

Traffic and utility model updates were presented that analyze the changes that have occurred in the NLD since 2008 as a result of land use and the EBLR on-ramp. They reported the revised concept of the westbound on-ramp from ELR to 494 is acceptable to the Federal Highway Administration. It's less expensive at \$23 million and is more likely to receive the \$8 million TED grant the City applied for, as it alleviates the projected congestion at the 84th & Normandale Boulevard intersection.

With regard to the funding update, Winstead asked if there were any unique restrictions on the abatement portion of it. Desrude replied staff has a funding model that anticipates what will be taken in on the abatement revenue.

City Manager Jamie Verbrugge reported the City of Edina has passed a resolution of support for the on-ramp but has not committed any funding. They intend to put their full legislative support to it.

Staff intends to hold an open house in the district in October. As the NLD is part of the Comprehensive Plan, it needs to go to the Met Council for approval. A formal Comp Plan amendment should be before the Council in June 2016.

Busse asked if the traffic that gets put onto 494 at EBLR is just moving the mess west. Desrude replied it spreads out all of the access points onto 494.

Farnham said the PM peak period was blowing up the traffic but the change in land use to residential will help that situation.

Abrams encouraged staff to provide highlights from this presentation to those attending the open house. Staff added there will be updates on the City's website.

Winstead asked if there are any anticipated pitfalls with the consideration of Duke III residential and the unknown impacts that change will have on the infrastructure. Desrude explained the residential use is helping the traffic situation. However, there will be an impact on sanitary sewer within the district getting it to the Met Council's large pipe. She said it's the development beyond Duke III that will have an even greater impact.

Carlson commented the City has only spent what it's collected and asked what is coming in and where that money will go. Desrude showed the cost estimates of the 2008 Plan and what has been spent to date. Carlson asked if the plan still shows the viable improvements the City wants to do. Desrude replied it does and it will include some of the infrastructure improvements. Staff will look at the utility and the traffic models to determine what required infrastructure improvements will be needed. Staff will bring back the urban design improvements. Carlson said finding places for other improvements such as playgrounds should be considered at the same time. He asked staff to think about the people who will be living there; not just the traffic. Staff to provide Council with periodic updates to keep it fresh. Carlson asked if Duke III is rental housing. Desrude replied it is. She said the assessment is all Class A Office currently; no residential but they'd take in more abatement revenue with the multi-family residential per the funding models. She said the City does special assessments for Pavement Management Program (PMP) projects all the time without agreements. The City could do that here if the improvements benefit those properties.

**6.2 Minnesota Valley
Strategic Plan Update**

Requested Action: Staff seeks input on the proposed implementation priorities in the draft Minnesota Valley Strategic Plan. No formal action is required.

Parks & Recreation Manager Randy Quale and Julie Farnham presented the staff report. Their presentation included a progress update, top priorities, a project timeline, project priorities and sequence, costs and a budget, and key questions for Council consideration. They stated the Department of Natural Resources (DNR) is planning to move ahead with a two-trail system (paved and natural). The City will incorporate their plans, once they've been accepted by the City, into a formal agreement it will execute with the DNR to permit the placement of those trails on the City property. The DNR will enter into a similar agreement with the US Fish and Wildlife Service (USFWS). Some infrastructure work could begin next year with trail construction starting in 2017 with a proposed opening in late 2017 or 2018.

Winstead asked about a comprehensive maintenance plan and how it will be maintained. Quale explained part of the agreement with the DNR will address the maintenance of the trails they're responsible for. He said once the maintenance plan is incorporated into the agreement, staff will dovetail it into the City's own maintenance plan to maintain the balance of the properties including the City's own trail connections to the State Trail. Farnham explained the maintenance plan will be split. One part will deal with best practices and the other part on facilities. She said the agreement will have very specific Memorandum of Understandings to address who should be doing what.

Quale said staff has considered seeking "park reserve" designation within the Metropolitan Regional Parks and Trails System for the property in the river valley.

