

Memorandum

DATE: January 9, 2009
TO: Mayor & Council Members
FROM: Joel Walinski, Interim City Administrator
RE: Friday Memo for the week of January 5-9, 2009

Administrator's Office

Great River Energy and Northern States Power Company filed a Route Permit application with the Minnesota Public Utilities Commission on December 29, 2008. The City received the information this week as part of the public notice process. As part of the Minnesota Route Permit Process, the Commission determines the final route and design of the transmission line. Information on the proposed line is available at the City Administrator's office or can be obtained by calling 1-888-473-2279 or by contacting brookingsinfo@capx2020.com

The City also received notice from the Minnesota Public Utilities Commission on the granting of an interim rate request for Xcel Energy in the amount of 8.54 percent. This rate increase will be effective on January 2, 2009 and remain in effect until the Commission makes a decision on the final rate on or about October 23, 2009. The requested rate increase is 6.05 percent. Questions on the rate increase may be directed towards Debra J. Paulson (612) 330-7900.

In comparison to this requested rate increase, I would point out that the 2009 Tax Rate increase for the City of Northfield was 3.7 percent. Property tax pays for snow plowing, police, fire protection and open hours at the library. Whereas the 2009 Property Tax increase for a \$250,000 value home is estimated at \$3.00 per month, the proposed final rate increase for electricity for the average residential home using 593 kWh per month will be \$4.82. Which is of more value is left at the discretion of the reader.

Below is information on city activities and information provided by the department directors and managers for the week of January 5-9, 2009:

Finance

Submitted by Kathleen McBride

Update on Rate Search / Investment Loss: Last month, Clark Schultz, head of Clayton Analytics, pled guilty to misprision of a felony – which means he had knowledge of a crime but didn't report it. It is clearly a plea deal as it is reported that he will receive only a one to two year prison sentence. The Probation Office (of the Eastern District of Missouri, United States District Court) and the U.S. Attorney's Office in St. Louis has notified the City of the option to file a statement of victim losses and a victim impact statement. Staff is working with legal counsel on both documents and will file within the next week.

Legal counsel has spoken with the U.S. Attorney's Office and has learned that Mr. Schultz does have assets of about \$500,000 against which the City can seek restitution. Granted – there are 28 other victims involved, but it is good news nonetheless. The other good news is that with Schultz's plea, is the pressure put on Scott Luster to plead guilty as well since Schultz could testify against him.

Schultz's sentencing hearing will be held on March 5th. The Court determines if (any) restitution is to be made. The U.S. Attorney has the burden for demonstrating victims' losses, which is why they've requested the victim statements.

If you wish to see the correspondence received from the Probation Office or the U.S. Attorney's Office, please contact Kathleen.

2008 Audit: Staff from the City's new audit firm will be on site for several days at the end of January to perform preliminary audit work. Audit staff observed inventory count at the liquor store last weekend. Fieldwork is scheduled for the last week in April.

IT Department

Submitted by Melissa Reeder

Happy New Year!

Last week Senator Klobuchar conducted a round table discussion regarding broadband. It appears that cities need to make the case to her that they should be included as legitimate players in the broadband fiber optics provisioning and in the grants that may be given. This type of communication is encouraged to be done now when they are just starting to work on a program. The mission would be that municipalities are considered an equal player with coops and private providers. Since Northfield, Windom, Monticello, Red Wing and North St. Paul all are actively looking into fiber projects we have starting discussions with the League of MN Cities to make an education effort with the Senator. If you have any questions about the efforts or would like a more complete update on the fiber project, please contact me. The feasibility study is currently in the business survey portion. An engineer from CCG is scheduled to be on site at the end of January to work on high-level fiber optic design.

Community Development

Building Inspection

Submitted by Jim Kessler

This week the Building Inspection staff was extremely busy attending to illegal rental and blight situations, some combined on the same properties. The landlords are becoming very creative with methods to circumvent the requirements or find excuses for the violations. Some success has been accomplished with cleaning up property that is in foreclosure and getting rental licensing without having to proceed with the issuance of criminal citations. Other properties where violations exist have been turned over to the City prosecuting Attorney for criminal citation.

Inspection staff is still performing residential and commercial construction inspections. The office is fielding more than the average number of questions regarding alternative means and methods. These take time for additional research to verify compliance with codes. The contractors and designers are looking at acceptable methods to save money.

Two permit requests for commercial space remodels and a handful of residential permits have been received by the office. There are a number of plans currently in the plan review process. Inspections for "Older permits" (permits that have been issued quite some in the past where the work is not complete) did not occur to any great degree as inspection staff has decreased due to medical leave.

Community Development

Submitted by Brian O'Connell

The Community Development Director, Interim City Administrator and Economic Development Director will be meeting with Town Board supervisors from Bridgewater Township next week to discuss interest that is emerging related to possible annexation west of Armstrong Road.

The annexation agreement between the City of Northfield and the property owners seeking annexation west of the Hospital was reviewed with legal Council. It is expected that a meeting with these property owners will occur next week in an effort to obtain agreement on responsibilities of the City and the

property once annexation is complete. This agreement is separate and indirectly related to the annexation agreement between the City and Greenvale Township.

Economic Development

Submitted by Jody Gunderson, Economic Development Director

The EDA held its regular board meeting on January 8 and elected its officers for 2009. Rick Estenson will remain President; Steve Engler, Vice President, and Councilmember Rhonda Pownell, Secretary/Treasurer. The Board also reviewed the initiatives outlined in their draft 2009 work plan and discussed committee assignments. Additionally, the EDA Director responded to a new prospect inquiry and continues to follow-up with prospects originating in 2008.

