

# Administrator/Clerk's Report

To: Mayor and Council

From: John M. McCarthy

Date: January 25, 2010

## Consent Agenda

**Minnesota Crime Prevention Association:** Membership for Police Chief Gordon Mincke in the MCPA.

**Minnesota Rural Water:** This is the City's annual membership for MRWA.

**American Water Works Association:** Membership for Public Works Director Duane Meliza in the AWWA.

**Rice County:** This is the annual fee for participation in the Rice County Drug and Special Operations Task Force. It is the same as last year.

## Ordinances and Resolutions

**Resolution 2010 – 04 Approving Excess Collateral:** Frandsen Bank has provided additional securities for excess collateral. State law requires council approval of securities pledged as excesses collateral. I have reviewed the additional collateral and it meets the requirements of state statutes. I recommend approval of Resolution 2010 – 04 (Motion)

## Old Business

**Bridgewater Township Annexation Agreement:** The attorneys for the City and Bridgewater Township have prepared an amendment to the annexation agreement. The amendment clarifies the responsibility for planning and zoning in the Annexation Reserve District and removes the requirement that 3 members of the Dundas Planning Commission be nominated by Bridgewater Township.

Township Supervisor Glen Castore has reported the Township will be considering the proposed amendment at their meeting of February 9, 2010. The Board will also be considering a payment of approximately \$9,500 to reimburse the City for planning fees incurred to develop a zoning code for the annexation area.

The City has received a letter from Christopher Sawyer, President, College City Beverage requesting that as part of the amendment process, the City review the length of time tax rebates will be paid to Bridgewater Township. Sawyer asks consideration of a time frame more in keeping with the maximum recommended by Minnesota which is 6 years.

The Annexation Agreement, General Terms and Provisions, Section 24 requires a request for an amendment to be first considered by the Dundas Planning Commission. The Planning Commission is then supposed to forward its recommendation to the Town Board and the City Council.

## Administrator's Report

**Annual Financial Report:** Following is an unaudited report for the major City funds. This report does not include any accrued revenue or expense and will change in the final audit. The City has not received the final statement from Rice County which usually includes additional revenue from tax and assessment payments made after October 15.

Joe Zignego is reporting the City's total cash and investments for the end of the year to be \$1,722,166. This includes all funds and reserves, both dedicated and undedicated. This is an increase of \$264,946 over 2008. The \$1.7 million figure also includes a bond payment of \$80,356 which was paid on January 1, 2010.

One of the financial highlights of 2009 was the final payment of the interfund loan used to construct the Memorial Park Pavilion.

Bridgewater Township has not presented the request for the 2009 tax rebate payment in accordance with the Annexation Agreement. The tax rebate should be in the low to mid \$20K.

## General Fund

### Revenues

General Fund Revenue for 2009 is \$898,387; \$79,672 more than budgeted. Revenue is also \$24,982 more than than 2008. Additional revenue from the Millstone play equipment assessment will be used to repay borrowing from the General Fund to install the equipment.

Tax revenue, including Market Value Homestead Credit, looks as if it will be \$32,789 less than budgeted. In 2008 the City's tax revenue was \$8,263 less than budgeted. This reduction in revenue is due to an increase in delinquent tax payments, primarily on undeveloped property.

Revenue from Licenses and Permits is \$30,547 more than budgeted. This revenue is primarily from building permits which is offset by increased inspection expense.

Intergovernmental aids, not including Market Value Homestead Credit., should be about \$50,125 more than budgeted. \$44,132 of this amount is attributable to receiving more Local Government Aid than budgeted for.

Revenue from Charges for Services is estimated to be \$10,523 more than budgeted due primarily to zoning fees. Again this revenue is offset by an increase in professional fees.

Fines and Forfeits are about \$3,209 less than budgeted, but this is usually offset by a decrease in attorney fees associated with the fine.

