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Posted: December 31, 2014

CRYSTAL CITY COUNCIL WORK SESSION AGENDA

Thursday, January 8, 2015
6:30 p.m.
Conference Room A

Pursuant to due call and notice given in the manner prescribed by Section 3.01 of the City Charter, the work session of the Crystal City Council was held at _____ p.m. on Thursday, January 8, 2015 in Conference Room A located at 4141 Douglas Drive, Crystal, Minnesota.

I. Attendance

Council members

____ Adams

____ Dahl

____ Deshler

____ Kolb

____ Libby

____ Parsons

____ Peak

Staff

____ Norris

____ Therres

____ Revering

____ Norton

____ Serres

II. Agenda

The purpose of the work session is to discuss the following agenda items:

- Review General Obligation Bonds
- Discuss Council Rules
- Update on City Engineer/Public Works Director Recruitment*
- Discuss Council goalsetting and strategic planning

* Denotes no supporting information included in the packet.

III. Adjournment

The work session adjourned at _____ p.m.

Auxiliary aids are available upon request to individuals with disabilities by calling the City Clerk at (763) 531-1145 at least 96 hours in advance. TTY users may call Minnesota Relay at 711 or 1-800-627-3529.



Memorandum

DATE: December 30, 2014
TO: Mayor and City Council
FROM: Anne Norris, City Manager
SUBJECT: Issuance of Bonds – Public Works Facility

At its September 2 meeting, the City Council adopted Resolution #2014-68 calling for a public hearing on December 2 to consider a capital improvement plan (CIP) and the issuance of up to \$13,500,000 in bonds relating to the Public Works facility. The City Council held the public hearing on December 2 and continued consideration of the matter until December 16. At its December 16 meeting the Council approved Resolution #2014-112 (attached) adopting a 5-year CIP and providing preliminary approval of the issuance of \$4,000,000 bonds towards the cost of constructing the new Public Works facility.

While the Council's December 16 action provided preliminary approval to the issuance of bonds, the City Council needs to consider a set-sale resolution for the bonds before bonds are actually sold or issued. Before that item is on an agenda, it would be appropriate to have the newly elected councilmembers brought up to speed on the issuance of bonds and paying for the new Public Works facility.

City Attorney Mike Norton and Kennedy & Graven bond attorney Martha Ingram will be at the January 8 work session to provide additional information and answer questions about project financing generally and GO bonds specifically.

Attach:

2014 through 2019
Five-Year Capital Improvement Plan for the
City of Crystal, Minnesota

Adopted December 16, 2014

CITY OF CRYSTAL
FIVE-YEAR CAPITAL IMPROVEMENT PLAN
2014 THROUGH 2019

I. INTRODUCTION

In 2003, the Minnesota State Legislature adopted a statute that generally exempts city and town general obligation bonds issued under a capital improvement plan from the referendum requirements usually required for city halls, public works, public safety facilities and libraries. The statute on general obligation capital improvement plan bonds is Minnesota Statutes, Section 475.521 (the “Act”).

II. PURPOSE

Under the Act, a capital improvement is a major expenditure of City funds for the acquisition or betterment to public lands, buildings, or other improvements used as a city hall, town hall, library, public safety, or public works facility, which has a useful life of five years or more. Under the Act, capital improvements do not include light rail transit or related activities, parks, road/bridges, administrative buildings other than a city hall or town hall, or land for those facilities. A Capital Improvement Plan (“CIP” or “Plan”) is a document designed to anticipate capital improvement expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost effective method possible. A CIP allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the City considers the benefits, costs, alternatives and impact on operating expenditures.

If a petition signed by voters equal to at least 5 percent of the votes cast in the last general City election requesting a vote on the issuance of bonds is received by the municipal clerk within 30 days after the public hearing, then the bonds may not be issued unless approved by the voters at an election.

The statute has established certain criteria that must be considered for each project to be undertaken pursuant to this Plan (the “Projects”). These criteria are:

1. Condition of the City’s existing infrastructure and projected need for repair or replacement
2. Demand for the improvement
3. Cost of the improvement
4. Availability of public resources
5. Level of overlapping debt

6. Cost/benefits of alternative uses of funds
7. Operating costs of the proposed improvements
8. Alternatives for providing services most efficiently through shared facilities with other municipalities or local governments

The Plan is designed to be updated on an annual basis. In this manner, it becomes an ongoing fiscal planning tool that continually anticipates future capital expenditures and funding sources.

