MN, Councilmember Etten asked that Mr. Miler address how to fund the additional CIP needs for general facilities and information technology (IT), even though absent a chart of IT needs was not included, in absence of that resource.

Finance Director Miller responded that IT equipment was combined with other City vehicle and equipment needs, and opined that those needs were in good shape for 2015. Mr. Miller opined that the bigger challenge in 2015 and beyond was for facility replacement, since that \$200,000 in LGA represented a significant amount, and was anticipated in 2015 and beyond, but now was suddenly gone. Mr. Miller suggested the need during 2015 discussions for suggestions to backfill that loss of LGA, and whether to consider staff's recommendation to backfill it with repurposed debt service as an option.

Mayor Roe noted the major CIP expenditure in 2020 for the refrigeration system at the Skating Center; and suggested that an option, similar to the geothermal project, would be to look at Equipment Certificate financing versus an annual \$200,000 set-aside, as an approach that may make the situation look better eventually.

Finance Director Miller opined that was a great suggestion, and to-date the City had been very successful in achieving state participation in the OVAL; and should be part of future consideration for any facility replacement needs at the OVAL.

In conjunction with Councilmember Etten's comments, Councilmember McGehee stated that she would be requesting a future agenda item to discuss a policy to provide ongoing maintenance and CIP components to the consideration of any new assets at the onset. Councilmember McGehee opined that this should be part of the business model for the City and should be part of the overall plan when approving those items. Councilmember McGehee further questioned the hesitancy in bonding and rolling bond issues versus issuing bonds in chunks, especially for infrastructure needs. Also, when reviewing CIP needs, while she finds value in looking out over twenty years, when talking to other communities with CIP's and consulting with the League of Minnesota Cities (LMC), they found a five year picture more valid and manageable, or at most a ten year plan. Councilmember McGehee opined that a twenty-year plan was like looking into a crystal ball, and the City should pay more attention to the five and ten year outlooks to make sure things remained on track.

Councilmember Laliberte agreed with the comments of Councilmembers McGehee and Willmus in assumptions that all programs and services would remain at existing levels; opining that there is a sense to the need to revisit them and re-prioritize them as the community changes, and should be part of the overall process. While not intending that staff should not build on current assumptions, since there was some onus on the City Council at work sessions to determine how to prioritize or fund things at existing levels of at a lower amount, Councilmember Laliberte supported the need for periodic review of programs and services.

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Mayor Roe noted the onerous and unpopular exercise to do that reprioritization and varying points of view on their validity. However, Mayor Roe noted that the point being made by staff was that, until the City Council changed those policies, staff relied on the assumptions and policies in effect at the time to make their projections.

Councilmember McGehee asked staff to clarify and confirm the ongoing operational, repair, maintenance, and replacement costs per mile of roadways, pathways, and other infrastructure as applicable that staff built into their asset reviews.

Councilmember Willmus recognized Councilmember McGehee's sentiments about the great plethora of responsibilities of the City and how best to prioritize them; however, on a higher level he opined that there may be greater value in relying on periodic community survey results to gauge the timing for those business and budget decisions.

Mayor Roe asked if Councilmember Willmus intended that to be part of and prior to adopting the 2015 budget.

Councilmember Willmus responded that it would be in the back of his mind as he did his own deliberation on the 2015 budget; and suggested that while it could be started this year, he would push hard to do so if re-elected to the City Council. Councilmember Willmus opined that it had not been done in some time, and whether or not people wanted to continue maintaining and building on the current service and program level may be changing somewhat.

While not necessarily supporting reconstituting the City Council's Finance Subcommittee since formation of the Finance Commission, Mayor Roe suggested it may be prudent in the near future to consider a couple of Councilmembers getting together to initiate the prioritization process by looking at the broader categories and returning to the full body with their ideas.

Councilmember Willmus acknowledged Councilmember McGehee's comments to find funding sources for maintenance dollars as new assets come on board; and as mentioned by Councilmember Etten as well, it should be part of the discussion before making the decision or at least part of the decision-making process.

Councilmember Etten questioned if when adding a new asset it was also added to the twenty year CIP (e.g. a new park building).

Finance Director Miller advised that Department Heads are tasked to look at replacement needs over the next twenty years, and no matter what year that new asset is put in place, their projections are for over that twenty year period, whether maintenance or replacement; and while some assets may only have a ten lifespan, and some thirty years, everything was part of the CIP exercise and reviewed on an

annual basis, and a process built in and part of staff operations with assistance by the Finance Department to individual departments.

Mayor Roe, recognizing the information requests by Councilmembers McGehee, Laliberte and Willmus, suggested part of future RCA's coming for approval for purchase or implementation include, as part of the Financial Impact section, the replacement costs over twenty years and amount anticipated annually in current dollars needing to be set aside.

