

**Adopted Minutes
Special Council Meeting
January 16, 2007**

Mayor Elect Slavik called a Special Meeting of the Plymouth City Council to order at 5:00 p.m. in the Medicine Lake Room of City Hall, 3400 Plymouth Boulevard, on January 16, 2007.

COUNCIL PRESENT: Mayor Slavik, Councilmembers Willis, Hewitt, Stein, Bildsoe (arrived at 6:00 p.m.), Black, and Councilmember Elect Murdock.

STAFF PRESENT: City Manager Ahrens, Financial Analyst Kohn, Park and Recreation Director Blank, Utilities Supervisor Newberger, City Engineer Moberg, Deputy Police Chief Franz, Public Works Director Cote, Administrative Services Director McGann, and City Clerk Engdahl.

Discuss Draft of 2007-2011 Capital Improvement Plan

The Council discussed with staff portions of the draft 2007-2011 Capital Improvement Plan that includes projects totaling \$153,995,000.

Street Projects

Financial Analyst Kohn discussed the proposed street project expenditures totaling \$81,768,000, 10-year cash flow projection, and issues involving the street improvements. Some of these issues include:

1. MSA fund expenditures exceeding revenues for the five-year period resulting in a negative fund balance and interest charges for internal borrowing.
2. Street reconstruction expenditures exceeding property tax revenues for future years which would necessitate bonding, or deferring projects, and increased property taxes.
3. Temporary traffic signal at Vicksburg Lane and County Road 47 being held up by the County.
4. Street reconstruction projects that would require watermain replacement in 2007, 2008, and every other year thereafter. This would cost \$6,088,000 and impact the water fund and water rates.
5. The assessment rate for special assessments being pegged to the prime rate which has been deemed by some to be excessive.
6. An expenditure of \$550,000 from the water resources fund to pay for installation of rain gardens on street reconstruction projects.

Don Levens addressed the Council regarding street reconstruction and bridge replacement for South Shore Drive. He voiced his concern about storm water management, and he noted that currently there is no storm sewer, no curb and gutter, lack

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of a hard surfaced street, and lack of maintenance over the years. He stated residents desire regular street maintenance.

Public Works Director Cote stated a mill and overlay project for South Shore Drive is scheduled for 2009 when the bridge is scheduled for replacement.

A considerable amount of discussion was held on the correspondence received from Hennepin County regarding the status of the temporary traffic signal at Vicksburg Lane and County Road 47. The County has stated that if and when the City takes over County Road 47, the signalization would be installed. The Council felt that there is room for negotiation with the County, and they directed staff to prepare a counter proposal to the County that could be discussed by the Council at a future study session.

Water Quality and Drainage Projects

Financial Analyst Kohn discussed the proposed water quality and drainage expenditures totaling \$5,365,000. Issues discussed included:

1. If projects are completed as projected in the CIP, the cash balance of the water resources fund would decline to approximately \$320,000 in 2009. (This is below the benchmark level recommended by staff).
2. The Plymouth Creek pond project would require an internal borrowing of \$1,000,000.
3. Some proposed projects have been deferred or scaled back to fit the projected stream of revenues (erosion repair for Wood Creek, Conor Meadows, and County Road 61 and County Road 9).
4. The CIP and the water resources fund model do not include provisions for items required to meet future mandates including TMDL's.
5. The proposed CIP reflects \$250,000 in additional project costs when compared to the 2007 adopted budget. This is due to including the Wild Wings development at a cost of \$75,000, the Mooney Lake outlet cost increasing from \$125,000 to \$250,000, and funding for water quality components of the street reconstruction area increasing by \$50,000. (If the Council chooses to do these projects, without any corresponding decreases to other items, expenditures would exceed the adopted 2007 budget).
6. \$550,000 of water resources fund monies are allocated to rain gardens for street projects.

Some of the Councilmembers voiced their concerns with funding the erosion repair projects that have been identified in the draft CIP. The Council stated that the three erosion projects would remain in the CIP at this time, but staff was directed to provide additional information and history regarding the Conor Meadows and Wood Creek projects. In addition, staff was directed to send correspondence to the Wood Creek

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Homeowners Association indicating the City's need for the easements. Regarding the erosion repair for County Road 61 and County Road 9, staff was requested to meet with the new Superintendent of Three Rivers Park to discuss this project.

Water and Sewer

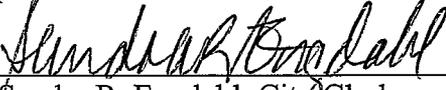
Financial Analyst Kohn discussed the proposed water and sewer expenditures totaling \$9,143,690. Many issues surrounding the water and sewer projects involve watermain replacement being incorporated into street reconstruction projects (\$6,088,000) and the need to increase utility rates to cover those improvements. After a considerable amount of discussion, the Council requested staff to prepare an ordinance to provide a 25% increase in the water rates, 4.25% increase in sewer rate, and a 7.71% increase in the water resources rate.

Future Study Sessions

The Council set another Special Meeting on February 13 at 5:30 p.m. for the purpose of completing the review of the draft CIP.

Adjournment

Mayor Slavik adjourned the meeting at 9:28 p.m.



Sandra R. Engdahl, City Clerk