

Worksession  
October 8, 2014  
Municipal Center

- Call to Order                    The Champlin City Council met in Worksession and was called to order by Mayor ArMand Nelson at 5:30 p.m.
- Roll Call                        Present were Mayor ArMand Nelson and Councilmembers Kara Terry, Eric Johnson, Ryan Karasek, and Bruce Miller.
- Absent: none.
- Staff Present: City Administrator Bret Heitkamp, City Clerk Roberta Colotti, Finance Director June Johnston, Community Development Director John Cox, City Engineer Tim Hanson, Parks Facilities Manager Charlie Lehn, Public Works Supervisor Chris Rachner, Water Treatment Plant Supervisor Mike Bramwell, and Police Chief Dave Kolb.
- Approval of Agenda  
(October 8, 2014)  
Motion                         Motion by Councilmember Johnson and seconded by Councilmember Miller to approve the agenda for the October 8, 2014 Worksession as presented. Voting in favor were Mayor Nelson, Councilmembers Terry, Karasek, Johnson, and Miller. Voting against: none. Motion carried.
- 2015 General Fund  
Operating Budget             The City Administrator stated that the changes to the 2015 budget that received Council consensus on September 29<sup>th</sup> have been incorporated into the budget documents being presented tonight. He stated that on September 29<sup>th</sup>, the City Council requested that staff reduce the tax levy from the proposed 3.41% increase to an increase of 2.99%. The proposed budget being presented tonight contains an increase of \$182,413 in the property tax levy (\$178,913 for operations and \$3,500 for debt.) The current proposed levy provides for a 7.19% decrease in the tax rate and an increase in property taxes for the average homeowner of \$10. License and permit revenue is projected to increase by \$69,496 (26.09%) due to projected increases in development, miscellaneous revenues, intergovernmental revenues and other financing sources remaining flat compared to 2014 and fine revenue is projected to decrease by \$20,000 due to a reallocation of staff time in the Police Department to focus more on community policing programs.
- The City Administrator stated that each department would be presenting their 2015 budget in detail. He stated that unless the Council requests an additional Worksession the next step in the budget process is the December 8<sup>th</sup> adoption of the final budget and levy.
- Revenue Generation Opportunities**  
The City Administrator presented four new opportunities for revenue generation in 2015 including:
- City Owned Lot Sales (2 sites). A feasibility study is required prior to offering the lots for sale.
  - Utility Bill "Round Up" Program to support parks programs
  - Community Commercial Billboard on Highway 169. Through a contract with Clear Channel the City would generate revenue from the electronic billboard with no cost to the City. The City would be allowed to advertise City events on the billboard.
- Council Consensus**  
It was the consensus of the Council to direct staff to continue to explore the four revenue generation options including:
- Lot Sales with direction to engage engineering services in the amount of \$10,000 to prepare feasibility study for future consideration by the City Council for the lots on 117<sup>th</sup> Avenue.
  - Utility Bill "Round Up" Program with direction to fully define the benefitting program/project and to continue the discussion on an opt in vs. opt out program.
  - Community Commercial Billboard on Highway 169 – continue discussions with the proposed vendor.

**Parks & Public Works**

The Parks Facilities Manager and Public Works Superintendent presented the 2015 Parks & Public Works budgets.

The Public Works Superintendent stated that in 2014 the Department moved towards having facility rental revenue cover costs. He reviewed the proposed freeze in the CDAA maintenance fees.

The Public Works Superintendent stated that the Champlin Farmers Market ran for 14 weeks in 2014 with one cancellation and two interrupted dates. There was an average of 10 vendors with 17 different vendors over the course of the season. The number of shoppers throughout the season was estimated at 163 to 212.

The Public Works Superintendent reviewed the 2014 splash pad operations. He stated that the total expenses after revenue for 2014 are \$16,300. Of this total \$9,000 was for water costs. Now that the system has been in operation for a season adjustments based on actual water use can be made to save 10-15% on water costs in 2015.

