

**CITY OF BURNSVILLE
WORKSESSION MINUTES
JUNE 10, 2008**

The City Council of the City of Burnsville met for a Worksession at the Burnsville City Hall, 100 Civic Center Parkway, Burnsville, Minnesota on the 10th day of June, 2008.

The meeting was called to order at 6:30 p.m. by Mayor Kautz.

Council Present: *C. Crichton, D. Gustafson, E. Kautz, L. Workman*
Council Absent: *D. Kealey*
Staff Present: *C. Ebeling, T. Omdal, T. Hansen, M. Brooks, J. Faulkner, B. Osmundson, J. Hansen, S. Nienhaus, J. Skelly, T. Schultz, K. Strey*
Others Present: *S. Briggs, J. Achen, D. Von Heldon, G. Aaroe, S. Aaroe, A. Aaroe, D. Powell, M. Esch, K. Slipka, T. Taylor, V. Turner, K. Detlefson, R. Vanderlaan, M. O'Connor, A. Burrill, J. Marschessault, M. Sherry, M. Miranda, E. Delmoro, C. Cornolo, D. Fadden, B. Lurtsema, S. Lemagie, M. Lee, R. Vail, D. Sjoquist, D. Manley, W. Huelskoetter, J. Adamich, S. Saefke, D. Dovolis, C. Griffith, T. Deroche, N. Spearda, T. Petit, S. Berg, E. Toshida, R. Guenette*

ITEM 1. SKETCH PLAN REVIEW FOR AN INDEPENDENT PROFESSIONAL BASEBALL STADIUM IN THE MINNESOTA RIVER QUADRANT IN THE AREA OF LADYBIRD LANE

Dean Dovolis, DJR Architectures, Clarke Griffith, Northern League Baseball, and Terry Deroche, Touch'Em All Sports, were introduced and presented the proposed sketch plan for the development of a minor league baseball stadium in the Minnesota River Quadrant (MRQ). The development team has a plan to create a stadium village (estimated 8 additional acres to be added) to surround the ballpark to include commercial/retail type development. The main types of venues anticipated at the stadium is baseball including college and high school.

METRO MILLERS BALLPARK – Development Proposal for the City of Burnsville

- Touch 'Em All Sports, LLC
- Minneapolis Metro Millers, LLC
- DJR Architecture, Inc.

Project Site

- Location – southeastern side of Dupont Avenue S. Bounded by Lady Bird Lane on the south and Jimmer Avenue at the east.
- Area – 18 acres
- Current Use – undeveloped
- Existing Zoning – Industrial, GIM – GW
- Proposed Zoning – PUD

Master Plan Concept – Stadium Village

- Metro Millers Ballpark
- Big Box Retail
- Commercial/Retail
- Water Garden

Site Access

- Hwy 13
- Cliff Road and I-35W

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ITEM 1. SKETCH PLAN REVIEW... (continued)

Sustainable Opportunities

- Wind powered ballpark
- Goal for LEED certification
- Shared parking
- Cooperative programs with local transit on game days
- Bike parking and accessibility

Conceptual Site Plan

- Main entry faces southwest
- Scoreboard on east side
- Grass berms /play areas on NW and SE corners

Seating Capacity

- Reserved Seating = +/- 4,800 seats
- General (Berm) Seating = +/- 1,000 seats
 - Picnic seating on grassy berms at left and right field
- Club seating (prime seating) = +/- 500 seats
- Suites – 14 private and 6 rented = +/- 500 seats
- Tailgating – 50 spaces in outfield parking available
- Total capacity = +/- 7,300

Events:

- Baseball
 - Independent League – 48 home games/96 games
 - Tournaments
 - Community College
 - High School
- Restaurant and banquet facilities – open year round
- Community events

Parking

- +/- 1300 parking spaces available
 - Number based on other stadiums of similar size
- Shared parking opportunities

Northern League

- Best attendance of all 8 independent baseball leagues
 - Average attendance of 4,677 per game (2007)
- Other teams (attendance)
 - Winnipeg Goldeneyes - #1 attendance 6,042
 - Kansas City T-Bones #4 – 6,024
 - Other teams are in the top 18 of 64 independent teams
 - 12 Players brought up to Major Leagues in 2007
 - All 6 Northern League stadiums built since 1996
 - Kansas City attendance growth – 2003 (204K) to 2007 (289K)
 - 50% growth in attendance in 5 years.
- Metro Millers will be the 7th team in the league, the 8th team is anticipated the following year
- Plans for inter-league play – Metro Millers vs. Saints

