



CRYSTAL CITY COUNCIL
WORK SESSION AGENDA
Thursday, November 14, 2013

7:00 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, November 14, 2013 in Conference Room A located at 4141 Douglas Drive, Crystal, Minnesota.

I. Attendance

Council members

___ Selton
___ Adams
___ Budziszewski
___ Deshler
___ Hoffmann
___ Libby
___ Peak

Staff

___ Norris
___ Therres
___ Norton
___ Hansen
___ Mathisen
___ Peters
___ Sutter
___ Revering
___ Serres

II. Agenda

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

- Tobacco and alcohol license civil penalties
- West Metro Fire District Board Member
- Funding for Public Works facility
- 2014 budget

III. Adjournment

The work session adjourned at _____ p.m.



Memorandum

DATE: November 6, 2013

TO: Mayor and City Council

FROM: Anne Norris, City Manager
Chrissy Serres, City Clerk

SUBJECT: Civil Penalties – Tobacco and Alcohol License Violations

As part of Crystal's tobacco and alcohol licensing requirements, the Police department conducts routine compliance checks at all establishments with tobacco and alcohol licenses. If an establishment fails a compliance check, the employee associated with the violation is required to appear in court. Once a judge has determined the violation occurred, the City Council considers the imposition of civil penalties on the business. The penalties include license suspension and fines, ranging in duration and amount depending on the frequency of any violations.

The penalties are part of Sections 1137.11 and 1200.35 of the City Code so that licensed establishments know the implications for non-compliance with the City Code. When the penalties for tobacco license violations were established, tobacco sales were typically one of many products at a retail facility such as a convenience store. The current trend of "smoke shops" where the only product is tobacco and tobacco-related products was likely not considered when the penalties were established.

Section 1137.11 Subd. 6. Provides: Presumptions regarding administrative penalties. The administrative penalties described in subdivisions 2 and 3 of this section are the presumed sanctions for the violations indicated. In the event of any license suspension imposed under subdivision 3, the city council may select which days a suspension will be served. Notwithstanding the provisions of subdivision 3, a license may be revoked for any violation of this section when in the judgment of the council it is appropriate to do so. The city council may impose lesser penalties under subdivisions 2 and 3 when in the judgment of the council it is appropriate to do so, provided that in no event will the amount of any fine or period of suspension be less than the amounts and periods specified in Minnesota Statutes, section 461.12, subdivisions 2 and 3, as amended. The city council may by resolution revise the amount of the above civil penalties stated in subdivisions 2 and 3 above, in Appendix IV. Other mandatory requirements may be made of the establishment, including but not limited to, meetings with the Police Department staff to present a plan of action to assure that the problem will not continue, mandatory education sessions with Crime Prevention staff, or other actions that the City Council deems appropriate.

The City Code does provide the Council with authority to vary the penalties (larger fine, smaller suspension).

The City Council should discuss whether any changes are needed to the City Code regarding penalties for tobacco and alcohol license violations. The City Council should also discuss how to proceed with the outstanding tobacco violation for Crystal Tobacco and other similar violations.

CURRENT CRYSTAL ALCOHOL AND TOBACCO LICENSE VIOLATION PENALTY SCHEDULE

	1st Violation	2nd Violation	3rd Violation	4th Violation
ALCOHOL:				
Financial penalty:	\$750	\$1,500	\$2,000	-----
License Suspension:	1 day	3 days	10 days	Revocation
Timing of Violation:	-----	2 years from date of 1 st violation	3 years from date of 2 nd violation	3 years from date of 3 rd violation
TOBACCO:				
Financial penalty:	\$500	\$750	\$1,000	-----
License Suspension:	10 days	20 days	30 days	Revocation
Timing of Violation:	-----	2 years from date of 1 st violation	3 years from date of 2 nd violation	3 years from date of 3 rd violation



Memorandum

DATE: November 6, 2013

TO: Mayor and City Council

FROM: Anne Norris, City Manager

SUBJECT: Position on West Metro Fire District Board

Earlier this year, Councilmember John Budziszewski agreed to serve in the position on the West Metro Fire District Board created by ReNae Bowman's resignation. Councilmember Budziszewski's term in this position expires December 31, 2013.

