

Adopted Minutes Special Council Meeting February 12, 2013

Mayor Slavik called a Special Meeting of the Plymouth City Council to order at 5:15 p.m. in the Medicine Lake Room of City Hall, 3400 Plymouth Boulevard, on February 12, 2013.

COUNCIL PRESENT: Mayor Slavik, Councilmembers Wosje, Willis, Johnson, and Bildsoe.

ABSENT: Councilmembers Black and Stein.

STAFF PRESENT: City Manager Ahrens, Park and Recreation Director Evans, Community Development Director Juetten, Administrative Services Director Callister, and City Clerk Engdahl.

Park Replacement Funds

Administrative Services Director Callister led the Council in a discussion of the park replacement funds. He stated in August 2012, the Council received a Park Replacement Plan report which outlined park replacement projects in the next 40 years. The Council increased the park replacement levy for 2013 from \$130,000 to \$330,000 annually. This action will fund identified replacement projects through 2020.

The Park Replacement Plan report didn't contain capital improvements for either the Plymouth Ice Center (PIC) or Plymouth Creek Center (PCC). Therefore, staff has created a capital improvement plan for PIC and analyzed the operation's cash flow needs for the next 20 years. Staff will also be preparing a similar report for the PCC in the coming year. One concept that has been identified as a potential revenue stream to assist with the PIC's operations, is to construct a dry land training facility on the east side of the PIC that would be leased out to a private party who would operate the facility.

Councilmember Willis asked if the \$10 user fee for the ball fields has had an impact. Park and Recreation Director Evans replied there has been no change in the need for the facilities, but there has been impact as the number of participants has decreased. Mayor Slavik commented that associations are much more careful with their number of participants.

Councilmember Willis suggested perhaps the Council might want to revisit the user fee system in relation to the impact on the facilities. This would have an impact on the users to carefully schedule their time. This could also have significant impact on funding. He stated this shouldn't be just for the baseball fields, but anything measurable.

Councilmember Johnson stated there are also sports that have more impact to fields but not as many participants. Therefore, she cautioned the Council on user fees and the impacts to families. If the Council is looking at becoming more reliant on the user, the user isn't going to be able to afford it. It's difficult to be equitable and fair.

Councilmember Wosje added that the market will dictate if teams can play cheaper elsewhere. He stated philosophically, as the fields are being used, you have replacement costs and they should be subsidized to some degree. He stated he wants to make sure that the City isn't exceeding what other cities are charging for user fees.

Councilmember Bildsoe stated the associations determine the price for the participants, and the City is only charging a \$10 user fee. Therefore, he doesn't feel the City is pricing folks out of the market, but it would be the associations.

Mayor Slavik thanked everyone for the discussion on the user fee, but requested that the Council discuss the park replacement plan report. She asked what other cities have done in this area. Park and Recreation Director Evans replied most cities don't have park replacement funds but use general tax dollars. The majority of them also don't plan out 20 years.

Councilmember Bildsoe asked with an aging population, is staff factoring in a change of the use of the facilities. For example, is the City planning for sports that are going to be important in the future? Park and Recreation Director Evans replied staff is keeping watch on the trends.

Councilmember Johnson stated she would like to know how the City measures up for park facilities and programming per capita from the offerings to the amount of land set aside for park purposes.

Councilmember Willis stated the school districts drove the need for the facilities and that is where the land was available at the time.

Administrative Services Director Callister reiterated the Park Replacement Plan is a 20 year plan, and it's never going to be fully funded. However, the plan can be modified every year. Councilmember Willis agreed and stated the plan should be revisited every year in conjunction with the Capital Improvement Plan.

Park and Recreation Director Evans highlighted the capital improvement plan for PIC. She stated this is one of the busiest facilities in the state. The facility operates as an enterprise fund to sustain day-to-day operations. She stated three significant improvements are needed for the facility which are refrigerant conversion (\$800,000), roof replacement (\$1,250,000), and Olympic rink conversion (\$650,000). Other improvements that should be considered are addition of a dry land training area, transitioning to an all electric facility, additional retail space, magnify locker rooms, and converting to concrete floor under the ice. She stated the PIC fund doesn't have sufficient cash balance to sustain the necessary replacement needs in the CIP. Therefore, there needs to be some type of City investment. This could be in the form of a one-time capital contribution or annual payments to cover debt issued to complete the improvements.

Staff would also look at grants, low or zero interest loans, or state bonds to reduce the costs of financing.

Administrative Services Director Callister discussed the cash flow scenarios contained in the report which included the assumption that the 2005 internal loan for the third sheet of ice is refunded from an interest rate of 5.25% to 1.5%, reducing current payments by \$20,280 per year. He stated this report gives the Council time to think about the improvements and financing options.

Councilmember Bildsoe asked staff how confident they are in the City continuing to have a \$200,000 surplus in the operating fund. Park and Recreation Director Evans replied unless the trend changes in hockey, staff is fairly confident as that surplus has been steady over the past several years.

By the request of Mayor Slavik, Park and Recreation Director Evans discussed the dry land training area which would provide off ice revenue. This addition would be constructed on the back of PIC, and the space would be leased to a partner who specializes in training. The cost of this addition would be \$1 million, and Wayzata Hockey Association has pledged \$400,000. She noted that Wayzata Hockey Association's contribution is tied to Acceleration Minnesota. Administrative Services Director Callister added that the dry land training area is a trend at a lot of hockey facilities. Staff would submit grant applications the end of this year. The City would construct the shell, and the tenant would provide the amenities. After 2020, their lease revenue would go into operations. This project would be in the 2014 Capital Improvement Plan.

Councilmembers Bildsoe and Johnson stated they support the dry land training area whether or not the City receives grant funds.

Adjournment

Mayor Slavik adjourned the meeting at 6:57 p.m.



Sandra R. Engdahl, City Clerk