Revenue from contributions is about \$7,147 more than budgeted, due primarily to the D.R. Horton contribution to the Bridgewater Heights play area.

Other Revenues are higher than projected due to several reimbursements for services the City paid for such as mowing along the railroad ROW, engineering on antenna installation on the Bridgewater Heights Water Tower and insurance dividends.

### Expenses

General Fund Expenses for 2009 are estimated to be \$806,139; this is \$12,576 less than budgeted. In 2008 expenses were \$974,674.

General Government (primarily the operation of City Hall) was over budget by \$9,435 mostly due to the reallocation of professional fees from Planning and Zoning. Hail repairs, which were reimbursed by insurance also contributed to the over budget amount.

Mayor and Council were under budget by \$1,829.

City Hall staffing (Administrator, Deputy Clerk and Financial Assistant) expenses were about \$4,454 under budget.

Planning and Zoning is estimated to be \$8,918 under budget, mostly due to the reallocation of professional fees which are not reimbursed to General Government.

In total, General Government expenses are estimated to be \$256,610 which is \$5,624 or 2.2% under budget.

Police expenses are estimated to be \$27,724 under budget. Wage related expenses accounted for about 44% of the amount reflecting no raise for the Chief, reduced hours of coverage, less part time expenses and good management of limited resources by Chief Mincke.

Fire Protection is estimated to cost \$5,700 more than budgeted.

Building inspections are estimated to be \$28,642 over budget, primarily due to subcontracted inspection services paid from revenue generated by permit fees.

In total, Public Safety is estimated to be \$5,480 or 1.5% over budget.

Public Works should be \$14,922 under budget; Savings were primarily realized in not purchasing any capital equipment, deferring maintenance and wage related costs.

Cultural and Recreation (Parks) expenses are estimated to be \$12,913 over budget. Utilities, repairs and capital outlay are mostly responsible for the over budget expenses.

General Government operating expenses are estimated to be \$758,510. This would be \$2,152 or less than 1% better than the budget.

#### Water Enterprise Fund

Water Fund operating revenue is estimated to be \$279,251 or \$11,961 more than budgeted.

Revenue from water sales is \$13,626 less than budgeted. This is primarily due to less water being used for irrigation and other outside use.

The sale of water meters, meter installation charges and water access fees are all higher than budgeted.

Water Fund operating expense is estimated to be \$177,972 or \$46,573 more than budgeted.

Purchasing water meters and plumbing fees for the installation of the meters are the main reasons for the actual water fund expenses to be higher than budgeted operating expense.

#### Sanitary Sewer Enterprise Fund

Sewer Fund operating revenue is estimated to be \$341,222 or \$19,219 more than budgeted.

Revenue from sewer collection and treatment is estimated to be \$17,491 higher than budgeted.

Sewer Fund operating expense is estimated to be \$157,663 or \$33,350 less than budgeted.

Most of the line items in the sewer fund operating expenditures were less than budgeted. The most significant being professional services.

**MDH Water Supply Inspection Report.** The City has received a report of a routine inspection of the water supply system. The report indicated no deficiencies in the water system. A copy of the full report is available at City Hall.

**Plans for Disposition of County Market building materials:** The City has not received any information from John Zander regarding the submittal of preliminary plans for the disposition of the County Market building materials currently stored on his property. Council action at the regular council meeting of January 26, 2009 requires submittal of preliminary plans by January 31, 2010.

**Rice County Economic Impact Presentation:** I attended the Rice County Economic Impact Presentation along with Mayor Switzer and Councilor Zander. The U of M Extension service reviewed several target industries and discussed the projected economic and employment impact of the individual industries. A copy of the power point presentation is available by request.

**Rural Fire / Fire Protection:** I attended a meeting of the Northfield Rural Fire Protection Association on Thursday, January 14<sup>th</sup>. The board received financial and call information for 2009. They also reviewed the budget for 2011 and voted to recommend a 10% increase to the townships. Rural Fire responded to 55 calls in 2009 with Dundas accounting for 7 of the calls. In Dundas, there were 5 false alarms, 1 outdoor fire and 1 gas line break caused by excavation. At this time, NRFPA is not including Dundas in their 2011 budget. They are anticipating Dundas will be contracting directly with Northfield in 2011.