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ITEM 1. SKETCH PLAN REVIEW... (continued)

Metro Millers

- 1896 won their first pennant in Western league at Nicollet Park
- 60 yrs later, they moved to the new Metropolitan Stadium in 1956 that had an 18,000 seat capacity.
- Wheaties Cereal was launched at Nicollet Ballpark
- Home field at Met Stadium ended in 1960 with the arrival of the Twins (formerly Washington Senators)
- 15 players who started with Millers were inducted to baseballs Hall of Fall, including:
 - Ted Williams
 - Willie Mays
 - Carl Yastrzemski
 - Orlando Cepeda
 - Hoyt Wilhelm
- 50 years later, rebirth of the Metro Millers in Burnsville, MN

Schedule

- Target Stadium completion for 2009 Season
 - Minimum 9 month construction schedule
 - Submit Plats Site Plan 3rd Qtr 2008
- Site Plan Approval and EAW 3rd Qtr 2008
- Planning Commission Meeting Early 4th Qtr 2008
- City Council Meeting Early 4th Qtr 2008
- Building Plan Permit Submission Early 4th Qtr 2008
- Building Completed Early 3rd Qtr 2009

Craig Ebeling, City Manager, explained that the applicant is seeking a general reaction from the Council on the proposal and how it fits in the Minnesota River Quadrant. Council consensus that the proposal would provide a great amenity for our community and directed staff to work with the applicant to move forward with the proposed stadium project. Council advised the applicant to be informed about soil issues. Noise issues will be addressed during the EAW, but Council directed the applicant to contact local residential neighbors, as well as the City of Bloomington for noise concerns.

ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW

Tammy Omdal, Deputy City Manager/CFO, gave a presentation on the multi-year financial projections, focused on the projected demands on the property tax revenue for the next five years.

Will also seek feedback from the Council tonight (unlike years past)

City of Burnsville Five Year Budget Overview - Property Tax Supported Funds

Presentation Outcomes

- Shared understanding of the projected cost of funding Council Ends/Outcomes (including current service levels, adopted plans and commitments) over the next five-years compared to projected revenues
- Preliminary input for staff in preparing the 2009 budget recommendation and multi-year finance plans

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ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW (continued)

Strong Financial Condition

- Bond rating of Aa1
- Outstanding debt is at a very low level
- Strong fund balance and cash position
- Sound budgeting practices
- Multi-year financial planning

Items to be Covered

- Impact of State Law on 2009 Budget
- Background Information on Sources and Uses of Funds
- 2009 Preliminary Budget Projections for Property Tax Supported Funds
- Options for Balancing the 2009 Budget

Impact of State Law on 2009 Budget

- Levy limits for three years
- Sustained PERA contribution increases for both employer (city) and employee share
- Aggregate resource preservation tax and production tax provisions adopted
- No cut to the Market Value Homestead Credit reimbursement
- Transportation bill – provides an increase in Municipal State Aid funds

2008 Budget Proposal by Source of Funds - Total of \$99 Million (dollars are in millions)

- Property taxes – 26%
- Charges for services – 22%
- Use of fund balance – 24%
- All other sources – 28%

2008 Budget Proposal By Expenditure Type - Total of \$99 Million (dollars are in millions)

- Capital – 44%
- Operations – 44%
- Transfers between funds – 8%
- Debt Service – 4%

2008 Budget by Source of Funds for General Fund Only - Total of \$34 Million

- Property tax – 65%
- All other – 35%

2008 General Fund Budget Proposal – Use of Funds by Expense Category - Total of \$34 million

- Personnel – 62%
- Current expense – 25%
- Transfers to other funds – 12%
- Capital outlay – 1%

2008 General Fund Budget Proposal – Use of Funds - Total of \$34 Million

- Police, Fire, EMS – 48%
- Public Works & Parks – 24%
- Administration – 14%
- Non-operating – 7%
- Development/Redevelopment – 4%
- Recreation – 3%

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ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW (continued)

Property Tax Supported / Non-Property Tax Supported Funds

- Property Tax Supported Funds
 - General Fund
 - Police, Fire, Public Works, Development and Redevelopment, Recreation
 - Infrastructure Trust Fund
 - Capital improvements to physical infrastructure – streets, parks
 - Debt Service Fund
 - Payment on debt issued for general governmental purposes
 - Economic Development Fund
 - Economic development initiatives
- Non-Property Tax Supported Funds
 - Water and Sewer Fund
 - Storm Drainage Fund
 - Ice Center Fund
 - Golf Course Fund
 - Street Lighting Fund
 - Cable Franchise Fee Fund
 - Parks Capital Fund

Total 2008 Adopted Budget – All Funds

Council discussed the use of undesignated funds and enterprise funds and concern for continued pay-go policy with current levy limits.