The Public Works Superintendent stated that the Council had requested staff review and report on the need for a fence at the end of this first season operating the splash pad. He stated that crowd control/capacity was not an issue in 2014. Based on an informal survey of those using the concession stand there was a 2.5 to 1 ratio of residents to non-residents using the splash pad. Buses from outside the City bringing in large numbers of users were not an issue in 2014. The cost of a fence is estimated at \$20,000 to \$25,000 which would result in a lengthy return on investment if constructed in order to implement a user fee. As a result a fence is not recommended.

The Public Works Superintendent detailed the three options for water reclamation at the splash pad.

The Parks Facilities Manager stated that the Parks and Recreation Commission recommends that the City go out for RFP's to operate the Andrews Park concession stand and to offer alcohol sales at this site as a one (1) year pilot program. It is proposed that the contract be for one year and renewable for an additional year. The City was recently notified that it will be receiving a \$5,000 grant to install recycling bins in the park.

The Public Works Superintendent provided a status report on the Phase III improvements taking place at Andrews Park.

The Public Works Superintendent provided an overview of the Ice Forum Operations. He detailed the revenues and expenditures, highlighting the advertising/marketing efforts. He reviewed the arena operating deficits. He reviewed the capital improvements including the pay back on the heat reclamation unit, R22 conversion and indoor air quality (Mighty Ducks grant). He updated the Council on the status of the CPYHA ice contract.

The Public Works Superintendent reported on the Parks Capital Improvement Program.

The City Council and staff reviewed several Parks and Public Works budget line items in detail including road salt costs, payroll and concession sales.

**Council Consensus**

It was the consensus of the Council to freeze the CDAA maintenance fees for 2015, to authorize staff to continue to study the splash pad operations and not to install a fence at the splash pad.

**Council Consensus**

It was the consensus of the Council to direct staff to draft a RFP for the operation of the Andrews Park concession stand including alcohol sales.

**Engineering/Utilities**

The City Engineer presented the CIP for proposed improvement projects. He presented the criteria for selecting projects to include in the CIP. He reviewed the pavement conditions for those projects identified for 2015 & 2016.

The City Engineer provided additional information on the Depue/South Diamond Lake Road/Mississippi View Estates utility improvement project. He stated that while they are separate projects, they have been combined to achieve cost savings.

The City Administrator stated that the City could complete the intersection project without the utility reconstruction project. He noted that the road needs to be re-aligned.

The City Administrator recommended that the Council schedule a future Worksession to review the road project CIP.

The City Engineer stated that SCADA Upgrades at the Water Treatment Plant are identified in the CIP because the current system is aging and replacement parts are not supported. Currently the system uses radio communications and we are looking at fiber optics communication options between the two Water Treatment Plant facilities. In addition hardware and software improvements are being explored. He suggested that the City Council hold a future Worksession to review the SCADA Upgrade options in detail.

The City Engineer reported that the latest inspection of the water towers found rust/dirt/outside mold/micro-cracking in the paint. As a result it is recommended that the City pressure wash the water towers in the spring of 2015.

The City Engineer reported that the City has seven antenna leases for use of the water towers which generate \$157,387 in revenue for the City.

The City Engineer reported that this past winter was the year of the frozen water lines. The cost to the City to un-freeze and care for these pipes was \$100,000+. He reviewed the ownership designation for the water lines. He stated that other cities have different points where ownership transfers from the City to the homeowner.

The City Engineer stated that another area of consideration when doing work on private property is the level of restoration. He stated that each property is unique in that some have trees, landscaping or paving that are impacted by a project and others do not. He stated that when these things are disturbed by a project they are repaired not replaced by the City. He did not recommend adopting a formal policy because of the unique nature of each project property.

The City Council and staff reviewed several engineering and utilities projects in detail including the lining of old sanitary sewer pipes,

### **Community Development**

The Community Development Director stated that the Community Development Department budget being presented includes protective inspections, code enforcement, and the Economic Development Authority (EDA).

