

**APPROVED MINUTES
CITY COUNCIL
WORK SESSION
CITY OF WYOMING, MINNESOTA
JANUARY 17, 2018
6:00PM**

CALL TO ORDER:

Mayor Lisa Iverson called the City Council Work Session of the Wyoming City Council for January 17, 2018 to order at 6:00 PM

CALL OF ROLL:

On a Call of the Roll the following members of the Wyoming City Council were present: Councilmembers Lisa Iverson, Linda Nanko/Yeager, Joe Zerwas, Don Waller, and Claire Luger

ABSENT: None

Also Present: Robb Linwood, City Administrator, Mark Erichson-WSB, Paul Steinman – Springsted, Inc.

DETERMINATION OF A QUORUM: Mayor Iverson determined that there was a quorum.

NEW BUSINESS

1. To Continue Discussion on a Street Replacement Debt Model

City Administrator Linwood stated that discussion would center on the debt model presented by Springsted, Inc. at the December 5, 2017 City Council meeting. It provides estimates on the three projects the Council had prioritized over the next ten years. The Council had asked at the December meeting for specific information on cost comparisons between a 10-year, a 15-year, or 20-year bond and that information has been included in the packet. He noted that the feasibility study has been ordered for the proposed 2018 street project.

Mr. Paul Steinman, from Springsted, stated that because the City is being proactive and planning, the City is already ahead of what most are doing when planning for street replacement. He stated that information presented is mostly overview information. Mr. Steinman said that, in his opinion, the rating agency will pay attention to what the City has done to prepare and plan for street replacement. He stated that other positives are: that the debt model has been completed; the City's credit rating; and the fact that the City has chosen to fund the street capital fund year after year.

Mayor Iverson asked for opinions or questions from the Council.

The Council discussed interest rates.

Council Member Waller asked whether there were names for the project areas, so they didn't have to be referred to by numbers.

City Engineer Erichson stated that Project One encompasses the Pioneer, 260th and Indian, Project Two was West of the Freeway or West of Kettle River, Project Three is a large core of the City, in the central part of the City. Project Four is West Comfort and Ferry. Project Five is a small portion of Greenway Avenue.

City Administrator Linwood and Mr. Steinman reviewed the current fund balances of reserve funds and approximation of street fund balance

Council Member Waller asked if some of the excess general reserve funds could be dedicated to the street improvement projects.

City Administrator Linwood stated that the Council had discussed this option previously and it could be done.

Mr. Steinman suggested that the excess reserve funds be moved over slowly rather than a larger lump sum amount. He stated that it is also important to document the plan and reasons the Council chose to transfer this money, because it will raise questions with the rating agency.

The Council discussed the amount of money in the general reserve funds.

City Administrator Linwood suggested waiting to see the results of the 2017 audit before pigeonholing themselves with a dollar figure available in the excess general reserve funds. He expects the general reserve excess to be approximately \$2 million, but would suggest only moving \$1 million or \$1.25 million.

Council Member Nanko/Yeager stated she was not in favor of moving all the money from the reserves into the street fund. She would like to leave some of the excess money in place as a cushion. She would like to see the reserve money be used towards its own project and suggested a milling overlay or two as a possibility. Council Member Nanko/Yeager stated her concern that the City will have to augment the funds in order to make the debt service each year.

City Engineer Erichson stated that the City had changed the maintenance allocation for State aid and was planning to increase the amount to about \$100,000.

Council Member Waller suggested dedicating reserve funds to the street fund to help cover some of the costs. He stated that he feels this would be an excellent use of the overage in the reserve funds and very easily explainable to the community. He would like to see that portion dedicated so the rating agency would take it into consideration.

The Council discussed the amount to be kept in the general reserve funds over and above the required amounts.

Council Member Nanko/Yeager stated that she would like to see the City keep an additional \$1 million in excess of the 55% that is required, in the general reserve fund, in case of emergency. She reiterated that she would like to see the funds used for a bonus road project rather than just moved into the street fund.

Mayor Iverson asked the audience if they had any questions or comments.

Bruce Spangler – 5983 258th St.- asked about the net income/loss numbers from the packet and noted that it didn't appear that they are interjecting income back into the fund. He asked if the money went back into the general fund if it was unused.

Mr. Steinman stated he would check into the question of whether income was being interjected back into the fund, but noted that the monies should stay in the fund.

Mayor Iverson asked if the Council was willing to look at franchise fees or any of the other ideas that City Administrator Linwood included in the packet, to gain revenue for the street fund.

Council Member Zerwas stated the franchise fees have been talked about several times and agreed that it could be used there.

Council Member Waller stated he was not in favor of franchise fees because it is essentially a new tax.

Mayor Iverson explained to the audience how franchise fees worked using the City of Forest Lake utilities and cell phone bills as examples.

Barbara Bangen – 6368 264th St - asked why it has to be tied to a utility since it is not going to the utility. She stated that she didn't feel it needed to be done in such a circuitous manner, by going through the franchise fees, rather than something more up front. She stated that if the City is honest and simply told residents the amount of money they needed from each household, she didn't think people would have trouble being taxed for that amount, especially if it is around the \$25/year amount that City Administrator Linwood had approximated.

Council Member Waller stated that it was important to note that a franchise fee would come from all the customers in the City, but in the case of a tax levy, the tax-exempt entities would not pay anything.

There was a **Consensus** of the Council to look at the reserve funds and move the excess to the street fund.

City Administrator Linwood suggested the Council also consider creating a Street Replacement Fund Policy to address expenditures and reserve levels.

Adjourned at 7:15PM