In addition to Mayor Roe's suggestion, Councilmember Laliberte referenced past discussions on the possibility of mimicking or following the process used by the State as noted during Finance Commission interviews. As far as breaking into a City Council subcommittee, Councilmember Laliberte advised that she could support that; however, first she thought they needed to get their arms around the larger categories by sitting down with the community survey again – in work session format – looking at it from the financial perspective.

Mayor Roe duly noted those suggestions for future reference.

b. Finalize Discussions on the Preliminary 2015 Budget and Tax Levy

City Manager Trudgeon suggested the intent of this agenda item was to allow the City Council yet another touch point before anticipated approval of the preliminary 2015 levy on September 8, 2014. Mr. Trudgeon noted that staff appreciated the questions received from Councilmembers by staff to clarify issues and provide areas for future discussion. Mr. Trudgeon reviewed several refinements made by Finance Director Miller since the previous iteration; and correction and reduction on the spreadsheet from \$346,000 to \$325,000 for reserve use. Mr. Trudgeon advised that staff was still researching the prior mention of \$30,000 in reserves as part of the park maintenance position funding. Regarding whether to make up reserves all in one year, Mr. Trudgeon responded that this was the intent, but it could be spread out over several years, and if staff understood the City Council's directive, a determination would be made in the near future how to proceed forward and not use reserves in 2014 and make it up in the future,. However, Mr. Trudgeon advised that staff's recommendation would be to make it up in one year to provide maximum flexibility in future years.

Specific to debt service, City Manager Trudgeon referenced the table on page 2 of the RCA dated August 25, 2014, and apologized for not providing enough detail. Mr. Trudgeon advised that staff continued to refine the information used during the budget process and how best to present it to the City Council and public; and asked continued feedback from individual Councilmembers as well as the body on what level and type of information would be most helpful to them. Since the City Council continued to have questions, Mr. Trudgeon opined that staff was obviously still struggling to achieve the right amount of detail for them, and sug-

gested a discussion with the City Council in the future about that would be helpful for staff.

Specific to COLA, and as detailed in the RCA, City Manager Trudgeon reviewed initial projections, and more current information for the two index references to be used per policy in making that determination; with cost savings projected at \$35,000 for 2015 based on updated information and twelve-month calculations.

Finance Director Miller reviewed the anticipated 2015 tax levy impacts based on the most recent projections and current trending, with the property tax increase reduced to \$830,829 from previous recommendations.

At the request of Councilmember Willmus, Finance Director Miller responded that depending on the particular application, staff generally used a 2.5% inflationary multiplier when factoring in all cost inputs from service suppliers and vendors; while some contractual obligations were coming in much higher than that.

Mayor Roe asked that, specific to general inflation, staff breakdown supplies from professional services, or what was contractual or not contractual.

Finance Director Miller responded that, between now and September 8, staff could provide a better breakdown of contractual and discretionary, as long it was understood it was at the City Council's discretion – what did we use as inflationary multiplier on operations and capital whether or not to reduce service levels.

At the request of Councilmember Etten, Finance Director Miller addressed personnel-related costs specifically; noting that this early in the process, staff had to make some assumptions, and one of those was what staffing and personnel levels would look like and whether they would change between now and year-end. Mr. Miller noted that one of those significant dynamics was whether or not the fire-fighters decided to form a union and if so, the impact on the budget based on many factors. Therefore, Mr. Miller advised that he thought it prudent to factor those things into the 2015 personnel budget if that union becomes a reality; and if those financial impacts are not mitigated, he recommended a cushion over the course of the year. As part of that assumption, Mr. Miller advised that he also reserved some money from previous COLA and step increases for employees.

At the request of Mayor Roe, Finance Director Miller addressed the increase in dispatch services from \$100,000 to \$150,000 in 2015.

At the request of Councilmember Willmus, City Manager Trudgeon advised that at this time, two police officer positions and the Assistant Finance Director position remained open; and advised that he was unable to predict if any more would become open between now and year-end. Councilmember Willmus asked staff to calculate an approximate dollar value associated with those open positions for the

remainder of 2014, duly noted by City Manager Trudgeon, while clarifying that staff was currently in the process of filling the positions at this time, and would continue along that line as part of normal operations unless otherwise directed by the City Council tonight.

In his attempts to encompass the budget process over a period of time, Councilmember Etten noted a process glitch in that the City Council, once the budget was adopted, didn't see the final budget in January of the following year once adopted in December of the prior year. As part of the budget process, Councilmember Etten expressed his interest in that final step to make sure everyone was on the same page. Recognizing that staff had a lot to keep track of, Councilmember Etten opined that having that information available as soon after adoption as possible, would be helpful not only for the City Council but for the public as well.