III. PLAN SUMMARY

This Plan is intended to describe and analyze the need for the Projects in accordance with the Act. The City may modify this Plan from year to year as authorized by the Act.

Following is a summary of estimated expenditures for the Projects:

2014 Expenditures

1. The City intends to construct a new public works facility. The estimated cost for the facility is \$13,500,000, of which the City intends to spend approximately \$4,300,000 in 2014. This project is to be funded with some combination of bond proceeds and moneys from the City's Major Building Replacement Fund.

2015 Expenditures

1. The City intends to complete construction of a new public works facility. The estimated cost for the facility is \$13,500,000, of which the City intends to spend approximately \$9,200,000 in 2015. This project is to be funded with some combination of bond proceeds and moneys from the City's Major Building Replacement Fund.

2016 Expenditures

None anticipated at this time.

2017 Expenditures

None anticipated at this time.

2018 Expenditures

None anticipated at this time.

2019 Expenditures

None anticipated at this time.

Analysis

The City has analyzed the eight points required by the Act for the Projects on an individual basis and as a whole. The findings are as follows:

1. Conditions of City Infrastructure, Including the Projected Need for Repair or Replacement and Need for the Project

The existing facility is outdated, violates current codes and is in the flood plain. After extensive review, it was determined constructing a new facility is more cost-effective than retrofitting the current facility.

2. Likely Demand for the Project

All Public Works operations will be housed in the new facility.

3. Estimated Cost of the Project

The estimated cost, including architectural/engineering, contingency, legal and bonding, of the 2014/2015 Project (the only Project for which bond authorization is requested) is set forth in Appendix A.

4. Available Public Resources

The City has a fund balance in its Major Building Replacement Fund, and expects to expend moneys from this fund to pay some portion of the cost of the 2014/2015 Project.

5. Level of Overlapping Debt in the City

As of December 31, 2013, the level of overlapping debt in the City is provided in the table below:

Taxing Unit	2012/2013 Tax Net TC	Est. GO Debt 9-1-13
City of Crystal	\$15,865,985	\$15,926,532
Hennepin County	\$1,233,679,768	\$6,871,014
Hennepin Suburban Park District	\$908,192,495	\$704,160
Hennepin Regional RR Authority	\$908,192,495	\$485,553
Robbinsdale ISD 281	\$68,486,919	\$26,303,392
Metropolitan Council	\$2,698,832,744	\$698,125

6. Relative Benefits and Costs of Alternative Uses of the Funds

The proposed Project could potentially be financed through the issuance of lease-revenue bonds. However, both costs of issuance and overall debt service payments would be higher, since lease-revenue bonds are not general obligation debt and are therefore not as attractive to potential purchasers. The issuance of general obligation capital improvement plan bonds represents the most cost-efficient way to finance the proposed Projects.

7. Operating Costs of the Proposed Project

Operating costs are expected to be reduced with the proposed improvements. In addition, repairs and maintenance costs are anticipated to decrease due to the new construction. Furthermore, the City does not expect to incur the costly repairs required to keep the existing public works facilities running. New systems will reduce operating cost and efficiency.

8. Alternatives for Providing Services Most Efficiently Through Shared Facilities with Other Municipalities or Local Government Units

All proposed capital improvements are being made to consolidate existing City facilities, and as such, there would be no greater efficiency achieved through constructing shared facilities with other local government units.

IV. FINANCING THE CAPITAL IMPROVEMENT PLAN

The total amount of requested expenditures under the CIP is expected not to exceed \$13,500,000. These expenditures are to be funded, in part, by the sale of the City's general obligation capital improvement plan bonds in the maximum amount of \$13,500,000 in the year 2015 for the Project listed under the 2014/2015 Expenditures.

