
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: M McPherson, City Administrator
SUBJECT: **Bi-Weekly Administrator's Report**
DATE: June 21, 2022

I have the following observations and information to share from the last update:

Airport

Fuel prices continue to rise; Public Works Director Gerold monitors the purchase price closely so that the price at the pump can be adjusted accordingly. The price was increased to \$6.40 per gallon June 21; the price typically reflects roughly \$.25 more per gallon than what the City cost is.

I am attempting to make changes to our Federal SAM registration so that our airport grants can be released.

The July Airport Advisory Board meeting was canceled; staff will still prepare monthly reports that will be distributed electronically.

Development

There is still one outstanding purchase agreement that City Attorney Toven needs to review that was returned from the purchaser's attorney. If all goes well, staff will have it for the Council's consideration at the July 14 meeting.

Finance

Audit

The auditors were in the office June 9 and the week of June 13 doing their work. Due to the delay, they will not meet the June 30 deadline. A request for an extension has been made to the State Auditor's Office; extensions are typically granted.

Tax Increment Financing (TIF)

Tammy Omdal of Northland Public Finance provided the attached Transmittal Letter as part of the information prepared for the required Annual Reporting to the State Auditor. I would like to bring to the Council's attention the following (please review Ms. Omdal's letter for significantly more detail):

1. Recommendation to close the fund for District 1-1. This will require the City to return the balance of the fund (\$33,003) to the County; a portion of these dollars will then be redistributed to the City and placed in the General Fund.
2. Repayment of \$14,271 to the County for redistribution to the other taxing districts for District 1-2. In addition, as the developer received increment after the TIF note matured, the City will need to collect \$6,568 from the developer.
3. In addition to the fund for District 1-1, staff will be closing the funds for Districts 1-2, 3-1, 3-2, 3-3, 3-5, and 3-6.
4. A correction to the TIF modification for District 7-1 needs to be made and then the note prepared for issuance. Payments to the Developer will begin October 1, 2022.
5. After discussion with Ms. Omdal and Public Works Director Gerold, Districts 8-1 (Kwik Trip), 8-2 (Casey's/never constructed) and 9-1 (Erdman/Princeton Industrial Park) will be decertified and

their full value brought back online for 2023. These were all economic development districts with a 9-year duration intended to generate funding for infrastructure improvements. Given their small area and short duration, decertifying better serves the General Fund budget.

6. Districts 8-3 and 8-4, both in the old Aero Business Park were never certified and now the boundaries have changed due to replatting. In order to "close the loop", staff will prepare a resolution for the July 14 meeting to acknowledge that the districts were never completed and implemented.

The necessary documentation and action will be scheduled as soon as possible to return parcels fully to the tax rolls for the 2023 budget. In addition, closing the funds will aid in the software conversion and please the auditors.

Grants

We are still waiting on the results from our grant application to the Federal EDA for the Business Park infrastructure.

The Small Cities Grant Award is likely to be announced in September based on recent DEED communications – see attached newsletter.

Technology

Security Cameras

The security camera project is moving forward. So far, City Hall and Public Safety are complete. Wastewater will be completed this week, the Civic Center will be completed next week (internet is being run this week).

Other

Technology Services Manager (TSM) Yost, with assistance from Finance Intern Suiter, have completed an inventory of all technological devices and are working to prepare a five-year capital plan.

TSM Yost is also looking at the City Hall and Police Department copiers in anticipation of the budget cycle. Also being analyzed is the phone system; the license agreement for the Police Department expires in 2023 and the City Hall system needs a software upgrade.

Upcoming Meeting/Event Reminders

- Remembering our Fallen Memorial July 1 – 5, Mille Lacs County Fairgrounds
- July 4 – Community Event/Fireworks, Mille Lacs County Fairgrounds
- July 7 – Study Session CANCELED
- CGMC Summer Conference – July 27 to 29, Red Wing
- CGMC Fall Conference – November 17 to 18, Alexandria