

Study Meeting #24
Monday, August 28, 2006, 7:00 p.m.
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, Minnesota 55431-3027

Call to Order

Mayor Gene Winstead called the meeting to order at 7:07 p.m.

Roll Call

Present: Mayor Winstead, Councilmembers R. Axtell, S. Elkins, A. Grady, K. Nordstrom, S. Peterson, and V. Wilcox.

**Adopted Ordinance
Authorizing Transfer
of Parcel to Mortenson
Development
ITEM 5.4A
O-2006-34**

Motion was made by Peterson, seconded by Wilcox to adopt an ordinance authorizing transfer of Lot 1, Block 1, Bloomington 44th Addition from the City of Bloomington to Mortenson Development for development as a hotel, pursuant to the plat and planned development plans recently approved by the City Council. The transfer to occur in accordance with the provisions of the purchase agreement between the parties. Motion passed 6-0-1 (Grady temporarily absent).

**STUDY ITEM #1 –
Normandale Lake
Study – Conceptual
Intersection
Alternatives**

Larry Lee, Community Development Director introduced Julia Farnham, Planner who provided the staff report explaining that SRF Consulting Group was hired by the City in the spring of 2006 to study existing and proposed land uses and the potential roadway and traffic improvements necessary to accommodate future development in the Study Area. SRF focused on traffic and transportation during the summer and four concept alternatives for road improvements around the West 84th Street & Normandale Boulevard intersection have been identified for evaluation. She introduced Craig Vaughn, Associate Engineer with SRF and stated he would be providing Council with an overview description of the four alternatives, an explanation of the evaluation process and the criteria to be used to evaluate the alternatives, and an update on the project schedule. The advisory commissions are scheduled to review them as part of a public open house on September 7.

Vaughn stated SRF analyzed the existing traffic and how the existing roadway will respond to future growth in the area. SRF is looking at mitigation measures for 84th Street & Normandale Boulevard and requested Council's feedback upon conclusion of his presentation. His presentation included the following items:

- Study Overview – Recent 494 Reconstruction
- Planned/In Process Improvements
- Introduction of Working Concepts: (A-D Concepts look down the road to 2030)
- Concept A: Full at-grade intersection – cleans up and increases capacity at the intersection. (It's an A-typical situation.)
- Concept B: Grade-separated alternative
- Concept C: Two-level, single-point intersection
- Concept D: Totally at-grade
- Evaluation Criteria – Beth Bartz
- Area Roadway Network
- Parkland
- Environmental Conditions
- Commercial Neighborhoods
- Fiscal/Implementation

**STUDY ITEM #1
continued**

Following Vaughn's presentation, Council and staff provided the following comments:

Bernhardson inquired if Option A could be staged now with the ability to add roundabouts to any or all of the designs later on and that adding structures and Michigan turns are the two key items that separate the concepts.

Winstead stated he likes designs that divert the traffic off of 84th Street and directs it to American Boulevard utilizing Bridge Road.

Axtell liked Options C & D but feared the high cost related to each of those designs.

Vaughn & Bartz explained the next steps and stated their goal is to have the final report ready for Council presentation in the February-March 2007 timeframe.

Grady suggested that the advisory commissions rank the alternatives.

(Staff to get some preliminary cost estimates on a gross basis for each of the four designs along with what it would cost to add roundabouts to any of them in order to give Council an estimated figure.)

**STUDY ITEM #2 –
Group Health
Insurance**

Kent Michaelson, Human Resources Manager provided the staff report explaining the purpose of tonight's meeting is to review the additional information that has been provided since the Council reviewed the initial responses to the City's Request for Proposals (RFP's) for group health insurance on July 31 and that no action to award contracts for 2007 and beyond is necessary until a regular meeting in September. He stated RFP's result in a lower premium the first year and but usually jump in the next two years. He stated a revised rate quotation from HealthPartners has reduced their premium by 2.2%. The key factor to consider is the amount of the employer contribution. Using the \$820 employer contribution amount, he compared the plans offered by each carrier. He stated the Employee Insurance Committee continues to support the HealthPartners proposal and described their recommendation as follows: Retain the same carrier so employees can continue using their same clinics and physicians. He explained the City would be committed to the carrier for three years and that with HealthPartners, the rate would be capped at 12% in 2008 and at 13% in 2009. He stated a double-digit rate increase over the next few years is typical.

Peterson suggested Council have a future discussion about coupling the insurance rate with the pay increase.

(Council consensus to bring back the recommendation as presented for action in September.)

**STUDY ITEM #3 –
2007 General Fund
Budget Discussion**

Lori Economy-Scholler, Chief Financial Officer and Cindy Rollins, Finance presented background for discussion of the 2007 General Fund Budget in advance of the preliminary General Fund and overall tax levy for 2007. They discussed the key issues and stated lodging trends look good for 2007. They gave examples of how homeowners would be impacted if the levy were to increase by 3.85%, 4.75%, 5.75%, or 6.9%.

Council comments included:

- Winstead supported a 5.75% increase.
- Grady supported a 4.75% increase.
- Elkins stated he could support 5.75% for the preliminary increase but with the goal that staff try and lower it to 4.75%.
- Peterson indicated his support for a 5.75% increase or less.

(Council consensus was that the preliminary levy increase be set no higher than 5.75%.)

**STUDY ITEM #4 –
Normandale Excess
Tax Increment
Financing (TIF)
Monies**

Economy-Scholler provided the staff report explaining that the Normandale Tax Increment Financing District closed early resulting in an abundance of interest revenue that needs to be returned to the County Auditor for distribution within nine months after the end of the year. She stated of the \$1,000,000 that goes to the County, they would return approximately \$342,000 to the City in December, which would be earmarked for utilization of Normandale related activities.

Peterson requested staff draft a letter for him to send to Rep. Lenczewski who was a member of the House Tax Committee regarding the impact this “technical change” in legislation has had on Bloomington.

**STUDY ITEM #5 –
Sundial**

Bernhardson inquired if the Council desires to spend \$15,990 to move the Sundial from its current location on the Penn Avenue Reservoir to Civic Plaza.

Elkins, Grady, Nordstrom, Peterson & Winstead supported spending \$15,900 to move the Sundial, which they determined is a valuable piece of art that should be located at Bloomington Civic Plaza.

(Council consensus to refer the matter to the Arts & Memorial Advisory Committee for a recommendation.)

Adjourn Meeting

Mayor Winstead adjourned the meeting at 9:42 p.m.

Barbara Clawson
Council Secretary