In the financing of the CIP, two statutory limitations apply. Under Minnesota Statutes, Chapter 475, as amended, with few exceptions, a municipality cannot incur debt in excess of 3% of the assessor's Taxable Market Value ("TMV") for the municipality. In the case of a municipality with a population of 2,500 or less, the bonds are not subject to the net debt limits. The City's 2010 Census population was 22,151. Therefore, the proposed general obligation capital improvement plan bonds to be issued in the years 2014 through 2019 would be subject to the debt limit.

Another limitation on bonding under the Act is that without referendum, the total amount that can be used for principal and interest in any one year for CIP debt cannot exceed 0.16% of the TMV for the City. In payable year 2014, the City's TMV was \$1,441,224,900. Therefore, the total amount available to be used to pay principal and interest under this Plan is \$2,305,960 per year ($\$1,441,224,900 \times 0.16\%$).

Under this CIP the City may issue up to \$13,500,000 in general obligation capital improvement plan bonds in the years 2014 through 2019 to finance the Projects. However, the City intends to approve the issuance of general obligation capital improvement plan bonds in an amount that takes into account the existing fund balance in the Major Building Replacement Fund, making a smaller bond issue likely. If the City were to issue general obligation capital improvement bonds in the maximum principal amount of \$13,500,000 for the 2014/2015 Project, the 2015 bond issue would be repaid over a period not to exceed thirty (30) years pursuant to the Act. The annual principal and interest payments would be estimated not to exceed \$1,018,382 over 20 years at a rate of 3.64% per annum.

Expected debt service on the proposed bonds for the 2014/2015 Project is within the statutory limits.

Annual Review of the Capital Improvement Plan

The City Council, using the process outlined in this CIP, may review this CIP annually, taking into account proposed expenditures, making priority decisions and seeking funding for those expenditures it deems necessary for the City. If deemed appropriate, the City Council will prepare an update to this CIP.

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APPENDIX A

ESTIMATED COSTS OF PROJECTS

Public Works Facility:

<u>Expenditure</u>	<u>Amount</u>
Site acquisition/clearance	\$3,000,000
Construction Costs	\$10,500,000
TOTAL	\$13,500,000

CITY OF CRYSTAL, MINNESOTA

RESOLUTION NO. 2014 - 112

**ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PLAN OF
THE CITY OF CRYSTAL AND PROVIDING PRELIMINARY
APPROVAL FOR THE ISSUANCE OF BONDS THEREUNDER**

BE IT RESOLVED By the City Council (the "Council") of the City of Crystal, Hennepin County, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. Pursuant to Minnesota Statutes, Section 475.521, as amended (the "Act"), cities are authorized to adopt a capital improvement plan and carry out programs for the financing of capital improvements.

1.02. The City has caused to be prepared the 2014 through 2019 Five-Year Capital Improvement Plan for the City of Crystal, Minnesota (the "Plan").

1.03. On December 2, 2014, the Council conducted a duly noticed public hearing regarding adoption of the Plan pursuant to the requirements of the Act and the issuance of general obligation bonds thereunder (the "Bonds").

1.04. The principal amount of the Bonds to be issued in 2015 under the Plan shall not exceed \$13,500,000.

1.05. In considering the Plan, the Council has considered for each project and for the overall Capital Improvement Plan:

1. the condition of the City's existing infrastructure, including the projected need for repair and replacement;
2. the likely demand for the improvement;
3. the estimated cost of the improvement;
4. the available public resources;
5. the level of overlapping debt in the City;
6. the relative benefits and costs of alternative uses of the funds;
7. operating costs of the proposed improvements; and
8. alternatives for providing services more efficiently through shared facilities with other local government units.

Section 2. Findings.

1. The Plan is hereby approved.

2. City staff are hereby authorized to do all other things and take all other actions as may be necessary or appropriate to carry out the Plan in accordance with any applicable laws and regulations.

3. The City gives preliminary approval to the issuance of the Bonds in 2015 in the maximum principal amount of \$4,000,000, provided that if a petition requesting a vote on issuance of the Bonds, signed by voters equal to five percent of the votes cast in the last general election, is filed with City Clerk by January 1, 2015, the City may issue the Bonds only after obtaining approval of a majority of voters voting on the question at an election.

Approved by the City Council of the City of Crystal, Minnesota, this 16th day of December, 2014.