Public Works Operations

Facilities

Submitted by Bernie Shakal

Facilities has been busy this week working with the custodial companies that were hired to do the cleaning at various City facilities to work out a few problems at some of the facilities. With this being the first full week since the holidays, we now have schedules in order and custodial work should start to go smoothly. We do appreciate your patience through this transition and urge you to let us know if there are any problems so that we can address them immediately.

We are also doing some office rearranging at the City Hall, by moving the Council Office that is now upstairs, down to the first floor. Along with that project, we are giving both offices a fresh coat of paint.

Bernie Shakal, Brian Erickson and Steve DeLong had a meeting at the Liquor Store with Paulson Architects to discuss solving the problem with the conveyor that moves product back and forth between the main level and the basement. The existing conveyor is located in the stairway that goes to the basement, which is an OSHA violation. Paulsen Architects has provided a sketch that will be used for additional discussions with OSHA to insure this plan would correct the deficiencies.

Streets and Parks

TJ Heinrich, Streets & Parks Supervisor

This week the main focus was ice. The freezing rain on Saturday night made for a large amount of time being spent on ice removal from streets and walks. The Streets have been salted numerous times since the storm, but the cold temps hampered the effects of the salt. The downtown walks and steps were treated and swept to remove the ice. The outer trails and walks were sanded to aid citizens in their travels. The City rinks were finally flooded again late in the week. Our water truck had a fuel pump problem. Boulevard tree trimming is still being done when the weather allows. Next week the Christmas trees taken to the City compost site will be chipped. Holiday decorations will be taken down next week if the weather allows.

Water

Submitted by Doug Lien, Water Superintendent

A watermain break was repaired by Hesselton Construction on 12/30/08 at the intersection of Lincoln Parkway and Highland Avenue. The contractor encountered 3 1/2 feet of frost in the roadway before they entered into normal soils. The break was a full circle crack around the main and was repaired with a full circle repair clamp. The main was setting on top of a large rock at the break location, which probably caused the break.

This week, Water Crew Leader Scott Murphy and Water Operator Jay Hall replaced 23 meters at homes owned by St. Olaf College which are used for student housing. By replacing these old meters with radio read meters, it will be make it easier for the City and St. Olaf to receive accurate meter readings.

Waste Water

Submitted by Glen Lindroos, Waste Water Superintendent

Staff has been testing some new polymers that have shown some promise for the sludge dewatering operations. The system is expected to use about \$65,000 of product this year at current pricing, and if the product that is currently being tested continues to work as well as preliminary runs indicate costs could be reduced by about 20%. There are several vendors that market these proprietary chemicals and they vary greatly in price and performance. The first step is to bench test new products in the lab. Vendors come to the facility and test new products with small quantities of our sludge in the lab. If a product appears to floc well (separate solids and liquid) at a low dose rate they will give us enough product to run full scale for 4 to 5 hours (10 gallons) to see how it performs. Because there are several variables in the mixing and using of these chemicals it takes at least that long to determine if the new chemical has the potential to save us some money. If the polymer still shows promise we order a 55 gallon drum which will allow us to run for a week and fine tune the application of the product. This new polymer has been run for the week and still looks very good. We will be switching suppliers when current inventory runs low.

Liquor Store

Submitted by: Stephen DeLong, Liquor Operations Director

Despite the dismal state of the economy, the Liquor Store closed out 2008 with a bang: total sales for the fourth quarter were \$742,018, which represents an increase of \$28,928 (roughly 4%) over last year's figures. For the year, we finished slightly higher than last year—once again just over \$2.6 Million—a notable achievement considering the negative impact of the road construction this past summer. Kudos to our hard working team.

The Director of Liquor Operations, along with Brian Erickson and Bernie Shakal, met with a representative from Paulsen Architects to explore possible options for repairs and modifications to carry out the corrective abatement of OSHA citations issued to the Liquor Store. Pending OSHA approval, plans and specifications will be developed for review and eventual implementation.

Library

Submitted by Lynne Young, Library Director

Children's programming resumed this week. Programs include Patty Cake, Patty Cake – a special time for babies and their caregivers on Tuesday mornings; Toddler Rhyme Time for 2-3 year-olds on Wednesday mornings and Pre-school Story and Crafts Time for 4 and 5 year olds on Thursday morning. Youth book discussion groups and the Teen Advisory Board met this week as well. Check out Kathy Ness' Children's Event Blog at www.northfieldmn.info for a full calendar of youth events at the library.

The Teen Advisory Board has begun planning for the 2nd (perhaps annual) Cabin Fever Mini-Golf Tournament at the Library. The date for the event has been set – February 27 – and board members are looking for hole sponsorships.

The Friends of the Library met on Tuesday evening. The Friends' annual meeting will be held on April 7 at the Library with speaker, Lynn Steiner, a gardener and author who writes about using native plants in gardens as well as "eco-gardening." It should be a great meeting.

Announcement of the opening of the 2009 Grace Whittier Grant Application process will go out early next week.

The Financial Resources Committee of the Library Board met to discuss how gift dollars to the library and the Friends of the Library are handled and the ways in which interest revenue can be maximized. The committee also heard about the potential effects of possible future local government aid cuts on the library.

cc: Department Managers