Farnham said given the Regional System's Plan doesn't include this in its long-range plans, it will be a continuing staff priority to try and work it in that direction. She talked about timing and said it's more about sequencing; what makes the most sense. She said the sign plan and trail plan won't start until 2017. With the projected timeline, the trail could be completed in 2.5 years. With regard to cost/budget, she said the City is looking for \$20,000 to assist with the natural and cultural resource plans, which is not included in the budget.

She presented Council with the following key questions:

1. Should all proposed projects be undertaken? (If not, what projects should be removed from consideration and/or delayed?)

Winstead said plan it, sign it, and maintain it.

2. Do you agree with project sequencing/priority and duration? (If not, what changes should be made?)

Abrams said with regard to the sign plan and recalling the tour opportunity Council had earlier, asked if there was any low hanging fruit to make progress before the plans are actually worked on, which is another year and some months out. Farnham said staff is working to consensus with USFWS. She said the asset inventory project will consider the signs that are out there.

Quale said with the work that is already occurring on the Old Cedar Avenue Bridge (OCAB) and Nokomis Minnesota River Valley Regional Trail, they have sign packages the City can review for effectiveness, etc. If the City determines they are functioning well, staff won't have to reinvent the wheel. It can flow with the balance of what the City wants to do in the River Valley. The City will defer until it can make that determination.

Winstead said if proper signage has been identified, staff could implement something on its trail heads. Quale said staff will look at minimizing sign clutter.

Carlson commented it will be important for the City to show its partnership with the DNR and asked if the sign and trail plan could be moved up.

Quale said he'd hate to have the DNR do work before the City knows what will be in place.

Farnham said Bloomington's trail plan will be where it should be to connect to the State trail.

Winstead said the only thing that could move up is the Sign Plan in 2016 so requested having the Request for Proposals ready to go.

Carlson asked if there will be a Council resolution on the DNR's 60% concept design plan. Quale said a resolution might not be needed at the 60% mark but more of a consensus by the Council that it's in agreement with their plans.

Farnham explained the DNR approached staff a year ago with this draft Cooperative Agreement. She said when that was presented to the Council, they adopted a resolution of support for the trail short of adopting a Cooperative Agreement. She said the Cooperative Agreement will point towards a specific set of plans and which party is responsible for doing what regardless of whether it's a 60% or an 80% concept design plan. Staff will suggest the DNR present their 60% plan to the Council.

Carlson asked if there will be a need for the DNR to go back to the Legislature. Farnham said staff will reach out to the DNR and let them know the Council is requesting a formal presentation.

Winstead said the DNR would probably like formal direction from the City Council.

Oleson agreed the DNR should present their concept plans to the Council. He said the completion of the OCAB will create a lot of usage. He said the City could suggest they build one trail and then the other one, as it would be better to have a trail rather than no trail. Oleson asked if the DNR has offered to manage the trails.

Quale replied at one point, the USFWS asked if the City would turn over the land for their management. He said that's a Council decision but previous feedback indicated the Council was not in favor of giving up local control of the property to the Federal government. He said staff could ask the DNR about that. Farnham said that will be discussed as part of the MOU update that will come before the Council.

Oleson suggested the signage be coordinated, as users go from one jurisdiction to another. Regarding budget, he said \$95,000 is a relatively small amount. He said the Minnesota River Valley is quite a resource for this community so it needs to be done well. It needs to be promoted to the community, which would be easier to do if the City knew the details of the financing.

Lowman repeated the question about standardizing signs between the City, Three Rivers, the DNR and USFWL. Farnham said easier said than done, as each entity has its own colors and logos. She said the City is setting some of the design standards with the OCAB but that's a starting point. She said staff has been talking about it.

Abrams asked about the different languages needed for the signs. Quale replied they would be English signs with international symbols. They could relay the City's regulations. He said staff will discuss this further with USFWL regarding standards for sign language.

Lowman asked what staff is thinking about in terms of promotional strategies with regard to the Internet and smart phones, etc. Quale said it's staff's intent to make information about the trails and programs available on phones, etc. Farnham said the intent is to have a point person at city hall to get information out about the River Valley and to keep the City's website up to date with the most comprehensive information. Lowman asked how a trail and maintenance plan fits in with the City's budget. Quale said staff intends to offer Council some different maintenance levels of service; each with its corresponding financial burden to the City for discussion. Some of it will include partnering with other organizations and volunteer groups. He said it will depend on the level of service desired by the Council. He asked if the Council will want daily inspections of the trail conditions.