Mayor

Attest:

City Clerk



Memorandum

DATE: December 29, 2014
TO: Mayor and City Council
FROM: Anne Norris, City Manager
SUBJECT: Council Meeting Rules

At its December 9 work session, the Council discussed amending the order of business for regular city council meetings to create a visible way for items to be added to future agendas and to allow councilmembers to bring up items for discussion. The Council also discussed relocating the "Open Forum" portion of the meeting to earlier on the agenda.

Section 200.09 of the City Code regarding Council rules states:

200.09. Council rules; presiding officer. The presiding officer must preserve order and decorum, decide questions of order, and conduct meetings in accordance with these rules. The city council is governed in its procedure by the provisions of chapters 2 and 3 of the city charter and Roberts Rules of Order (Newly Revised Edition) except where otherwise provided by the charter or by this chapter. The council may make and change its own rules from time to time by resolution duly adopted and any such changes supersede Roberts Rules of Order (Newly Revised Edition). The presiding officer may speak on any question being considered, and has the rights, privileges, and duties of any other member of the council. The presiding officer may temporarily yield the chair to introduce or second a motion, resolution or ordinance.

Section 3.03 of the City Charter states "The council determines its own rules and order of business."

Attached are Resolution #1992-16 regarding how agendas are organized and set; and Resolution #2014-114 relating to Council meeting business.

The Council should discuss whether additional changes are needed to Council meeting rules.

Attach:

RESOLUTION NO. 92-16

RESOLUTION RELATING TO THE CITY COUNCIL:
PROCEDURAL MATTERS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRYSTAL:

Section 1. Findings: Policy.

1.01. Section 3.03 of the City Charter provides that the City Council determines its own rules and order of business.

1.02. It is determined that written procedural rules for the City Council facilitate the efficient conduct of the business, lessen the risk of mishandling matters of importance, and enhance the opportunities for public participation in the Council's deliberations.

Section 2. Order of Business.

2.01. The normal order of business at a regular Council meeting is:

- (1) Call to Order;
- (2) Roll Call;
- (3) Pledge of Allegiance to the Flag;
- (4) Correction and approval of the minutes of the previous meetings;
- (5) Consent Agenda;
- (6) Public Hearings;
- (7) Open Forum (opportunity for persons in attendance to address the Council regarding items of concern. Each person will be allowed three minutes to speak and no items may be addressed more than ten minutes. No Council action may be taken on any items brought before the Council on Open Forum. the Council may place items brought before it on Open Forum on agendas for subsequent Council meetings, and staff reports may be required);
- (8) Regular Agenda items;

*presentation
proclamation
acknowledgements*

(9) Informal discussions and announcements;

(10) Adjournment.

2.02. The Council may depart from the order of business when, in its judgment, the public's business will be conducted more efficiently.

2.03. The normal order of business at a special Council meeting is:

(1) Call to Order;

(2) Roll Call;

(3) Pledge of Allegiance to the Flag;

(4) Subject matter of Special Meeting;

(5) Adjournment.

Sec. 3. Agenda.

3.01. The City Manager is authorized and directed to prepare the agenda for a regular Council meeting. The Manager may specify a time, not earlier than 10:00 a.m. on the second preceding business day of the meeting after which items will not be placed on the agenda. Additions to the agenda thereafter may be made only by a unanimous vote of the Council.

Sec. 4. Consent Agenda.

4.01. The purpose of the consent agenda is to expedite Council meetings by allowing the Council to consider and, in a single motion, act on items of a routine, non-controversial nature that are expected to be passed by unanimous consent of the Council.

4.02. The Council finds that it is desirable to formalize the procedures for establishment of and disposition of matters on the consent agenda.

4.03. The City Manager places on the consent agenda those matters that in the Manager's judgment are routine, non-controversial and are not likely to require input from the public.

4.04. The consent agenda will be considered by the City Council immediately after the approval of minutes of the previous meeting.

4.05. The Mayor, or at the Mayor's direction, the Clerk, will state in full the title of each item on the consent agenda. When a consent agenda item is read any member of the Council may, without a formal motion, request that item be removed from the consent agenda and placed on the regular agenda. A request to remove an item from the consent agenda may not be objected to by any other Councilmember. No discussion on the request is permitted other than a request by the requesting Councilmember for clarification of the content of the item for purposes of making the request for removal.