Mayor Roe opined it would be like a final reconciliation by the body of the math after many numbers were tossed around.

At this time, Mayor Roe recognized Finance Commission representatives for their recommendation.

Justin Roloff, Finance Commission Vice Chair

Vice Chair Roloff noted the presence of three other commissioners in tonight's audience as well.

Vice Chair Roloff reviewed the background of the Commission's analysis over the last two meetings of historical reserve levels, with Commissioner Pete Zeller charting those trends and comparisons to today. At their August 21, 2014 meeting, Vice Chair Roloff advised that the Commission had formally and unanimously approved a policy recommendation, as follows:

Operating Reserve Fund Policy

If aggregate reserves are outside of targeted goals, the Council is advised to create a plan to get reserves into targeted goal ranges by committing reserve funds using aggregate excess reserves to reduce the levy or make appropriate budget or tax levy adjustments.

As part of their analysis and deliberations, Vice Chair Roloff advised that the Commission looked at each individual operating reserve, some of which were higher than the targeted goal (e.g. License Center) and originally were going to recommend that the reserves be used to reduce the levy or transferred elsewhere,

but had amended the recommendation as stated above, to change or appropriate levy or budget adjustments.

Mayor Roe, and in terms of the process for practical applications or specific examples, referenced a bench handout from the Commission meeting provided to the City Council that summarized aggregate funds as of 2013 in relationship to their target.

Vice Chair Roloff reviewed the combined reserve dollars (goal versus actual) used by Commissioner Zeller in his summary of aggregate funds and with budgeted expenditures as of 2013, since no actual figures were available yet for 2014.

Discussion included the rationale for use of high or average goals; targeted goal ranges based on policy language and allowing flexibility to decide on high, low or average goals according to a prescribed plan; unrestricted funds defined; use of Communications Fund franchise fees not under federal law as restricted; application to operating funds, not CIP funds; and whether to apply excess reserves toward CIP shortfalls.

Vice Chair Roloff advised that the Finance Commission had not yet talked about the CIP fund and shortfalls, as to-date they had been concentrating on the operating reserves, and considered both funds separately, with plans to look at CIP reserves and funding at future meetings.

Vice Chair Roloff noted that the recommendation retained an option for the City Council to commit reserve funds (e.g. building a new License Center), with remaining non-committed reserves then at the lower end of the goal.

Commissioner Pete Zeller clarified that the Communications Fund was not part of this initial analysis, but his understanding was that it was not a restricted fund.

Councilmember Laliberte asked for the Finance Commission's thoughts on those reserve funds below desired ranges.

Commissioner Roloff advised that his original recommendation, as amended by the Commission vote, had suggested transfer from one to another reserve fund; however, it was thought prudent to not lose any historical data for accounting purposes; and if one reserve fund continually operated at a low reserve and was bailed out by another fund, it would not allow for good comparisons. However, Commissioner Roloff noted that there was a third option in the final recommendation to make appropriate budget or levy adjustments.

Councilmember Laliberte opined that she would want to be sure to understand why a fund was underperforming and fix the problem, as noted by Commissioner Roloff, it was only a one-time problem.

Without objection, Mayor Roe asked staff to bring the Finance Commission recommendation forward for a formal policy amendment in the future.

Based on ongoing e-mails between staff and Councilmembers during the budget process, and for the purposes of a sample budget expenditure and tax levy revenue reconciliation, Mayor Roe provided, as a bench handout attached hereto and made a part hereof, a one-page sample that could be used to track changes and make amendments accordingly, all within that one document. Mayor Roe suggested this could be used as a potential document going forward, and sought individual Council feedback on the usefulness of such a resource. Mayor Roe noted the footnotes at the bottom of the document that provided additional clarification of the numbers involved.

Councilmember Willmus spoke in support of the sample document, opining that it was helpful for him, and provided similar information in a format used by the HRA for their actual and projected budget and levy comparisons.

Councilmember Etten expressed appreciation for the document; however, as noted by Finance Director Miller during the budget process, he expressed his preference for tracking the bigger picture of why dollars were shifting, but noted this did provide the middle range from grids and trying to track the same information from multiple pages of documents. Councilmember Etten suggested this may break down trends and allow easier following of the money in a more transparent way. Councilmember Etten expressed his preference to have the budget and levy contained in one document; but was concerned with the category proposing an ongoing option for using reserves for property tax relief. Councilmember Etten stated that he didn't want the City Council's policy to provide use of reserves on a regular basis to balance the budget; and expressed his concern if it was made a permanent piece of budget documents, it may do so. Otherwise, Councilmember Etten found merit in this blend of information.

