

*Parks and Recreation*

- Eagle Scout service project: Bike fix it unit at Hillside City Park.
- RiverPlace development update.
- Woodlands Park Friends group.
- Skatepark update.
- Bylaws review.
- Buckthorn removal.
- Oak Knoll Improvements.

*Planning Commission*

- Mini storage item.
- RiverPlace 2<sup>nd</sup> Addition update.
- Beekeeping.

*Elk River Municipal Utilities*

- Swore in new member and appointments.
- Reviewed and adopted records management and data practices policy.
- Financials review.
- Reliability Report review.
- Field services expansion postponed to 2023 from 2019.

Councilmember Ovall questioned if anyone is familiar with the Bounce Back project. He suggested everyone take a look at it noting it promotes health through happiness.

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Council recessed at 7:28 p.m. in order to go into work session. Council reconvened at 7:34 p.m.

## **10.1 Public Safety Building Expansion**

Chief Nierenhausen presented the staff report. He discussed the current facility situation with overcrowding in garages and offices. He noted accidents caused by cramped space and current facility design.

Council consensus was to move forward with Request for Proposals for architectural services.

## **10.2 Ice Arena/Civic Center Referendum**

Tom Betti, 292 Design Group – Reviewed layout and pricing options for improving the arena facility.

Brian Recker RJM Construction - Stated Option 1A would be the least expensive option but he wouldn't recommend it due to performance issues seen in past facilities. He stated going with precast concrete would be less expensive and give the building more longevity.



Councilmember Ovall stated he is disappointed the costs keep increasing.

Councilmember Olsen stated the precast construction is the better option.

Mayor Dietz stated fixing the arena is dependent upon how you review this matter. He stated in his view this is a building maintenance issue so the minimum amount of work should be done to fix the structure. He stated there should be no add-ons, noting he likes Option 1C. He stated the field house option should be eliminated because it wouldn't get used due to recent surrounding competition. Mayor Dietz commented statistics show there is currently not a need for a third sheet of ice. He likes Option 1C because it won't affect the softball fields and it would save the city \$1 million with not having to add fields at Lion John Weicht Park.

Councilmember Westgaard noted Council direction, via motion, is for a civic center referendum. He questioned what Council's plan is for the ballot, what a civic center would look like, and the project costs.

Councilmember Wagner stated she has been working with small groups to ask for their input. She stated she has discussed the referendum with business owners, noting she has a meeting on Friday with a business community group. She stated a multi-use facility may not be viable but the city needs the question answered in 2018. She stated she is willing to change her mind if the feedback she gets agrees with Mayor Dietz. She stated she can't say yet what she wants to do but will continue to hold her meetings and could come back with a better recommendation of where she is coming from at the next meeting.

Mayor Dietz questioned if Councilmember Wagner was looking at how a \$25 million referendum would affect the average business.

Councilmember Wagner stated yes and the Council still needs to be okay with the project if a sales tax referendum doesn't pass. She noted there is a greater economic impact with construction of a larger facility. She noted she has been working with the county on the impacts and number of jobs that could be created with a larger facility versus fixing the arena. She stated she will be better prepared to discuss this at the April 16 meeting.

Mayor Dietz stated he voted to go back to referendum because people asked how the Council can spend money without asking the public. He stated after thinking about it, he doesn't feel a referendum would pass, but knows the city needs to complete the maintenance for the arena. He stated the community won't care what is in the facility and will only consider the dollar amount spent.

Councilmember Wagner discussed how a facility may bring in more businesses, more homes, and more workers for the current shortage. She stated she wants to be able to explain the big picture of what a larger facility does for the community if it's put to a referendum.



Councilmember Westgaard noted Options 3A, B, and C are not the actual costs the city would see because they interfere with other items, such as the softball fields. He stated the \$10–12 million deferred costs identified in the referendum literature included renovations to the activity center and Lions Park Center and not only the arena. He stated every time Council reviews the arena facility it grows because Council wants to add amenities for various interest groups. He stated Council should go back to the 2012 plan completed by the arena commission which outlined only their needs. He cautioned against the sand floor option due to previous known issues and not having the capability to program the space during the off-season.

Mr. Czech stated the sand floor rink would require ice to be kept in one rink at all times. He stated the cost of ice decking and the room to store it would be a wash and suggested the concrete option. He further discussed the issues with a sand floor.

Mr. Betti noted the cost of a concrete floor adds approximately \$100,000 per ice sheet to the project. He noted they take out a lot of sand floors to put in concrete floors in other communities.

Mayor Dietz noted he understands the \$12 million referred to in the referendum literature did include the other facilities but he is not inclined to spend any money on Lions Park Center. He stated the city should promote the 0.5% sales tax for the senior center, the bond payment for the arena, and for Lake Orono dredging.

Councilmember Westgaard questioned the Council contingency plan if a sales tax referendum doesn't pass because the facilities are continuing to deteriorate. He questioned if Council should wait and see if the sales tax will pass before starting any projects.

