



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

October 22, 2019

CALL TO ORDER

The meeting was called to order by Mayor Pro Tempore Garcia at 5:45 p.m. in the Bartholomew Room.

Council Members Present: Edwina Garcia, Mayor Pro Tempore; Mary Supple; Simon Trautmann; and Ben Whalen.

Council Members Absent: Maria Regan Gonzalez, Mayor

Staff Present: Katie Rodriguez, City Manager; Chris Regis, Finance Director; Kristin Asher, Public Works Director; Neil Ruhland, Communication and Engagement Manager; Jack Broz, Transportation Engineer; Scott Kulzer, Public Works Administration; Blanca Martinez Gavina, Executive Analyst.

Item #1	LYNDALE AVENUE RECONSTRUCTION UPDATE AND CAPITAL PROJECT PLANNING
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CM Rodriguez introduced the Lyndale Financing and Capital Planning process. She gave a brief overview of the process and welcomed Director of Public Works Asher.

Director Asher reviewed the Lyndale historical budget context from 2017 up to 2019 including changes in the 66th Street project. She also discussed aspects of the budget for 66th Street.

Council Member Supple wanted clarification on the municipal state aid account. Director Asher listed how the funds had been adjusted and applied.

Director Asher discussed the 77th Underpass construction and outlined the process. In addition, Director Asher proposed that the Five Year Plan will need a reimbursement resolution.

Council Member Whalen asked about selling the \$1.2 million in bonds. He also inquired if that will be paid back with utility bonds and what the impact would be for the constituents.

Director Asher clarified that when a bond is sold, payments begin the following year. The bond would be paid back with utility costs collected.

Council Member Trautmann asked for explanation on the process of paying for the bond from utilities.

Director Regis spoke to the collection for debt service utility bond and that debt service pays out of utility funds.

City Manager Rodriguez gave an explanation of how utility funds not only pay for operating costs for the infrastructure as well.

Director Asher discussed that selling the bond early helps with cash flow.

Council Member Trautmann expressed concern with the big picture plan and the long term payment plan.

Director Regis clarified the initial plan of \$2 million of debt has increased to \$3 million concerning the Lyndale project which will affect the tax levy. The new \$1.2 million of debt from the water utility bond will be paid out of the utility fund and there will be no effect on the tax levy.

Director Asher explained that 65th Street is in need of repair in the near future and hopefully in 2023 the MSA funds will be back in the black and can be put toward that reconstruction.

Director Regis spoke to the Key Financial Strategies and estimated levy for each year going forward to include the street reconstructions.

Council Member Supple asked if we are approaching the threshold of where the debt load is too high. Director Regis confirmed that there is still room and not in danger of approaching that number. City Manager Rodriguez explained that they are working to smooth out the debt issues.

Council Member Whalen expressed being weary of the increase of the debt but appreciates that none of the future projects are projected to bond at the maximum amount.

Director Regis described the 2021 to 2024 and beyond reconstruction projects of 65th, 69th, 70th and the 77th Underpass.

Council Member Trautmann questioned the margin on the outstanding debt and wanted clarification of the city retaining its credit rating and how the debt is affecting the residents. Director Regis and City Manager spoke to the concern of utility fees and/or property taxes going up for residents.

Director Asher renewed the process for moving forward and the updated standard operating procedures to avoid going over budget.

Council Member Supple asked if they have added an internal audit process. City Manager Rodriguez confirmed that the procedure is more robust so overages are avoided.

Council Member Whalen showed his appreciation to the staff for finding ways to mitigate the \$3 million gap.

Item #2	PRESENTATION OF THE PUBLIC WORKS DEPARTMENT PUBLIC ENGAGEMENT PROCESS FOR STREET RECONSTRUCTION PROJECTS
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Mayor Pro Tempore Garcia introduced the item and Jack Broz, Transportation Engineer.

Transportation Engineer Broz reviewed the Sweet Streets process and the changes they have made to include the community.

Public Works Administrative Aid Analyst, Scott Kulzer walked through a mock public engagement case study with a recent open house. He also touched on how they alert the public, legal notices, open houses and social media outreach.

Mayor Pro Tempore Garcia expressed her appreciation with the effort to reach out and contact the public.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:58 p.m.

Date Approved: November 12, 2019

Edwina Garcia
Mayor Pro Tempore

Kelly Wynn
Senior Administrative Assistant

Katie Rodriguez
City Manager