

# TRAFFIC INFRASTRUCTURE ADVISORY BOARD MINUTES

**June 18, 2012**

Members Present: Brian Alsaker, Tama Theis, Bob Johnson, Hazel Youngmann, Joan Vincent

Members Absent: Abdi Hassan, Steve Ludwig

City Staff Present: Steve Foss, Cheryl Malikowski, Recording Secretary

## CALL TO ORDER:

Chairperson Vincent called the meeting to order at 12:00 p.m.

Vincent made a motion to approve minutes from the June 13, 2012 meeting. Theis seconded and the motion passed.

Re-introductions were made by each member of the Board.

## INFORMATIONAL ITEMS:

Vincent asked for comments of the e-mail between Vincent and Foss and requested that Foss provide a brief summary of the questions and responses in the e-mail.

The role of the Board and the Planning Commission was raised in Vincent's e-mail. Foss provided clarification that per the ordinance the Board does make its recommendations directly to the Mayor and City Council, but the 120-day timeline stated in Section 275:10, Subd.2, was specifically established for the Board's findings to be available to the Planning Commission as it undertakes its annual task of development of the CIP.

Foss clarified that regarding a potential bond referendum the Board must first reach a conclusion relating to their role in the process followed by their level of support and finally a timeline. Unfortunately, the short timeline required to preserve the option of a 2012 ballot question makes for additional challenges as the Board commences its work.

Foss provided a brief description of the City's bonding history. From the mid 80's until 2008, the City issued an annual general obligation bond. The bonds had a typical life of 10 years. Each year one would reach maturity and in turn each year a new one would be issued so that the level of debt service remained relatively constant. In 2006 a larger bond, approximately twice the normal size with a 20-year life, was issued to allow some needed projects to be advanced. Due to the economic downturn, no bonds were issued in 2009, 2010, 2011 and none are proposed for 2012.

At two different times, once in 1999 and again in 2006, large infusions of funding have been used to facilitate neighborhood rehabilitation projects. In 1995 the former St. Cloud Township was merged with the City of St. Cloud and an agreement was entered into to provide utility service to all developed portions of the Township over a 10-year timeline from 1995 to 2005.

Because of the large commitment, it was difficult to continue to meet the needs of rehabilitation of older core neighborhoods and hence the issuance of the 2006 large bond was focused on neighborhood rehabilitation work.

With no bond issuance in 2009 through 2012, the City has had to utilize other limited funds to cover its portion of public improvement costs. As a result, the number and size of the projects have been reduced. The large number of developed lots now going tax forfeit compounds the problem as the City is not receiving the revenue that in turn is used to make the annual payments on the earlier issued bonds.

John Norman, Finance Director, has agreed to attend the next Board meeting on June 29, 2012, to provide a more detailed summary of the tools used to finance the public works improvements.

Johnson stated that he feels the primary task of the Board is to determine the community needs and advise on a prioritization of these needs, but did not feel the Board should take a position regarding financing. Johnson also questioned other funding alternatives that are available. He also requested further information on the City's financial situation.

The question was raised as to how bond proceeds are used in the financing of public improvements. Foss commented that in the past approximately \$10-12 million per year of public works improvements were undertaken per year. The total funding consists of a combination of bonds, special assessments, municipal state aid and federal funds. Foss noted that the percent of total project cost for new development is much higher than that on rehabilitation projects. As new development has slowed, the overall percent of project costs covered by special assessments has decreased.

Youngmann questioned if there was a way to tie in the old sewers and the bad roads. Foss stated that the City does this process already. Vincent questioned whether the condition of the sewer is a factor when looking at neighborhood projects. Foss stated that it could be a factor but also the guidance of the committee should be more of how many projects the committee recommends be done to catch up and then look at the specific details of the areas as far as replacement of utilities.

NEW BUSINESS:

Vincent questioned the Board's role in prioritizing projects within the CIP. Foss stated that the Board's approach to community needs should be broad based and may not be limited to the projects contained in the CIP.

Vincent questioned whether this group is the appropriate group to make recommendations for the referendum bond and whether there is enough time to do a thorough review with the timeline given. She referred to the ordinance stating that the purpose of the group is to study and determine the transportation infrastructure needs of the City, but felt it is hard to study things that are new to many members of the group in such a short time.

Vincent welcomed any comments or questions regarding both the appropriateness of the group making the recommendation and whether the timeline is appropriate. Johnson asked Foss to provide information on the City's financial ability to do needed projects. Johnson suggested the best position is to use that information and develop a case statement to do something. One of the alternatives is to issue a bond. He suggested the details of the bond (i.e. amount of bond and terms) should not be done by the group. Foss will provide a list of project needs and estimated costs for the board. Vincent suggested that Foss present the list at the next meeting (have it emailed before the meeting), discuss the list and have the Finance Director talk about financing and what options there are. Foss stated that he plans to have the Finance Director do a 20-minute presentation and then the group could discuss the City's needs.

Youngmann mentioned that the group should also take into consideration that staff cuts may affect how many additional projects could be undertaken. Foss appreciated the concern but reaffirmed that first we need to determine the needs of the community and then we will need to determine how to deliver on those needs. Foss mentioned that even with the ballot question in 2012 and the important and necessary public involvement process, the majority of the projects would not be under construction until 2014.

Alsaker questioned whether the City has data of the itemized list from previous years. Foss stated he can attempt to get some of the information together but there was no easy way to track the history. Vincent commented that the reality is they have to deal with where the City is at today and get input from the Finance Director as far as what options there are.

Theis questioned when the foreclosed lots are coming up for auction. Foss mentioned that the new lots that were developed and never got sold are going into tax forfeiture next year. He also stated some of the streets in those developments will need maintenance work before homes will be built in those areas.

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Johnson questioned whether the CIP has already been approved by the City Council and whether funds have already been allocated for the projects in 2013. Foss stated that the City has the municipal state aid funds but until the City goes through the public hearing process and gets final approval from the City Council, there is no guarantee for the projects. Johnson stated his reason for questioning is that possibly the group's responsibility would be to question if those projects need to be done or if there are possibly other areas that need to be done. Foss stated he is comfortable that the 2013 CIP projects would be funded. Foss commented that if the City keeps funding the same way it has been, the City can prioritize projects but sooner or later the City will have projects falling off the CIP.

Meeting adjourned at 1:00 p.m.