2009 Preliminary Budget Projections For Property Tax Supported Funds

- Growth in expenses exceeds growth in non-tax revenue
 - Property tax provides a majority of the funding for the General Fund and other property tax supported funds, nearly 70% of the revenue for these funds
 - Additional property tax revenue will be needed, if the Council wants to continue the current level of services and plans it has adopted
 - Increases in other non-tax revenue will provide some relief to the amount of property tax increase needed, but it is not a significant enough portion of the total revenue to offset the need for additional property tax revenue to continue current level of services and fund adopted plans
- Result is a “budget planning gap” – which is the difference between projected sources and uses of funds
 - For initial planning purposes, property tax revenue is assumed to be constant – no increase or decrease

2009 Preliminary Budget Projections

- Property taxes *do not* increase unless the Council acts to certify an increase in the amount of taxes to be collected.
- Preliminary projects for 2008 indicate property taxes would need to increase by 7.6% from 2008 to 2009 to fund current level of services and adopted plans.

	2008	2009	Annual	Annual
	<u>Adopted</u>	<u>Projected</u>	<u>Difference</u>	<u>% Chg</u>
○ City/EDA Property Taxes	\$25,544,000	\$27,500,000	\$1,956,000	7.6%

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ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW (continued)**Property Tax Increases – Future Estimated Amounts Based On Projected Growth in Expense and Non-Tax Revenue**

- 2008 Adopted – 4.7%
- 2009 Projected – 7.6% (Projected after cuts – 3.7%)
- 2010 Projected – 6.8%
- 2011 Projected – 7.2%
- 2012 Projected – 5.8%
- 2013 Projected – 3.1%

Preliminary Staff Proposed Budget Cuts

- Reduce proposed increase to the ITF levy and rely on increase in gas tax revenue
 - Replacing tax money with MSA money permanently
 - Council consensus to move forward.
- Reduce levy increase planned for Parks Capital Fund
 - Council directed staff to return with specifics of what this adjustment would affect.
 - Noted that it was still possible to have higher park dedication fees than projected.
- Reduce spending on vehicles and equipment by extending the years in service
 - Council consensus to move forward.
- Reduce debt service levy through the reallocation of cash in the debt service funds
 - Council consensus to move forward.
- Reduce spending for cable television (no service impact) – and realize the savings from the change in partnerships
 - Council consensus to move forward.
- Reduce current expenditures across departments to include materials/supplies, consulting services, and organizational development expenditures
 - Council consensus to move forward.
- Eliminate the Police Department’s Explorer program, tobacco compliance checks, participation in training/seminars for domestic abuse response, and participation in non-grant funded multi-jurisdiction traffic directed patrols – no impact on response time
 - Council consensus to move forward – least favorite.
 - Council directed staff to research additional grant opportunities.
- Eliminate operating expenditures on engineering through reallocation of efforts
 - Council consensus to move forward.
- Reduce spending on protective inspections
 - Council consensus to leave it in.
- Reduce spending on community surveys by going to every other year
 - Consensus to move forward.

Balancing the Budget

- Identify opportunities to improve efficiency of service delivery
 - Focus on opportunities to continue to collaborate with other cities and the County
- Change the cost drivers
 - Most of the cost drivers are driven by policy, changing the cost drivers would involve revisiting policy in some cases
- Reprioritize where available dollars are spent:
 - Reduce expenses by adjusting the level (i.e., quality) of services provided
 - Reduce expenses by eliminating entirely some services provided

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ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW (continued)

Balancing the Budget (continued)

- Increase other non-property tax revenues
 - Identify opportunities to use sources of one-time revenue for one-time expenses – such as paying off debt that is reaching maturity
- Increase property tax revenue
 - According to City policy, this is the last option to be considered

General Fund Reserve

- Preliminary 2009 Budget Projections include the following assumptions for use of General Fund Reserves
 - \$500,000 towards the expansion of the Youth Facility (Round Maintenance Building)
 - \$475,000 transfer from the General Fund to the Economic Development Authority (EDA) Fund, when combined with a property tax levy of \$410,000 would provide the revenue to the EDA called for under the adopted Council policy

General Fund Reserve (In Millions of Dollars)