Councilmember McGehee concurred with Councilmember Etten's remarks on the use of reserves, but otherwise expressed her interest in this type of document. By way of formatting, Councilmember McGehee noted the easier reading of the HRA document with footnotes listed at the side of each line item versus at the bottom and suggested formatting be adjusted accordingly.

Specific to the use of reserves as noted, Mayor Roe clarified that it addressed only the last year's reserve levels when below or at target, and hopefully then the Finance Commission's recommendation would then be reflected accordingly unless a policy change was made at that time. Mayor Roe advised that was his rationale for including that particular reference note.

Councilmember Willmus stated that he had no issue with having the note on reserves, and expressed his disagreement with Councilmember Etten's comments, opining that he didn't see it setting a trend by including it, when considering all funds in totality. Councilmember Willmus noted that, in the past when the City had a specific property tax relief fund, such an option made sense, and opined that the City Council should look at creating such a fund again going forward.

Councilmember Laliberte spoke in support of such an at-a-glance document, and asked if it was Mayor Roe's intent to have an updated copy at each budget discussion as it evolved.

Mayor Roe clarified that this was his intent with each iteration clearly identified by date and/or other identifiers.

Councilmember Laliberte stated that she was not opposed to the use of reserves, but spoke in support of a future policy discussion about when and where reserves were used and for what purpose; but having a line specific to one-time use was agreeable to her.

Councilmember Etten noted that the HRA tracked their budget and levy by fund, but in support of Mayor Roe's sample document, the City had many more funds to track than the HRA. Councilmember Etten noted that he was not seeking minor changes in such a document from staff, but larger subtractions and/or additions.

Based on reserves and the proposed policy recommendation from the Finance Commission, Councilmember McGehee noted that if reserve levels were below or above the policy target, having that information and immediately knowing if the reserves were on the plus or minus side would allow the City Council the ability to make a decision and not push those reserves in one direction or the other.

Councilmember Willmus spoke in support of the notations showing above or at midpoint, preferring such an assumption as important information, and indicating that there is a bottom at which you may consider using reserves while not taking them down to zero.

Mayor Roe noted that the document could clearly state where the particular reserve fund was at within the target range; and further noted that until the City Manager recommended budget was presented, the reserve use could be assumed to be at zero until he makes a recommendation to use a certain amount from reserves.

Finance Director Miller noted that staff had presented many different documents through many budget processes; and several budget cycles ago, had provided a similar document to the sample prepared by Mayor Roe. Mr. Miller spoke in

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support of such a format, opining that it was a good concept for the City Council to track funds; and expressed staff's interest in providing any documents that would make the five Councilmembers collectively provide direction as to how best to package the information they needed for the best decision-making. Based on tonight's individual Councilmember comments, Mr. Miller opined that staff could make this sample document work; however, he noted two challenges in doing so: that this level of precision detail may not be available in early May for round one of the budget process, requiring staff to approach the budget process differently at staff level. Mr. Miller, as another challenge, also noted that not all line items and reserve funds were funded by tax levies or other revenue sources, and could make the General Fund arbitrary. Mr. Miller noted that the General Fund was funded in the millions of dollars with other pooled money from other revenue sources; and questioned if staff would be able to clearly define where funding was allocated for the levy of other revenue sources. Mr. Miller stated that he had in mind how to do so proportionately, but was unsure of whether it would provide the level of precision that was not arbitrary for the City Council's benefit.

Mayor Roe suggested that, if there was too much detail in some areas and the aggregate number was easier to represent, he opined that there might not be that much detail needed on the levy side, or perhaps across multiple categories if that helped staff's formatting, which Mr. Miller agreed would be helpful.

With Mr. Miller's reference to a similar document prepared by staff several years ago, Councilmember Laliberte questioned why it didn't live on.

Finance Director Miller stated that his best answer was when the City Council's membership changes, staff seeks individual feedback on what their information needs are, noting that each processes differently, with even individual information needs changing from one year to the next with the same Council, at least during his tenure.

Councilmember Laliberte opined that she found this document helpful, but her concern is also what the public needed, and if a document such as this was beneficial for the public, it needed to be continued whether or not the City Council asked for it.

Councilmember Willmus opined that such a document could transition through the annual budget and create some interesting discussions.

Mayor Roe noted this first application would serve as a test or a guide, but suggested Finance Director Miller could counter with a model that would work better with his purposes.