The Council has had considerable discussion about whether to fill this position with a councilmember or seek resident candidates. The Council agreed it would recruit for citizen representatives using the advisory commission application (candidates were required to submit a resume) as well as consider any interested councilmembers for the position. The Council also discussed with staff whether it was appropriate to have both councilmembers and citizens "compete" for this Board position or if the position should be reserved for a councilmember. That debate was never resolved.

To date, we have one resident candidate and Councilmember Budziszewski interested in this position. At its organizational meeting in January, the City Council will consider a resolution making an appointment to this position to a two-year term.

The typical process for applicants for advisory commissions is for the Mayor, Mayor Pro Tem and the Commission Chair (or in this case, the Crystal Council appointment on WMFD Board) to interview the candidates. In the case of Charter Commission candidates, the entire City Council has a "meet and greet" with the candidates at a work session. The Council should discuss how to proceed with the two candidates for the West Metro Board position.



Memorandum

DATE: November 7, 2013

TO: Mayor and City Council (for November 14 Council Work Session)

FROM: Charles Hansen and Patrick Peters

SUBJECT: Public Works Facility Discussion

At the November 5 Work Session, Council's discussion focused on arriving at a determination on each of two critical elements for the construction of a new Public Works facility: 1) whether the city was willing to exercise its eminent domain authority, if necessary, to assemble the necessary property for this public purpose; and 2) identification of a strategy for financing the project. With regard to the eminent domain issue, it was the consensus of the Council to use the city's condemnation authority as necessary to assemble the subject site.

The discussion of funding strategies was varied, and the Council was not able to arrive at a consensus on a preferred strategy. However, the comments that Council Members offered allows staff the opportunity to evaluate other financing options. Staff is working on its evaluations of the financing options for presentation on November 14, and it will be the purpose of that Work Session to achieve consensus on a reasonable and responsible approach to financing this capital project. Agreement in principle is necessary, especially now as we begin negotiations with property owners for land purchases.

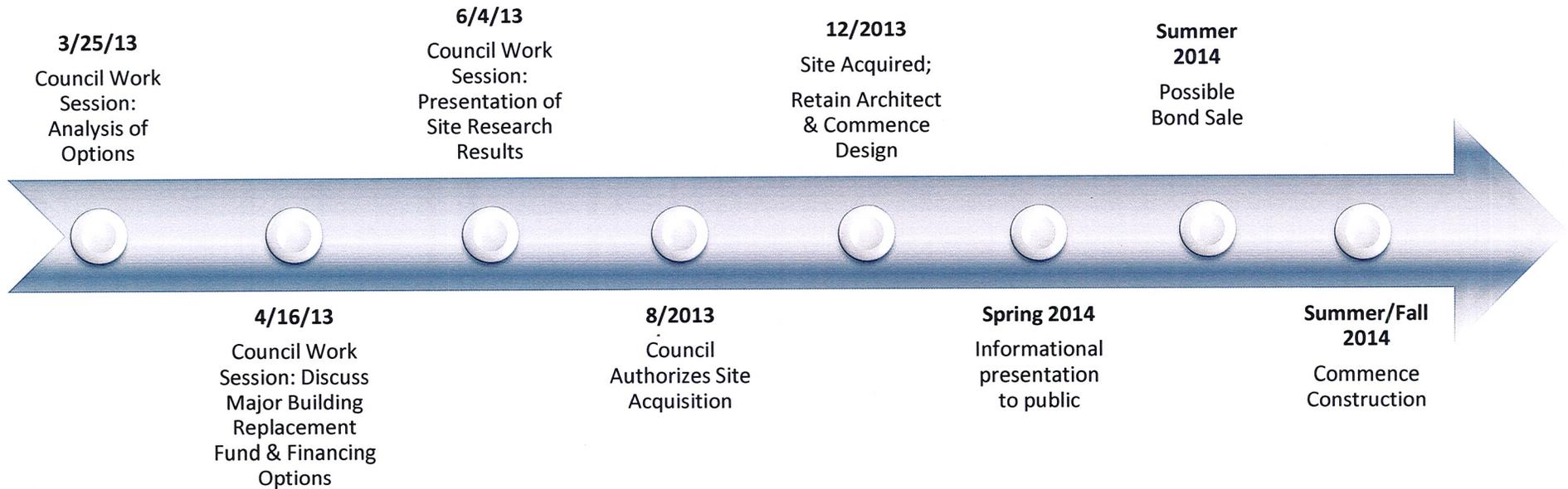
At the Work Session, staff offered that the sale of bonds is the responsible way to finance major projects like construction of buildings and public infrastructure assets that provide long-term benefits. A major advantage of utilizing bonds for the Public Works project is that they are guaranteed to be repaid within the useful life of the facility. Staff offered the example that if bonds were to be sold in 2014, a tax levy to pay debt service would begin with taxes collected in 2015; and since the final tax levy for the County Highway 81 bonds will be collected with 2014 taxes, the timing is ideal. The \$563,153 annual levy for the County Highway 81 bonds could become the \$563,153 annual levy for the Building Improvement bonds sold in 2014. This tax levy could support 15-year bonds totaling about \$6,000,000, assuming interest rates don't increase before the bonds are sold. The bonds can be less than \$6,000,000 if the Major Building Replacement Fund (MBRF), with a current balance of \$10,200,000, contributes more and other funds are tapped, as well.