	<u>Required for Cash Flow</u>	<u>Capital</u>	<u>Undesignated</u>
• Final 2006 Yr End:	\$10.8M	\$1.5M	\$4.3M
• Final 2007 Yr End:	\$11.9M		\$3.6M
• Proj. 2008 Yr End:	\$12.4M		\$2.0M

Performing Arts Center

- Beginning in 2008, the General Fund budget includes \$250,000 for payment of principal on the PAC debt – this amount will be paid from non-tax revenue (Host Fee) until Year 2011
- Year 2011 is the first year the General Fund will not have non-tax revenue to offset the principal payment – in addition it's the first year the PAC is projected to need operational support from the General Fund estimated at \$250,000 assuming actual operating performance will require this support
- Projected increase to the General Fund budget in Year 2011 for the PAC will be more than offset by an increase in the City's tax base from decertifying the first of two TIF Districts in the Southcross Industrial Area
- In year 2014, the City's tax base will again increase due to decertifying the second TIF District in the Southcross Industrial Area

Preliminary Estimate of Market Value Growth for Taxes Payable in Yr 2009

- 2008 Taxable Market Value \$6.38 Billion
- 2009 Taxable Market Value* \$6.37 Billion preliminary
- Total Decrease of -0.2% \$0.01 Billion
 - A decline in residential assessed market value is driving the reduction in overall taxable market value
- Market Value Growth from New Construction \$51 Million preliminary
- Tax Levy from New Construction \$300,000 preliminary

Change in Estimated Market Value by Property Type for Taxes Payable in 2009

	<u>Market Adj to Value</u>	<u>New Const. Value</u>	<u>Total</u>
• Residential	-2.4%	0.3%	-2.1%
• Apartments	-1.1%	0.3%	-0.9%
• Commercial and Industrial	3.5%	2.4%	6.0%
• Total	-0.9%	0.8%	-0.1%

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ITEM 2. FIVE YEAR FINANCIAL PLAN REVIEW (continued)Next Step

- Based on input and direction from the Council, Management will develop a balanced 2009 budget recommendation for consideration by the Council
- Staff is seeking direction from the Council on a preliminary target for the “maximum property tax levy” for taxes payable in Yr2009
- Staff is proposing an increase of approximately 4-percent
- Staff is seeking feedback from the Council as to whether the proposed areas / concepts for budget cuts is acceptable to the Council

Key Tentative Dates: 2009 Budget Process

- June 10 Financial Management Plan Review: multi-year financial planning
- August 12 Council Work Session to discuss maximum 2009 property tax levies
- September 2 Council adopts maximum property tax levies
- November 10, 25 Council Work Sessions to discuss 2009 budget
- December 2 Truth-in-Taxation Public Hearing
- December 16 Council adopts 2009 tax levies and budget

Council consensus to move forward with a budget between a 3.5% to 4.0% increase in the tax levy for 2009. Councilmember Crichton dissented stating that he wants a budget with a 0% increase in the tax levy.

ITEM 3. PEDESTRIAN CROSSING POLICY

Council consensus to continue this item to a future Worksession. Council directed to staff to review the draft policy before returning to Worksession to be more succinct and follow general policy guidelines.

ITEM 4. HEART OF THE CITY / DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (CDA) PARKING LOT

Bud Osmundson, Public Works Director/City Engineer, requested Council direction on the concept of constructing a parking lot on the property at the northeast corner of Nicollet Avenue and 125th Street, currently owned by the CDA. Council discussed the current lack of parking in the HOC, the easement needed with the CDA, and the minimum duration of the easement should be 5 years. Council directed staff to move forward with contact the Dakota County CDA about an easement to build a parking lot and to also consider a first right of refusal clause.

ITEM 5. ROUNDTABLE**➤ Construction Tour Dates**

Council is having a special Worksession on July 1st to tour the Performing Arts Center and later meeting at City Hall for a continued moratorium discussion. Staff proposed that Council also consider touring other City construction sites. Council consensus to push the proposed moratorium discussion to later on Tuesday, July 1st to also allow tours of the Water Treatment Plant and the Maintenance Center Expansion projects.

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ITEM 5. ROUNDTABLE (continued)

➤ **Reports on Advisory Boards & External Organizations**

No reports were submitted.

The meeting was adjourned at 8:54 p.m.

Respectfully submitted,

Macheal Brooks, Deputy City Clerk

Approved by the City Council of the City of Burnsville this 17th day of June, 2008.

Elizabeth B. Kautz, Mayor