The Community Development Director provided a report on the current staffing levels noting that the building field inspector position had been reduced to 32 hours as well as the building secretary position. He stated that to date staff has been able to process permit application within a timeframe that is comparable to neighboring cities.

The City Council directed the Community Development Director to monitor the building department workflow and to report any requests to increase staff hours with enough lead time to react to increased building activity tied to the recently approved subdivisions.

The Community Development Director reported that due to a rise in the conversion of owner occupied homes to rental units, rental licensing fees are expected to increase \$15,000 to \$65,000 in 2015.

The Community Development Director reported that last year the City expanded its monitoring of VBR properties to require property owners to register their properties and pay a fee. Based on feedback, program fees were adjusted to affect only the worst properties. With no fee adjustments next year fees are estimated at \$15,000.

The Community Development Director reported that The Reserve on Elm Creek, The Cedars on Elm Creek and Applewood Pointe developments are conservatively estimated to generate \$198,660 in building permit revenue a \$55,000 increase over 2014.

The Community Development Director reported that in 2013 the City contracted with an electrical inspector and took over this responsibility from the State of Minnesota. He stated that this has improved scheduling and customer service while controlling permit costs for the residents.

The Community Development Director stated that plumbing inspections are another item the City would like to offer but State law does not permit the City to perform that work. State issued plumbing permits take 4-6 weeks which is significantly longer than City issued permits.

The Community Development Director reviewed the PermitWorks and Digitizing of Building Files which were originally part of the 2015 budget but were moved to the 2014 budget and authorized to be funded via the Council Contingency fund.

The Community Development Director advised the Council that the City owned fountains in the Mill Pond and along the highway corridor are nearing the end of their useful life and will need to be scheduled for replacement.

Regarding the EDA, the Community Development Director reported that the preliminary budget of \$322,223 is a 2.9% increase from last year and represents a slight levy reduction from last year. The levy results in a \$27 tax on a \$177,000 home. The budget includes a 2.04% increase in personnel services, a 13.4% reduction in non-personnel expenses and a 31.9% increase in budget transfers. The transfers support work conducted by the Public Works crews on the Mississippi Crossings and Mill Pond Gables sites.

The Community Development Director recommended that the funds allocated for the 2014 business appreciation golf event be maintained in 2015, however, that the City Council review alternative formats for the business appreciation efforts in 2015.

The Community Development Director reviewed the proposed rent increases for the Mill Pond Gables apartments in 2015. He reported the overall revenue anticipated in 2015. He reported on the divestment process being considered.

### **Police**

The Police Chief stated that on September 2<sup>nd</sup> the City Council held a Worksession at which the Police Budget was reviewed in detail; he wanted to build on that discussion tonight. He reviewed the traffic enforcement program, staffing structure, Investigative Sergeant position, community outreach program/community policing, and Citizens Academy. He presented the CIP highlighting the weapons purchases and records system upgrades. He tied the operating and capital budget to measurable outcomes, clearance rates, image and professionalism of the Department.

The City Council and staff discussed the vehicle replacement plan and the Police Chief stated that 80,000 miles is the replacement point for marked police cars responsible for emergency responses and after that point the cars can continue to be used as unmarked cars or turned over to Administration for general City use. The Police Chief outlined the plan for the purchase of Department weapons in the CIP.

In response to the question of why the percentage of the overall City budget identified for the Police Department has increased from 33% to 42% the Police Chief reported that overtime and holidays as well as regular hours have increased due to cost of living increases and the current make-up of the department specifically the years of service of existing officers as tied to the longevity pay program. He noted that the actual pay rate is at market rate.

The Council and Police Chief discussed the current camera system that is vehicle based as compared to the body cameras and it was determined that at this time the current system which has been invested in will be maintained.

The Council and Police Chief reviewed the DARE program. The Police Chief explained that the program is co-funded by the Crime Prevention Fund and the schools. He stated that the main costs associated with the program are the Officer's time to present the program, the DARE branded program itself is not the expensive piece of the program.