One option to staff's recommended financing strategy that was raised at the Work Session can be characterized as a self-funding approach, whereby the MBRF is drawn down by \$10,000,000, and other fund balances (Utilities, EDA, etc.) contribute the balance. This approach would rely upon a continuation of the \$563,153 annual levy after the Highway 81 bonds are paid off to help replenish the MBRF in anticipation of future capital building projects. Concerns raised initially by this approach are 1) the rate at which the MBRF can be replenished, and 2) the lack of any method to commit this Council and future Councils to maintain the ongoing, annual contributions to the MBRF over the long term.

Staff is working to prepare spreadsheets that allow for a side-by-side comparison of the bonding and self-funding approaches, and we will have those available to present at the Work Session.

Public Works Facility – Estimated Project Timeline

(For discussion purposes only)





Memorandum

DATE: November 7, 2013
TO: Mayor and City Council
FROM: Anne Norris, City Manager *alan*
SUBJECT: 2014 Budget Update

The City Council approved the preliminary levy for the 2014 budgets on September 3. The preliminary levy for the the general fund maintains the current level of services, one of the Council's three goals in preliminary budget discussions. The Council's other goals of little or no tax levy increase and not using the LGA increase for general fund operations were not incorporated in the preliminary tax levy.

At its October 10 budget work session the Council reviewed options for the 4 budget alternatives regarding deficits, reducing the tax levy and not using the increase in LGA for general fund operations.

Based on the Council's discussion and subsequent discussions with staff, the following changes will be made to the 2014 budget:

- Reduced special assessment and interest income by \$100,000
- Increased building permit revenues by \$15,000
- Increased miscellaneous fire permit revenues by \$1,500
- Increased mechanical permit revenues by \$2,000
- Increased sign permit revenues by \$1,000
- Increase miscellaneous off sale malt liquor licenses and beer/wine on-sale liquor license revenues by \$2,000
- Increase pawn shop transaction revenues by \$10,000
- Increased school resource officer revenues by \$2,000 to reflect addition of Lions Gate Academy
- Increased various recreation program revenues by \$4,000
- Increased use of city recreation facilities revenues by \$2,000 based on actual year to date revenues
- Reduce expenditures throughout budget to reflect sales tax exemption (approximately \$25,000)
- Eliminate \$4,500 from Mayor and Council budget for Commission/volunteer appreciation event

Attached is the proposed 2014 general fund budget summary reflecting these changes. Staff will continue its review of the 2014 budget for additional changes by the November 14 work session.

The \$188,764 increase in LGA will go directly to the PIR and reduce the transfer from the general fund by that amount.

The City Council will be having a discussion of the policy/practice of plowing sidewalks in the coming months. Since we wouldn't implement any change until the 2014-15 snow season, this discussion will happen in early 2014.

The Council should provide any additional direction at the November 14 discussion of the 2014 budget.