Discussion ensued on the note about reserves or aggregate reserve level from undedicated funds, or a separate column under reserves instead of a line item for

proposed use of reserves; use of the reserve notes for information purposes only; identification and clarification of discretionary reserves;

Roe moved, Willmus seconded, to direct staff to use the sample document as presented for the most part, including the line specific to reserve use for tax relief.

Mayor Roe opined that he thought it important to send a message that the City Council believed in tax relief when possible and wanted to retain the line as part of the policy for City finances in reviewing whether such relief was prudent; and also spoke in support of Councilmember Willmus' suggestion for future consideration of a property relief tax fund. Mayor Roe noted that, over time the wording may change, but for the most part he found this a good step.

Councilmember Laliberte concurred, supporting including the line about reserves, even if no number was available in the initial budget process, but she did want to see the aggregate number included; with Mayor Roe agreeing that fit the intent of his motion.

Councilmember McGehee stated that she could not support the motion without having a list of things, and the policy recommendation from the Finance Commission, which she did not find included within the language of the proposed motion or sample document. If the consensus was for retaining the property tax relief line, Councilmember McGehee opined it could be done, but not related to the reserves, just potential property tax relief. Councilmember McGehee noted that the Finance Commission provided three options for the policy for money over the average aggregate amount, but opined that this was now becoming highly specific and flew in the face of that policy recommendation.

Councilmember Etten concurred with Councilmember McGehee's comments; opining that he found it troubling for a budget document assuming reserves will be used to patch together an annual budget, even if at zero, and never forcing the City Council to make a decision to make the budget work with ongoing or available dollars. If the council didn't support that level of spending, Councilmember Etten suggested the option should be to then bring the budget and levy down to a level that would work; otherwise this motion allowed expenditures above what the council was willing to levy for.

Councilmember Willmus opined that having the reserve line included was appropriate, even if at zero, and asked individual Councilmembers to keep in mind where those reserves came from: taxpayers of the community who were essentially paying in advance for future considerations through reserves. Councilmember Willmus also noted that, if those reserve balances were excessive and not just healthy, the taxpayers should be confident that the City Council would take steps to address them and reallocate those excess reserves to other funds, or by refunding the funds for property tax relief. Councilmember Willmus stated that he had

no problem showing that information on this document, since the onus would then be on the City Council to have this discussion during the annual budget cycle; and therefore stated that he would support the motion.

Councilmember Laliberte stated that she found the idea of a property tax relief fund as proposed very amenable, as it was very transparent and would be consistent to move funds in accordance with the Finance Commission's policy recommendation, and if there were excess funds, they should be clearly transparent and contained within one fund for the purpose of tax relief; and therefore she was comfortable in retaining the statement on this document. Councilmember Laliberte expressed her interest in a transparent policy statement for the benefit of the public to show how and when those funds can be used, turned around or re-funded.

Councilmember McGehee concurred with the comments of Councilmembers Willmus and Laliberte, opining they were similar to what she had stated. For the most part, Councilmember McGehee stated that she had no problem with the intent of the document; however, she did oppose the motion as stated specifically for property tax relief, since a property tax relief fund was a policy statement, and the body had yet to whether excess reserve funds would be used to cover CI shortfalls. Without a specific policy laid out, Councilmember McGehee opined that it would be too easy from one budget cycle to another to change directions; and until a policy was adopted incorporating the three recommendations of the Finance Commission, she found it premature, even though she agreed in general to the intent, but found the matter of semantics problematic.

Mayor Roe clarified that this document and the aggregate reserve line was only a line on a table, and not powerful enough to force the City Council to commit to use of 100% of reserves for property tax relief; and further clarified that it was never intended as such. However, Mayor Roe opined that the three options provided by the Finance Commission were not part of this document, but would be another action, and now showing on this chart.

Roll Call

(Motion incorporating aggregate reserve note)

Ayes: Willmus, Laliberte and Roe.

Nays: Etten and McGehee.

Motion carried.

c. Review Housing Redevelopment Authority Levy Request for 2015

Community Development Director Paul Bilotta briefly reviewed the HRA Levy Request for 2015, as detailed in the RCA dated August 25, 2014, and bench handout providing a notated comparison 2014 and 2015 budget for Fund 723. The HRA adopted their preliminary levy by resolution at their August 19, 2014 prior to this presentation to the City Council; seeking a maximum levy of

\$741,498, a 5.4% increase from the 2014 levy in order to implement new initiatives as previously reviewed and supported by the City Council and for ongoing programs.

