

**CITY OF SCANDIA
CITY COUNCIL WORK SESSION
AUGUST 3, 2016**

The City Council met in a work session on the above date. The following were present: Mayor Randall Simonson, Council members Bob Hegland, Chris Ness, and Jim Schneider.

Staff present: City Administrator Neil Soltis

Mayor Simonson called the meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Motion by Ness, seconded by Hegland, to approve the agenda as presented. Vote: 4-0, motion carried.

REVIEW THE PROPOSAL SUBMITTED FOR THE LOG HOUSE LANDING BOAT RAMP PROJECT

Soltis reported that 23 companies were sent requests for proposals and that the only proposal received was submitted by Pember Construction in the amount of \$147,855.50. The bid substantially exceeds the cost estimate of \$33,586.90 that was prepared last fall for the Watershed District. The Council discussed the reasons for the lack of proposals which included contractors being fully committed for the year, the nature of the project requires a number of steps that need to be taken over an extended period of time, and the type of contractors contacted. Watershed District Administrator Jim Shaver suggested a meeting with a contractor who declined to bid to understand the reasons and to look at rebidding the project in the spring with a revised scope. **Motion by Ness, seconded by Schneider, to reject the proposal from Pember Construction and to reevaluate the scope of the project with the intention of seeking new proposals in early 2017. Vote: 4-0, motion carried.**

DISCUSSION ON LAKES AREA TELEVISION FILMING OF CITY MEETING

Soltis reported that LATV has revised its policy regarding filming governmental meetings. Previously there was no charge for filming 2 meetings a month and a charge of \$50 for each additional meeting. The revised policy provides for filming an unlimited number of meetings at no charge. After discussion the Council took no action to increase the number of meeting that are filmed.

DISCUSSION ON 2017 OPERATING AND CAPITAL BUDGETS

Soltis presented preliminary information on the 2017 operating and capital budgets. The Council reviewed the assumptions that were used for the baseline budget to provide for a steady state of operations. General Fund expenditures would increase \$260,000 over the 2016 budget primarily due to an increase in the amount of the transfer to the Local Road Improvement Fund in accordance with the City's fund balance policy. The overall tax levy is projected to decrease largely due to the retirement of debt in 2016. It was noted that Capital Improvement Fund projects included in the budget for the 205th St road improvements and for various Lilleskogen Park projects are contingent of obtaining outside funding. The projection of funds required for the Equipment Replacement Fund does not reflect potential FEMA grant funds for Fire

equipment and the proceeds from the sale of equipment that is being replaced. A 10-year projection of the Local Road Improvement Fund indicates that additional funds are available for projects if the levy is kept at the 2016 level. The Council discussed the roads that are not included in the road reconstruction plan through 2028 and the need to reprioritize the roads. The projections for the 201 and Uptown Sewer funds indicate declining cash balances that will need to be supplemented via rate increases at some point in the future.

The Council discussed items beyond the baseline expenditures for consideration in the 2017 budget. The Council discussed the cost of various options to update the City's Comprehensive Plan with 80% of the cost being incurred in 2017. The Council felt it was important to look at a complete update of the Plan and the development code. Funding was also recommended for upgrades to the City website, purchase of data technology equipment including a firewall appliance, a gigabit Ethernet switch, and a new server, the addition of layers to the City's GIS system, upgrading the GIS for access from mobile devices, the purchase of a used roller for road patching, and adding funds for the EDA to use as matching funds for programs in the future. Funding for modifying the base pay structure from the levels established in 2013 will be revisited. Funding for ordinance codification, bike route signage, Lilleskogen Park fill, Lilleskogen wetland restoration, the purchase of a GPS capture device and the addition of asset management software were not supported. The Council agreed with the proposal to reduce the tax levy directed to the road improvement fund by the amount of the funds needed for the comprehensive plan update in order to maintain the property tax levy at or below its current level. Additional discussion on the budget will occur at the September work session.

DISCUSSION ON THE VACANT PUBLIC WORKS DIRECTOR POSITION

Soltis reported on the background work performed in vetting the 2 applicants selected for further investigation by the Council. Soltis recommended that the position be offered to Jeff Dionisopoulos. The Council discussed the wages and paid time off that would be included in the offer. **Motion by Schneider, seconded by Hegland, to offer the Public Works Director position to Dionisopoulos at a starting rate of \$60,798 per year with paid time off to accrue based on schedule for a 5-year employee. Vote: 4-0, motion carried.**

ITEMS FOR DISCUSSION AT FUTURE WORK SESSIONS

No items were identified for discussion at future work sessions.

ADJOURNMENT

Motion by Ness, seconded by Hegland, moved to adjourn the meeting.

The meeting adjourned at 8:35 p.m.

Respectfully submitted,

Neil Soltis
Administrator / Clerk