Attach:

CITY OF CRYSTAL
Proposed 2014 General Fund Budget Summary

	2010 Actual Amount	2011 Actual Amount	2012 Actual Amount	2013 Adopted Budget	2014 Proposed Budget	Dollar Change 2014/2013	Percent Change 2014/2013
<u>REVENUES</u>							
Property Taxes	7,699,235	7,821,015	8,137,698	8,150,000	8,245,000	95,000	1.17%
Delinquent Tax & Penalty	108,257	124,432	147,083	10,000	15,000	5,000	50.00%
Special Assess.	120,782	223,163	279,813	187,200	125,000	-62,200	-33.23%
Licenses	115,059	115,404	129,698	117,380	127,180	9,800	8.35%
Permits	306,944	307,578	291,360	318,500	324,900	6,400	2.01%
Inspections	244,539	251,711	249,104	276,000	275,000	-1,000	-0.36%
Federal Intergovernmental	20,458	17,647	9,697	16,000	16,000	0	0.00%
State Intergovernmental	1,849,007	1,858,923	1,741,280	1,737,509	1,943,509	206,000	11.86%
County Intergovernmental	6,667	8,533	4,000	3,000	3,000	0	0.00%
Gen Govt Charges	82,045	162,108	109,455	84,810	74,575	-10,235	-12.07%
Recreation Charges	189,332	204,155	200,573	202,250	211,825	9,575	4.73%
Comm. Ctr. Charges	84,299	81,477	87,516	87,350	90,350	3,000	3.43%
Pool Charges	173,535	151,626	175,170	176,600	180,100	3,500	1.98%
Public Safety Charges	55,072	65,431	82,204	74,080	90,880	16,800	22.68%
Fines & Forfeits	258,696	292,855	275,111	297,000	326,500	29,500	9.93%
Administrative Fines	150,389	41,170	16,852	50,000	40,000	-10,000	-20.00%
Investment Income	147,179	152,459	77,371	60,000	60,000	0	0.00%
Miscellaneous	74,161	79,048	90,127	72,000	96,550	24,550	34.10%
Interfund Services	273,653	294,594	278,835	291,148	283,109	-8,039	-2.76%
TOTAL REVENUES	11,959,309	12,253,329	12,382,947	12,210,827	12,528,478	317,651	2.60%
<u>EXPENDITURES</u>							
Mayor & Council	107,049	100,717	131,255	116,013	113,771	-2,242	-1.93%
Administration	850,641	842,314	867,451	919,857	965,852	45,995	5.00%
Human Resources	40,345	52,931	75,922	57,420	52,239	-5,181	-9.02%
Assessing	192,194	196,458	202,410	214,639	220,554	5,915	2.76%
Legal	80,146	92,702	92,554	90,000	93,000	3,000	3.33%
Elections	40,774	3,620	43,217	5,039	63,200	58,161	1154.22%
Finance	442,380	443,182	443,633	457,176	473,257	16,081	3.52%
Police	4,152,255	4,312,990	4,399,763	4,559,035	4,631,523	72,488	1.59%
Fire	1,000,177	991,862	964,835	955,040	1,174,668	219,628	23.00%
Planning	208,981	196,854	198,212	208,452	211,279	2,827	1.36%
Building Inspection	216,330	225,676	244,714	248,954	239,864	-9,090	-3.65%
Housing Inspection	177,894	168,662	151,036	146,318	207,368	61,050	41.72%
Environmental Health	25,990	33,828	26,890	28,107	27,818	-289	-1.03%
Engineering	302,859	319,555	328,309	329,980	331,220	1,240	0.38%
Street Maintenance	755,884	780,488	754,417	822,433	836,487	14,054	1.71%
Park Maintenance	658,421	651,454	654,080	724,952	721,837	-3,115	-0.43%
Forestry	137,557	149,482	149,491	158,396	154,090	-4,306	-2.72%
City Buildings	163,095	160,234	166,872	173,004	157,716	-15,288	-8.84%
Recreation	599,472	618,923	602,702	643,657	673,966	30,309	4.71%
Community Center	332,172	337,284	346,319	341,964	367,089	25,125	7.35%
Waterslide / Pool	203,380	184,925	213,668	234,491	246,194	11,703	4.99%
Operating Transfers	1,063,150	1,487,800	1,442,700	775,900	602,600	-173,300	-22.34%
TOTAL EXPENDITURES	11,751,146	12,351,941	12,500,450	12,210,827	12,565,592	354,765	2.91%
DIFFERENCE	208,163	-98,612	-117,503	0	-37,114		
Ending Fund Balance	7,613,585	7,514,973	7,397,470	7,397,470	7,360,356		