**East Side Trail Connection / Friends of the Mill Towns Trail:** Northfield has been awarded \$150,000 of the \$500,000 Legacy Grant they applied for. Dundas supported the grant application and agreed to consider a Dundas connection to provide a complete loop trail on both sides of the Cannon River. Northfield is having a meeting to discuss the development of the trail on February 1, 2010.

**Joint Governmental Meeting:** Dundas was the host of the quarterly Northfield/Dundas Area Joint Governmental meeting held at Bridgewater Town Hall on January 20, 2010. In addition to the regular members, the meeting was attended by representatives of several area townships served by Northfield Rural Fire Association. Jerry Anderson of NRFA and Joel Walinski, Northfield City Administrator presented an update on current discussions regarding the provision of fire protection in the area served by the Northfield Fire Department and the Northfield Rural Fire Association. Anderson indicated Northfield has developed a formula to assign operating costs to Rural Fire and Dundas. Anderson and Walinski referenced a method to consider township building requirements in the construction of a new fire hall in Northfield.

The townships, cities and counties reported on activities in their individual jurisdictions. Rice County Commissioner Galen Malecha reviewed road construction projects. Travel between Northfield/Dundas and I-35 may become confusing later this summer as both MN 19 and CSAH 1 could be under construction at the same time. Malecha stated the detour for CSAH #1 is Highway 19 and the MN #19 detour is CSAH #59 (Old Dutch Road).

**Request for Naming Rights:** The City has received an inquiry from the Dundas Dukes regarding the sale of naming rights for the Memorial Park Ball field. Staff will be meeting with representatives of the Dukes to further explore their request and anticipate having a report and possible courses of action for the next Council Meeting.

**Park and Recreation Advisory Board:** The P & R Board held their organizational meeting on Thursday, January 14. The board elected the following officers, Kathy Sidla, chair; Deb Rasmussen, vice-chair and Shari Sneary, secretary. The board discussed the development of the ice rink at Bridgewater Heights and is planning a skating party for February 13<sup>th</sup>. The monthly meeting of the board will be changing from the second Thursday to the second Tuesday of each month.

**Dundas Planning Commission:** The Planning Commission did not have a quorum for their January meeting.

**Crisis Leadership for Local Officials:** The National League of Cities and the International City/County Management Association is conducting an emergency training program in Minneapolis on May 15 and 16, 2010. There is no cost for the training.

**LMC Amicus Filing:** The LMC Board of Directors has directed LMC staff to prepare an Amicus Curiae brief in Governor Pawlenty's appeal of the unallotment lawsuit.

### **Worklist – Progress Report**

**Committee assignments / Council Workshop(s):** I have prepared a list of some of the work items the Council has discussed. I suggest Council identify goals based on this partial list and others as may be recommended, set priorities and assign to staff, committee and Council as appropriate:

1. Capitol Improvement Plan (Workshop, staff, F&L Committee, Council)
2. Development Fees (Staff, ? Committee, Council)
  - a. Staff reviewed on 13Jan10 – Linda has prepared a draft
3. Use of TIF Funds (Workshop, staff, F&L Committee, Council)
4. Utility Bill Certification/Shut-off/Renter-Owner Responsibility (Staff, PW Committee, Council)
5. Public Works Staffing (HR Committee, Council)
6. Wastewater Treatment (Workshop, staff, PW Committee, Council)
7. Personnel Policy (Staff, HR Committee, Council)
8. Ordinance Updating (Staff, F&L Committee, Council)
9. Annexation Agreement (Workshop, Council, Planning Commission, Council)
10. Fire Protection Agreement (F&L Committee, Council)