

**CITY OF BAYPORT
CITY COUNCIL WORKSHOP MINUTES
COUNCIL CHAMBERS
MARCH 10, 2008
4:30 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor Nowaczek called the City Council workshop meeting of March 10, 2008 to order at 4:30 p.m.

ROLL CALL

Members Present: Mayor Jon Nowaczek, Councilmembers Connie Carlson, Dan Johnson, Torry Kraftson, and Sharon Ridgway

Members Absent: None

Others Present: Administrator Mike McGuire, Finance Officer Wanda Madsen, and Public Works Supervisor Mel Horak

Mayor Nowaczek noted the City Council began its discussion on city projects and funds at the February workshop and the intent of the workshop is to provide staff with guidelines in managing the city's investments.

Discuss future city projects and use of special city funds: Administrator McGuire reviewed the different fund balances and discussion ensued on the proposed capital improvement projects. A new fire hall would be the largest project at \$2,000,000.00, with the city pursuing grants and possibly a lease/purchase or a bond, to finance the project. He recommended spreading the repayment over a 10-to-20 year period. He anticipates using grants and other financing to replace the fire department's Pierce dash cab, as the fire equipment replacement fund does not have adequate dollars to cover the truck. The city has proposed a new police equipment fund to fund the purchase of patrol vehicles. Staff has also proposed a revolving redevelopment fund to purchase properties that would be of benefit to the city, e.g., downtown redevelopment. Administrator McGuire indicated he has had discussions with the City of Oak Park Heights regarding a joint community center, at a cost of \$5,000,000.00. Staff has estimated a cost of \$500,000.00 for a Highway 95 pedestrian crossing and a bike lane. Securing land for a new boat launch and/or expansion of the current launch was discussed. Administrator McGuire believes the Minnesota DNR would be interested in providing financial assistance to secure and preserve waterfront property. He stated he has had preliminary discussions with the owners of the Beach House Marina and the Cates' house on the St. Croix River. Various municipal building repair projects, sewer/water main and street improvement projects were reviewed. Staff is proposing that money be transferred from the tax stabilization fund to establish the new cemetery, police equipment, office automation, and municipal buildings maintenance funds.

Councilmembers presented their priorities and goals:

Councilmember Ridgway:

- Is concerned with the condition of the city's sewer and water mains
- Would like lifeguards at Lakeside Park to complement the park improvements
- In favor of upgrading the hockey rink, possibly utilizing a refrigerated system to extend the skating season

- Believes the municipal building maintenance issues should be fixed
- Believes the city needs to plan for a new fire hall
- Is in favor of purchasing the Beach House Marina riverfront property

Councilmember Kraftson:

- Is concerned with the aging sewer and water main system
- Would like a proactive approach to improving city streets
- Thinks expanding/improving parks and trails is a great investment for all age groups
- Believes the Highway 95 pedestrian crossing is a top priority
- Does not believe citizens would support a community center
- Supports a new fire hall
- Would be in favor of continuing discussions with Andersen Corporation regarding financial assistance with purchasing land for an alternate to the 4th Avenue boat launch site
- Is concerned that putting off infrastructure upgrades may cause the city to fall behind with the improvements, given rising construction costs. He would like a study conducted on the city's streets for planning purposes.

Councilmember Johnson:

- Thinks purchasing waterfront property is a good investment
- Would support a community center if the city could partner with another interest, possibly Andersen Corporation
- Believes Barkers Alps Park needs improvement
- Believes the building maintenance issues should be fixed
- Would be more in favor of using the fire hall area for additional City Hall parking rather than adding parking along Highway 95, with the purchase of the home adjacent to the current parking lot
- Would like a long-term plan to promote retail/commercial use along Highway 95

Councilmember Carlson:

- Agrees with most that has been stated
- Believes improving Lakeside Park and correcting issues at the Public Works building are top priorities
- In favor of adding City Hall parking in fire hall area
- Not in favor of a community center because Bayport has so many other recreational assets
- Acknowledges the need for a new fire hall
- Believes maintaining the city's infrastructure is important, as is repairing City Hall roof
- Is in favor of city purchasing waterfront property, preferably the Beach House Marina

Mayor Nowaczek:

- Would like the city to take advantage of its unique location on the St. Croix River
- Believes we should invest funds into real estate that would pay off in long-term amenities for the community
- Is very concerned with the long-standing traffic concerns in town and believes the city should work at getting a solution in place, i.e., crossing, stoplight, underpass
- Believes investing in our parks pays big dividends and would like to see improvements at Barkers Alps accelerated
- Believes we are outgrowing our current fire hall and a better facility will be needed. He is willing to take on some debt for the project.

- Is not in favor of building a community center as he believes Bayport already is a community center for the valley with our churches, library, and parks.
- Is concerned with the city's infrastructure but does not want to undertake a project until it is necessary. He proposed increasing the amount of money put away each year to build up the infrastructure improvement funds.

Public Works Supervisor Horak stated that the city's streets have a very good natural gravel base and the ongoing seal coating program has eliminated a major pothole problem. Administrator McGuire anticipates opposition to upgrading the 6th Street North infrastructure and suggested that if the cost were levied as part of the city tax, it would be tax-deductible. He suggested proposing a tax levy to Bayport residents during the next budget planning process to gauge interest in financing infrastructure improvements through a tax levy. Discussion followed on implementing a pavement management plan and options for financing infrastructure improvements.

Discussion ensued on using the funds available in the tax stabilization fund. Administrator McGuire noted the city has approximately \$3,500,000.00 in its general funds, in addition to the \$1,218,321.00 currently in the tax stabilization fund. The city has close to \$12,000,000.00 in total investments. Councilmembers were generally in favor of keeping about 25 percent of the city's annual budget in the tax stabilization contingency fund, approximately \$500,000.00. Councilmember Ridgway questioned whether the tax stabilization fund was still needed, but suggested keeping some money in the fund until the Inspiration development was built out. Mayor Nowaczek noted that designating the money to specific purposes, thereby reducing the tax stabilization funds available, may be advantageous when applying for grants. State aid would potentially be affected by the fund balances in undesignated city funds. Use of the general funds for investments and downtown redevelopment was discussed. Focusing dollars on park improvements was generally acceptable to councilmembers. Councilmembers recommended proceeding with the pedestrian crossing study for Highway 95 as soon as possible. Administrator McGuire recommended having further budgetary discussions after the city's audit is complete in April or May.

Summary of Workshop: Mayor Nowaczek indicated the consensus of the City Council was to abolish the tax stabilization fund and designate the monies to specific funds as recommended by staff, upon confirmation of fund balances when the 2007 audit is complete. Councilmembers would need to decide how to use the remaining \$348,321.00 in the fund, possibly for park improvements or some other project(s).

ADJOURNMENT

It was moved by Councilmember Johnson and seconded by Councilmember Carlson to adjourn the workshop at 6:05 p.m.