Councilmember Westgaard stated the original proposed project encompassed needed repairs to multiple facilities. He noted how much the community wanted to add dry turf and programmable space. He further stated the experts told the city the best option was to consolidate everything into one facility in order to save on overall costs. He stated if all Council wants to do is the arena, then go back to the Arena Commission's original recommendation for a \$15 million facility. He stated Council will have to bond for all of these projects if the sales tax doesn't pass.

Mayor Dietz stated he understands something will have to be done if a sales tax doesn't pass. He stated he is hearing people that want a cheaper option and he is only proposing to put \$12 million on property taxes if the sales tax doesn't pass.

Councilmember Westgaard questioned why Council doesn't revise the arena budget to \$15 million and keep forging ahead.

Councilmember Wagner further questioned if the organizations have been made aware the city would be asking for \$1.5 million in funding from youth hockey and the skating program.



Councilmember Westgaard noted the full amount would require bonding and someone needs to visit with the organizations to work on timing and whether they are on board.

Councilmember Westgaard questioned what path Council is taking in regard to policy for capital projects. He questioned if the city is now going to say to all future stakeholders they have to come up with 10% of the capital costs and pay a user fee that covers all operating expenses. He stated the city needs to be consistent across the board as a policy going forward and noted this will not be a one-time thing because other user groups and maintenance issues will occur in the future. He stated there is a funding shortfall and a need for more space and amenities.

Councilmember Wagner mentioned Council's previous discussions about fees. She stated she feels there is a need to understand what the city has and what everyone will be paying before moving forward.

Councilmember Olsen discussed cost sharing for trails and cited the City of Lakeville.

Councilmember Westgaard expressed concerns with timing due to the arena needs. He stated these three facilities are not in any plans, they fell through the cracks, noting they have to fit somewhere or the city has to get rid of them.

Councilmember Ovall stated the Council said they would stick to the \$10-12 million but he understands it is critical mass for the arena. He stated he needs to have a lot of questions answered such as whether they are going to referendum for economic benefits for something bigger. He expressed concerns with timing and expenses looming for arena fixes. He stated he is hearing from Council that the civic center will not happen so he feels we are back for the repair of the current arena.

Mayor Dietz concurred.

Councilmember Westgaard stated he hasn't changed his mind but feels Council needs to forge ahead and address each facility on its own. He stated the arena belongs at its current location.

Councilmember Olsen concurred.

Councilmember Ovall stated the city has a responsibility to take care of current facilities. He noted the bare minimum maintenance to fix the arena is around \$8 million but feels the city could add some value by going with Option 1C. He stated if Council wants to spend \$25 million, he wants the project to go to a referendum. He questioned Mr. Portner about the pipeline of needs hitting the taxpayers.

Mr. Portner stated he needs Council to have a discussion about what a taxpayer should be responsible for paying, such as police stations and public works facilities



or ice arenas and park improvements. He stated Council has spent millions of dollars of non-taxpayer money over the last 10 years to build public infrastructure, noting part of this was because of a recession that decreased home values. He noted the values have been back for some time now. He further noted Council's goal has been to reduce the tax rate each year. He stated these goals and continuing with services are not compatible.

Councilmember Ovall agreed about Council's past goals to remain frugal during difficult times, but which has now caused deferred maintenance during an expanding competitive economy. He questioned what Council is going to do now.

Mr. Portner noted the deferred maintenance was done with the intention there would be a final plan.

Councilmember Ovall noted a lot of projects have been done without planning for replacement and there is a need for a final plan so things don't deteriorate.

Mayor Dietz suggested Councilmember Wagner have her meeting and Council make a decision at their next meeting.

### **10.3 Woodland Trails Regional Park Committee**

Mr. Portner presented the staff report. He stated input is needed for final planning and design work for Woodland Trails. He stated Commissioner Anderson discussed having a citizen group involving the trail stewards at the last Parks and Recreation Commission meeting. Mr. Portner stated staff believes this would be the role of the Parks and Recreation Commission with the intention of having a broader representation of the community. He stated picking the trail stewards may not represent the whole community. He stated since the commission meeting, the police chief mentioned, that as a user of Woodland Trails, he would like to be able to provide input on a plan. Mr. Portner stated Council may want to appoint a subcommittee but this should really be the role of the commission because the different types of users are the ones who should have input. He questioned the Council, as the responsible body for selecting subcommittees, on whether they want to have this subcommittee, the Parks and Recreation Commission, or another group who would have a broader representation of different types of users to decide upon the design and layout of a plan.

Commissioner Anderson stated the improvements are for the benefit of the users but he feels it is important the key stakeholders are identified for the planning and implementation of the grant, not necessarily as a separate committee but in addition to the staff and the commission.

Mayor Dietz questioned which stakeholders would be involved with the project.

Commissioner Anderson stated groups like the biathletes, Nordic skiers, runner's groups and mother's groups.

