

Worksession  
August 11, 2014  
Municipal Center

- Call to Order                   The Champlin City Council met in Worksession and was called to order by Mayor ArMand Nelson at 5:45 p.m.
- Roll Call                        Present were Mayor ArMand Nelson and Councilmembers Kara Terry, Ryan Karasek and Bruce Miller.
- Excused Absent: Councilmember Eric Johnson.
- Staff Present: City Administrator Bret Heitkamp, Community Development Director John Cox, City Clerk Roberta Colotti, City Engineer Tim Hanson, Assistant City Engineer Todd Tuominen and City Attorney Scott Lepak.
- Approval of Agenda  
(August 11, 2014)  
Motion                         Motion by Councilmember Miller and seconded by Councilmember Karasek to approve the agenda for the August 11, 2014 Worksession as presented. Voting in favor were Mayor Nelson, Councilmembers Terry, Karasek, and Miller. Voting against: none. Motion carried.
- Elm Creek Dam Project        The Assistant City Engineer reported that WSB has submitted the draft version of the Elm Creek Dam to the permitting agencies including the DNR, Elm Creek Watershed, Army Corps of Engineers and the State Historical and Preservation Office (SHPO). City staff is currently working with the DNR Dam Safety Division on the grant agreement that will provide the funding from the 2014 Bonding Bill.
- The Assistant City Engineer stated that the timing of the permit approvals will determine the final project schedule. Currently the final design is scheduled for completion September 22<sup>nd</sup>. The draw-down of the Mill Pond is scheduled for October 1<sup>st</sup>. The bid approval/award of contract is scheduled for November 24<sup>th</sup>. If this project hits these target dates the project could be started in December of this year. The project completion is scheduled for June of 2016.
- The Assistant City Engineer stated that the Administrative Review Committee (ARC), which is made up of City staff, met to consider funding sources, costs and alternates for the Elm Creek Dam. Pursuant to these discussions, staff considered the construction items that should be part of the base bid and items that should be bid alternates in the project. He presented the bid elements in detail for the consideration of the Council.
- The City Administrator requested that the City Council provide direction regarding the proposed structure of the base bid and alternates.
- Council Consensus  
It was the consensus of the Council to focus on creating a balanced project that reflects our quality of life as a river community and can serve as a showpiece as part of the Mississippi Crossings project without being opulent. To prioritize those project pieces that can only be completed at the time of initial construction over those pieces that can be constructed later. To wait to finalize the project elements until the project costs are better defined.
- Infrastructure  
Replacement Plan (Ice  
Forum & Capital  
Equipment Funds)            The City Administrator reported that at the July 14<sup>th</sup> City Council Work Session regarding the Financial Management Plan (FMP), the discussion centered around the concept of sustainability and the City's ability to meet its spending commitments now and into the future while ensuring that future generations of taxpayers do not face an unmanageable bill for government services provided to the current generation. At that time the FMP was reviewed and the City Council requested that staff schedule time to review one to two infrastructure funds per session in more detail. This evening information on the Ice Forum and Capital Equipment Funds are being presented in detail for the Council's consideration.
- The City Administrator stated that the City Council also requested staff present information regarding supplemental General Fund transfers that were made at year end in 2012 and 2013. In response to that

request he presented a report detailing these transfers.

The Finance Director presented a Power Point presentation outlining the Ice Forum and Capital Equipment Fund. She highlighted the changes to the pro forma statements and recommendations for the Ice Forum and Capital Equipment Fund since the July 14<sup>th</sup> meeting. She stated that implementation of the assumptions outlined would provide the Ice Forum with the opportunity to maintain a positive fund balance through 2024. If these projections hold, it is anticipated that the transfer would need to be increased in 2025; the amount depending on the continued support of CPYHA.

The Finance Director reported that the assumptions for the Capital Equipment Fund remain the same as those presented on July 14<sup>th</sup>. The primary assumption is that capital equipment purchases will average \$750,000 per year. There are two options available for consideration for funding of the Capital Equipment Fund. The City Council may choose to increase the annual General Fund transfer in order to maintain balances sufficient to fund capital equipment purchases through 2024 which is the recommended option by staff. Alternatively, the City Council may choose to return to funding capital equipment purchases through the issuance of capital notes. If that option is selected, it is projected that \$1,000,000 in debt would be issued in 2020 and debt would need to be issued every five years thereafter. The long-term impact on the tax levy is greater with the issuance of debt due to interest costs and fees associated with the debt.

The Finance Director stated that in order to fund both the Ice Forum and Capital Equipment Funds, transfers out to infrastructure from the General Fund would be increased by \$25,000 in 2015 (over the \$75,000 for Capital Improvement Streets proposed in budget discussions previously).

The City Administrator reviewed the estimated property tax levy and related revenues and expenses. He provided additional information on budget alternatives that were under consideration at this time.

The City Council accepted the reports as presented for consideration in preparing the 2015 budget.

Adjournment

The Champlin City Council adjourned the Worksession at 6:57 p.m.

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ArMand Nelson, Mayor

Attest:

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Roberta Colotti, CMC, City Clerk