At the request of Councilmember Willmus, Mr. Bilotta reviewed the intent to sustain HRA reserves to address operational cash flow needs versus the past practice of borrowing internally to meet those needs on an interim basis. At the request of Councilmember Willmus, Finance Director Miller responded that he was not aware of any statutory issues related to internal short-term borrowing from the City if needed by the HRA; however, he noted that the City also experienced those dips in General Fund discretionary funds as well that could supply such interim loans, as revenue sources were periodically delayed; therefore, he opined that this may not be the best place to turn for short-term borrowing. Mr. Miller also noted this would be policy based as to whether the City Council wanted the HRA to be self-sufficient and segregated, and if so it needed to have reserves available from one year to the next.

At the request of Councilmember McGehee, Mr. Bilotta reviewed HRA program #72, (multi-family initiatives), explaining that the program incorporated multiple pieces, including assembling parcels for redevelopment and another area for rehabilitation loans as the fund was built up and became sufficient to provide gap financing for existing multi-family buildings in need of repair or maintenance for safety and overall benefit to the community, and as a direct result of the current rental licensing inspections that provided this potential funding option to owners of those buildings.

Councilmember McGehee expressed concern in the HRA being in business to provide small business loans to other businesses, some of whose owners may not even live in Roseville, and if that was the case, those loan funds should be available for any other new business as well.

City Manager Trudgeon clarified that the HRA never characterized the program as a small business loan, and when started in 2009/2010, it was intended to stabilize the multi-family initiative prior to the rental licensing program to get improvements to those buildings for tenants living in bad situations. However, Mr. Trudgeon noted that the program never got to that point, but now was at the point where funds were possible for use to go beyond aesthetics as needed to improve quality of life, as well as being available for property purchase, similar to that for the Dale Street Fire Station project.

At the request of Mayor Roe, City Manager Trudgeon advised that the HRA had put policies in place when the program was approved in 2009/2010 as to how and when those funds could be used and applicable criteria.

Speaking to the concerns raised by Councilmember McGehee, Councilmember Willmus stated that he shared her concern, and questioned if the HRA should become a bank, and the need to be very aware of the possibility, when there was and should be a role for the private sector to play in those areas; and whether it may be considered a conflict when the City was doing the inspections, requiring something to be fixed, and then making the property owner aware that funding was available from the City to make those repairs, a real concern for him.

Mayor Roe noted the program should perhaps be modeled similar to other homeowner assistance and based on income qualification criteria.

City Manager Trudgeon advised that staff could look at the program to review current qualifications for participation and whether any adjustments were indicated. While understanding concerns related to any potential conflict of interest, Mr. Trudgeon also noted the HRA's desire to provide a low cost financing option if needed to get property owners to address those areas needing fixing during inspections and get them done. Mr. Trudgeon advised that he wasn't immediately aware of the actual amount allotted in this program for loans, he recalled that it was a very small amount.

Further, City Manager Trudgeon noted that the HRA already offered a revolving loan program, that was self-sustaining, and in partnership with the Housing Resource Center (HRC) who administered the loans; so similar programs were already in operation.

Specific to that program, Councilmember Willmus opined that when the HRA got into situations with the housing replacement program, it needed to position itself to recoup costs when acquiring and reselling property (e.g. Hamline property), and going forward needed to have a basis in place to recapture those funds.

In hearing that the HRA needed to address cash flow issues as revenues from Ramsey County were received semi-annually, Councilmember Laliberte questioned the need for reserves for the HRA since she didn't see them categorized as providing essential services, and her perception of the need for an emergency fund didn't apply in this case. Councilmember Laliberte stated that she was not thinking there was a need to build reserves up for those HRA programs.

Councilmember Laliberte also noted that the HRA was not funding the City Communications position in 2015 and beyond; however, she questioned where those creative communication functions were to be supported in another way, asking if they were no longer needed or if outside consultants would be meeting those needs moving forward.

City Manager Trudgeon responded that it was a combination of funding, some separate and specific to the HRA and others part of overall City communication

efforts. If there was a special project, Mr. Trudgeon opined that the HRA would probably seek outside services for those communication needs, but on a daily basis, he recognized the ongoing communication efforts and the HRA's staff involvement in those meetings, not necessarily creating the need for a dollar item, but focusing on the initiatives they were addressing in their work plan; and not billable hours.

At the request of Councilmember Laliberte specific to the current "Welcome" packets provided by the HRA, and their review by the Community Engagement Commission, City Manager Trudgeon advised that those designs were over five years old, and the intent was to freshen them up as copies are depleted versus ordering another supply. Mr. Trudgeon advised that this would be happening sooner rather than later, with input from multiple sources on the design, format and delivery options for them – all part of a much larger and broader conversation. To-date, Mr. Trudgeon noted that the "Living Smarter" logo had worked well for the HRA, but as they expanded into redevelopment and building retention and expansion, that message may need to change along with incorporating it within the overall City message. Mr. Trudgeon advised that there was considerable effort behind the scenes by staff city-wide in how to coordinate those communication efforts.