Farnham said the City hopes to have the Minnesota Valley Strategic Plan document, in its final form, back to Council in December. Staff is hoping to get started on the park asset inventory yet this fall for wrap up in the spring/summer.

6.3 2016 Proposed Internal Service Fund Budgets

Requested Action: Review and provide feedback on the 2016 proposed Internal Service Fund budgets. No formal action is requested.

Chief Financial Officer Economy-Scholler and Budget Manager Cindy Rollins presented this item on the following 2016 Proposed Internal Service Fund budgets: Support Services, Information Systems, Equipment, Radio, Self-Insurance, Accrued Benefits, and Facility and Park Maintenance. They said the fees were reduced from Conceptual to Proposed in Information Systems to help out the General Fund and move the Working Capital more toward its goal. Fees were reduced in the Fire Department to help whittle down the Working Capital. They said an actual study will be conducted in 2015 of the City's general liability, property, auto and worker's compensation insurance to ensure the City's reserves are where they need to be.

Busse asked about the pros and cons of self-insurance vs. LMCIT (League of Minnesota Cities Insurance Trust). Rollins replied the City does insurance through LMCIT for property, liability and auto insurance. The City self-insures for the Workers' Compensation insurance and is re-insured for the Workers' Compensation insurance.

Verbrugge said the City is looking at self-insuring for health insurance in future years adding Medica continues through 2016.

Rollins said the fees were increased in Facilities and Park Maintenance. She said extra maintenance has been deferred but will be done so the expenses will increase.

Regarding Accrued Benefits, Rollins said the goal is to have enough assets to meet the liabilities, which should occur in 2021. The City maintains a negative balance but there will be corrective action within the next five years.

Verbrugge said staff has put together a realistic model. They want to show these Internal Service funds are meeting their Working Capital goals for the bond rating calls. They want the rating agencies to see the City has a plan for getting its Working Capital goals into the black and out of the red. These budgets will be formally adopted by Council on October 5.

Carlson asked for the definition of "facilities," and what's included in the \$11.6 million. Rollins replied those are the main City buildings. She said the fire stations have needs. She explained there is a total capital of approximately \$1.4 million and \$400,000 of that is in Parks Facilities. She said they need to tear down a building. A Bloomington Facilities Assessment was performed to look at all of the buildings and their conditions. That study feeds into these budgets. There are critical things that need to be taken care of.

Carlson said it would be helpful to see some level of detail regarding the \$11,679,407; especially some of the larger projects.

Winstead said \$1.4 million is the capital portion of it.

Abrams said it excludes the Pool, Ice Garden, and Golf enterprise funds.

Verbrugge said the revenue represents the charges back to the departments based on the amount of space they utilize within the various facilities.

Lowman asked if there was a cap on each department and if the departments know what that impact will be. Verbrugge said the impact on each department is driven by the amount of space they have. He used the example of Human Resources, which has a much smaller space compared to that of Public Health so they have a lesser charge.

Verbrugge mentioned the City has some leased and some purchased vehicles. The Police Department said it doesn't make sense to take the leased vehicles off the lease right now. Regarding Parks facilities and critical needs, he said more improvements were requested that didn't quite fall into the critical category but are on the verge of being considered critical. He reported there is a backlog of facility improvements.

Carlson commented the state of affairs was eye opening in a previous presentation. It will be good to know what didn't make the cut for 2016.

Winstead said these budgets will be back for formal Council adoption on October 5. Verbrugge mentioned Mayor Winstead, Baloga and Abrams will be absent from that October 5 meeting and Lowman will serve as Acting Mayor. He said he will be gone also but there shouldn't be anything controversial on that agenda.

7 ADJOURN

Mayor Winstead adjourned the study meeting at 7:42 p.m.

Barbara Clawson
Council Secretary