The Council and Police Chief reviewed the records system upgrades. In addition to determining if there is an opportunity to share the system with other governmental agencies. The Police Chief stated that when he discusses the project with the vendor he will explore these options.

The City Council noted that the copier costs for the Police Department had been reduced from prior years.

#### **Finance/IT**

The Finance Director updated the City Council on the credit card payment program for utility bills that was implemented earlier this year. She stated that she would be bringing forward options for the consideration of the Council regarding the future of the user fee structure. She stated that options include charging a percentage fee or a flat fee. She stated that the current charge is being monitored and a report will be presented at a future Worksession.

The Finance Director reported that the IT Division is working on an upgrade to the website that will allow for e-mail blasts and two separate sister sites for the Police and Parks & Public Works Departments. This work is expected to take place the first quarter of 2015. She noted that with this website change we will be able to decommission some software which will save the City money.

The Finance Director reported that the contract for assessing services with Hennepin County is projected to increase in 2015; however, she is in continued negotiations with the County. The Finance Director reported that approximately 20% of the City and/or a type of property are reviewed by the County Assessor's office each year for market adjustments.

The Finance Director reported that she is working with Ehlers and Associates to finalize the water and sewer rate study that was commissioned by the City. The City Administrator noted that the utility projects such as the upgrades to the SCADA system, pipe lining and water tower painting all impact the rates. The Finance Director commended the Council on not having debt from past projects and planning for the funding of future projects.

The Finance Director requested that the City Council authorize the establishment of the Assistant Finance Director position as defined in the Financial Management Plan. She outlined a multi-year transition plan for the position of Finance Director, the establishment of the Assistant Finance Director position and related department organizational change. She recommended the Assistant Finance Director position be offered to current employee Reidun Zollicoffer. The Finance Director stated that with the re-organization of duties no additional employees would be hired through this process.

#### **Council Consensus**

It was the consensus of the Council to establish the position of Assistant Finance Director in 2014 and to offer the position, with a multi-year contract as part of the transition plan, to current employee Reidun Zollicoffer and to further authorize the re-assignment of duties as proposed within the Finance Department.

#### **Administration**

The City Administrator reported that based on the prior City Council Worksession discussion regarding memberships that notice is being sent to Metro Cities that the City of Champlin will be discontinuing its membership in 2015.

The City Administrator presented the 2015 refuse & recycling budgets noting that the rates would not be increasing in 2015. The Finance Director explained that the increases in hauling costs can be absorbed because there will still be a contribution to the fund balance in 2015 under the budget plan. The City Clerk reported that in 2015 the Environmental Resources Commission and City Council will

be negotiating a new refuse and recycling contract effective January 1, 2016.

The City Administrator reported that the Maple Grove Yard Waste site contract which ends 12/31/15 is to be re-negotiated for a term of 1/1/15 to 12/31/19. The new contract will not result in any increased refuse/recycling fees in 2015.

The Council discussed recycling in the parks. The City Administrator stated that Andrews Park would host the pilot recycling programs. He referenced the Hennepin County grant for recycling bins that the Parks Facilities Manager had reported on.

The Council and staff discussed the technology fund which is paid through QCTV for technology in the Council Chamber and will be used to make improvements to the electronic City Council packet.

The City Administrator stated that a facilitated strategic planning session is included in the budget.

The City Administrator stated that the City is going to introduce a wellness program at this time and beginning in 2016 employees who participate will receive financial incentives. The Council discussed the need for the unions to agree to the wellness piece of the insurance premium payment package.

The Council reviewed several line items in detail including the motor fuel, electric, cleaning services, fire protection, expert professional services, emergency management, special revenue by category, supplies, technology, internal service fund, and the Council contingency fund.

Adjournment

The Champlin City Council adjourned the Worksession at 9:55 p.m.

---

ArMand Nelson, Mayor

Attest:

---

Roberta Colotti, CMC, City Clerk