At the request of Councilmember Laliberte, Mr. Trudgeon clarified that the HRA 2014 budget included \$20,000 for ongoing advertising, but would unlikely be unused in this budget cycle.

Community Development Director Bilotta noted that the HRA was reviewing how the current welcome packet was distributed, since it was expensive to mail, and in-house department staff was capable of doing the design work on a new project.

As a Councilmember but also newer member of the HRA, Councilmember Etten opined that while some communications efforts may be new, the HRA should continue to support those efforts at some level and share those costs at some level.

Mr. Bilotta responded that the \$20,000 line item in program 82 (marketing studies) for ongoing marketing and advertising, included some advertising items that the HRA continued to fund, and assured Councilmembers that the HRA continued to fund communication efforts, but addressed in the marketing category versus personnel costs, basically purchasing those services from the City of Roseville. Specific to programs #71 and #72, Councilmember Etten stated that he would have additional discussion with the HRA, but questioned the City Council on their comfort level in funding those programs, noting the significant amount being added to those funds.

At this time, Community Development Director Bilotta clarified that those funds were intended to be in “build-up” mode, since the Housing Replacement program was lean, but the 1840 Hamline Avenue funds were coming back into the bund; and the HRA would eventually determine how many projects it could manage at one time. However, Mr. Bilotta noted the need to have funds available to allow the HRA to move quickly on any blight abatement opportunities came forward. Also, Mr. Bilotta noted there were a lot of payables still coming in from the Dale Street multi-family project, and at some point in time the Business Retention and Expansion projects on the commercial side (e.g. Terrace Drive), funds may be needed.

Mayor Roe noted that these were preliminary budget and levy numbers at this time, with the actual setting of the Preliminary HRA levy done in September. Since the HRA would not be meeting again before that adoption, Mayor Roe suggested the City Council provide clear direction for addressing any significant changes between the preliminary levy adoption in September and final levy adoption in December.

City Manager Trudgeon clarified several items for the benefit of the City Council:

- 1) The single-family loan funds used to be all supported by levy dollars, but was no longer, allowing the HRA to lower that levy amount with the intent they not be continually funded, but become sustainable on their own.
- 2) As the budget process moves forward, by November the HRA should have a better sense of their carryover cash, at which time their levy request could be reduced if appropriate depending on those refined numbers.

As always, Mr. Trudgeon noted that it was staff’s responsibility to make sure they didn’t over-levy by fine tuning those numbers before the final levy and budget was adopted in December.

At the request of Mayor Roe, City Manager Trudgeon advised that the proposed HRA levy was anticipated to change the annual HRA tax from \$34.50 to \$38.50, for an average priced home in Roseville.

Councilmember Willmus opined that this increase represented an 11.4% increase from 2014 to 2015; and if the City Manager was looking for an indication from the City Council as to their comfort level with this proposed levy, in his personal review of proposed reserve policies versus the relationship with the HRA and City, he did not see any need to duplicate reserve amounts. While it may not be a fair way to look at it, Councilmember Willmus stated that this was his perspective, and he probably would not be supportive of this proposed HRA levy increase at this point.

Councilmember McGehee stated that she didn’t feel that way, partly due to the history of watching the HRA and their performance for the City and accomplishments to-date on important initiatives, including the Neighborhood Enhancement

Program (NEP), Business Retention and Expansion just being initiated, and their excellent work on the multi-family housing rental licensing program. Councilmember McGehee opined that, whenever the HRA has acted as a bank, they've built up those funds to become self-sufficient in those programs. After the budget process is completed this round, Councilmember McGehee expressed her interest in setting up a program to reduce reserves, but allowing enough flexibility to be able to act on any blighted buildings that become available. As a part of this overall program, Councilmember McGehee opined that if the City was unable to act on a blighted property and purchase it at a low cost, it was probable that the City may end up with a slum lord situation, creating even more ongoing problems with that property. However, if the HRA purchased the property, demolished the existed building, and then was able to improve the property and get it back on the tax rolls, Councilmember McGehee stated it would only serve to improve the City tax base, and would work in tandem with the successes of the NEP program, as well as others. Councilmember McGehee opined that this reserve fund was different than many of the other reserves to enable the HRA to move quickly if and when properties become available.

Councilmember Laliberte stated that she appreciated a lot of what the HRA did in moving the City forward in many ways. However, Councilmember Laliberte opined she was not sure if she agreed to the HRA seeking the maximum allowable levy, and even while some things listed were important to fund, she wasn't sure if she could support that levy increase to beef up reserves to the proposed extent. Councilmember Laliberte also expressed her concern with the communications aspect, but recognized the comments of City Manager Trudgeon in assuming the function versus changing course by piecemealing them out.

