

WEEKLY MEMO

Date: November 5, 2010

To: Mayor Lynn Stauss. Council President Dick Grassel, Vice President Henry Tweten, Council Members Marc Demers, Craig Buckalew, Wayne Gregoire, Greg Leigh, and Mike Pokrzywinski.

From: Scott Huizenga

RE: Weekly Update

UPCOMING MEETINGS:

November 9, 2010 – 5:00 pm Special Council Meeting

November 9, 2010 – 5:00 pm Work Session

November 9, 2010 – 12:00 PM EDHA Board Meeting

November 10-12 – CGMC Fall Conference – Alexandria

November 15, 2010 – 12:00 pm State Aid Task Force (tentative)

November 18, 2010 – 5:00 pm Water and Light Commission

WEEKLY UPDATE:

Labor Update

The Water and Light Commission met with the Teamsters 120 bargaining unit in formal negotiations on a new labor agreement. Council President Grassel and Council Member DeMers represented the City Council. We did not reach a tentative agreement in our initial meeting, but I believe the session was highly productive.

Red River State Recreational Area

Officials from the Department of Natural Resources (DNR) met at City Hall this week with Mayor Stauss, Council President Grassel, the Parks and Recreation Superintendent, and me. We believe we have reached a final consensus on a new Intergovernmental Agreement for operating the campground. DNR has agreed to reimburse the City for building maintenance and utility expenditures at the campground above and beyond the annual operating rate that the City receives. Also, DNR has agreed to reclaim ownership of much of the lands within the totality of the Red River State Recreational Area. That is loosely defined as the areas along the City's levee/path system. By transferring ownership, the City could be reimbursed for maintenance activities within the area including mowing and path repair. All told, City revenues would increase by approximately \$60,000 relative to the 2009 base agreement of \$100,000.

State Aid Task Force

The State Aid Task Force met on Monday. The task force discussed possible funding options modeled after the City's existing storm water utility billing system. A single-family household would contribute approximately \$9.50 per month. Larger lots – multifamily, commercial, and industrial – would pay progressively higher rates based on lot size. The highest rate would likely be less than \$50 per month. Ad valorem (property tax) options were briefly discussed. The task force has tentatively set November 15 for its next meeting.

Health Insurance

The City has received its final quotations for renewal of the employee health insurance policy. The renewal increase – roughly 12 percent – is not quite as low as we would have liked. But, it is fair given the group's loss ratios and the impacts of the federal health care law changes. As part of the renewal, the City brokered a cap on the rate increase for 2012. I am pleased with the work of the City's health insurance broker, which reduced its commission with the provider to get the City a better deal.

Firefighter Relief Association

The Firefighter Relief Association voted on Monday to reduce its certified pension benefit to \$2100 per year of service. This is down from a previous benefit of \$2300 per year of service. Market losses from the last two years necessitated the reduction. The change is effective December 31, 2010. This will allow existing members to retire at the \$2300 level if they desire. It also allows the Association to reevaluate its position in early 2011 with increased assets and reduced liabilities. The Association could possibly restore the \$2300 benefit level next year without the need for the City ratify or guarantee the higher rate.

Department Reports

Fire Department Report, Chief Randy Gust

The Emergency Alert Siren test for November was conducted Wed. at 1:00pm. We found that when the Police Department set off tones there were some problems with all the sirens going off at the same time. We are correcting the problem ASAP.

As you could see we had a significant raise in river levels after the heavy rains from 2 weeks ago. This means that the ground is saturated going into freeze up. We will be monitoring moisture amounts thru the winter months and will respond as needed.

AGENDA ITEMS:

The City Council will hold a brief Special Meeting before the Work Session to canvass the municipal election results for the 2010 General Election. Much of the work session will be devoted to the budget, both for 2010 and for 2011.

1. MPO Staff and I will discuss 2011 Work Plan options with the Council. Two recommendations include a traffic study for 5th Avenue NW and a development ordinance study. The latter would provide a final recommendation back to Council regarding how an ordinance would be structured so that new developments would require full infrastructure at the time of development.
2. MPO Staff will discuss the new Paratransit and Senior Rider contract. The Costs have increased significantly as expected. The City is responsible for only 15 percent of the increase. The 2011 Budget anticipates the increased costs.
3. I will recommend a clarification of the recently-adopted Rescue Unit Fee to adopt a \$3.50 per unit charge on multi-unit properties that have consolidate their utilities on one bill. Most multi-unit properties have individual accounts for each tenant. A few such as Good Samaritan Heritage Grove, Sunshine Terrace, and Edgewood Vista, have all of their utilities on one account. This policy amendment would allow the city to collect on each unit in those properties while allowing a discount for potential vacancies and for ease of administration with consolidated billing.

4. Finance staff will briefly present the 3rd Quarter analysis. The City will likely see a small deficit in 2010 as a result of continued LGA cuts. Fortunately, the City has continued to trim expenditures so that the resulting loss is less than the revenue than the State cut from the City in March 2010.
5. The City Council will begin its final deliberations on the 2011 Proposed Budget. The discussion will include a summary of the Proposed Budget along with options to reduce proposed levy. The City Council will have, at minimum, next week, the work session on November 23, and the Regular Council meeting on December 7th to deliberate the proposed budget. The fifth Tuesday of November 30 is an open date should additional meeting time be necessary.
6. The Finance Director will present regularly-budgeted debt and construction transfers.
7. The Finance Director will present budget amendments for 2010.