4.06. The Clerk will place items removed from the consent agenda at the end of the regular agenda for the meeting in the order in which the items were removed.

Sec. 5. Council meetings conducted in accordance with Chapters 2 and 3 of the City Charter and Robert's Rules of Order (Newly Revised Edition).

Sec. 6. The City Clerk is authorized and directed to place a copy of this resolution in each Councilmember's permanent Council meeting folder.

Sec. 7. Resolutions 88-6 and 90-44 are rescinded.

Peter E. Mistomas
Mayor

ATTEST:

Jean Belmont
Clerk

CITY OF CRYSTAL

RESOLUTION #2014 - 113

**RESOLUTION RELATING TO THE CITY COUNCIL:
COUNCIL BUSINESS – MEETING AGENDAS**

WHEREAS, Section 3.03 and 3.04 of the City Charter provides that the City Council determines its own rules and order of business; and

WHEREAS, the City Council has an established order of business stated in Resolution R92-16 (“R92-16”) for Council meetings to allow for efficient conduct of business and to allow for public participation in the Council’s deliberations; and

WHEREAS, the City Council desires to amend R92-16, Section 2.01 and its order of business for City Council meetings to allow for approval of the agenda as well as opportunities to request items of business on future agendas; and

WHEREAS, the City Council desires to amend R92-16, Section 3.01 to fully implement the amendment to R92-16 Section 2.01.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Crystal as follows:

1. Effective immediately, Resolution #92-16 Section 2.01 is amended by deleting in its entirety the existing order of business and adding the following new Section 2.01 to provide that the normal order of business at a regular Council meeting is:
 - i. Call to Order
 - ii. Roll Call
 - iii. Pledge of Allegiance
 - iv. Approval of Agenda
 - v. Proclamations/Special Appearances (when appropriate)
 - vi. Council Meeting Minutes
 - vii. Consent Agenda
 - viii. Open Forum (opportunity for persons in attendance to address the Council regarding items of concern. Each person will be allowed three minutes to speak and no items may be addressed for more than ten minutes. No Council action may be taken on any items brought before the Council on Open Forum. The Council may place items brought before it on Open Forum on agendas for subsequent Council meetings and staff reports may be required)
 - ix. Public Hearings
 - x. Regular Agenda

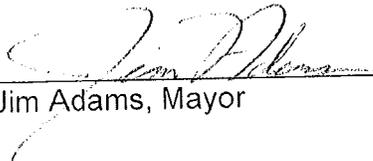
- xi. New Council Business
- xii. Information and Announcements
- xiii. Adjournment

2. R92-16 Section 3.01 is amended to read as follows:

3.01. The City Manager is authorized and directed to prepare the agenda for a regular Council meeting. The Manager may specify a time, not earlier than 10:00 a.m. on the second preceding business day prior to the next meeting after which items will not be placed on the agenda. Additions to the agenda made by the Council at that meeting will be referred for action to a future Council meeting. Such an addition to the agenda may be acted on at that meeting only by a unanimous vote of the Council, except for matters requiring action at that meeting upon recommendation of the Manager and the City Attorney to be required by law, or which cannot be delayed in order to protect the vital interests of the City.

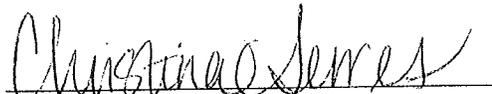
3. All other terms of Crystal Resolution #92-16 shall remain in full force and effect unless amended by the Council.

Adopted this 16th day of December, 2014.



Jim Adams, Mayor

ATTEST:



Christina Serres, City Clerk



Memorandum

DATE: December 30, 2014
TO: Mayor and City Council
FROM: Anne Norris, City Manager
SUBJECT: Council Goalsetting and Strategic Planning

In 2013, the City Council developed 5 strategic priorities:

- Financial stability
- Open, respectful communication
- Long-term planning
- Redevelopment
- Marketing the city

The Council should establish a work session (February 13?) to continue discussion of these or other priorities, plus provide direction for additional information the Council needs.