Specific to increasing reserves, Councilmember Etten noted there was no increase in the 2014 for reserves, and there may be carryover funds to reduce the proposed 2015 reserve needs. However, at this point, Councilmember Etten stated that he was not looking to increase the HRA levy to provide more funds in reserves.

Mayor Roe noted that the HRA levy would return with other levy actions on September 8, 2014, subject to modification by the HRA and/or City Council.

Councilmember Willmus referenced Councilmember McGehee's comment on the HRA's housing replacement program; and concurred that it was absolutely correct and admirable that the HRA had the ability to purchase property and get a new structure on the tax rolls. However, Councilmember Willmus also noted the need to be aware of recouping upfront costs, and there was often a lag for newly-constructed properties reaching the tax rolls, sometimes as long as 3-4 calendar years. Councilmember Willmus noted there were carrying costs as well, each factoring into his concerns going forward.

Mayor Roe noted there were also other considerations beyond simply recouping costs that were of benefit to the community in a broader sense.

Extend Curfew

At 10:00 p.m., Etten moved, Laliberte seconded, to extend the meeting until 10:15 p.m.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

13. Business Items (Action Items)

a. Consider Appointment to Roseville Housing and Redevelopment Authority

Mayor Roe briefly reviewed his proposed appointment to the HRA from the suburb candidates having applied. Mayor Roe recommended confirmation of his appointment, by resolution, of Dan Wall to the HRA term from September 24, 2014 to September 23, 2019; and sought ratification by the council.

McGehee moved, Willmus seconded, adoption of Resolution No. 11172 (Attachment A) entitled, "Resolution Approving Mayor's Appointment of Dan Wall to the Housing and Redevelopment Authority in and For the City of Roseville;" with the appointment for a term to run from September 24, 2014 to September 23, 2019.

Councilmember Willmus expressed his agreement with Mayor Roe's comments on Mr. Wall's qualifications, background, and previous history to the community; and looked forward to his input and perspective in future HRA discussion.

Roll Call

Ayes: Willmus, Laliberte, Etten and McGehee.

Nays: None.

Abstained: Roe.

Motion carried.

b. Community Development Department Request to Perform an Abatement for Unresolved Violations of City Code at 1175 – 1177 County Road B

Codes Coordinator Don Munson reviewed current code violations at this rental duplex property, with the current owner listed as Mr. and Mrs. William Head, although the property is currently in foreclosure with the redemption period scheduled to expire in December of 2014.

Mr. Munson advised that this property came up for abatement previously. Mr. Munson provided a status update, including photos, of current violations, including building maintenance and appearance (violation of City Code, Section 407.02.J. & K) related to loose and falling trim boards and significant paint dete-

roration on trim boards and door; grass, weeds and dead brush (violation of City Code, Section 407.02.C Weeds) and garbage not being collected (violation of City Code, Section 402.09 Collection Required). Mr. Munson advised that the upper unit was currently occupied while the lower unit is vacant and condemned due to an inoperable furnace, infestation and debris. Mr. Munson estimated the total cost of abatement would be approximately \$2,950.00, as detailed in the RCA dated August 25, 2014.

McGehee moved, Etten seconded, directing the Community Development staff to abate public nuisance violations at 1175 – 1177 County Road B by hiring general contractors to re-secure various trim boards, repaint any deteriorating trim boards and doors on the front of the house, remove rank vegetation, have grass cut weekly, remove and dispose of garbage, and remove garbage weekly until the property is out of the redemption period in December of 2014 at an estimated cost of \$2,950; with the property owner to be billed for actual and administrative costs, and if charges not paid, authorizing staff to recover costs as specified in City Code, Section 407.07B; *amended to include staff direction to secure the building from entry again.*

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

14. Business Items – Presentations/Discussions

15. City Manager Future Agenda Review

City Manager Trudgeon provided a list of upcoming draft agenda items.

16. Councilmember-Initiated Items for Future Meetings

Councilmember McGehee requested a discussion in a financial management plan or policy to address and fund ongoing maintenance and future CIP needs as part of the consideration for the addition of any new assets. Councilmember McGehee asked that the discussion occur sooner rather than later, and was duly noted by City Manager Trudgeon.

17. Adjourn

Willmus moved, Etten seconded adjournment of the meeting at approximately 10:08 p.m.

Roll Call

Ayes: Willmus, Laliberte, Etten, McGehee, and Roe.

Nays: None.

Daniel J. Roe, Mayor

ATTEST:

Patrick J. Trudgeon, City Manager

