PARK SYSTEM IMPROVEMENT PLAN
PUBLIC FINANCE ADVISORY COMMITTEE

September 14, 2021

6:00 PM

Fridley City Hall, 7071 University Avenue N.E.

MINUTES

CALL TO ORDER

The meeting was called to order at approximately 6:05 p.m. by Staff Liaison Daniel Tienter.

Members Present:	Scott Brinkhaus, Ron Ackerman, Rachel Schwankl, Alesia Thompson, Walter Smith (arrived at 6:15 p.m.)
Members Absent:	Lee Pao Xiong, Steve Schmit, Warren Stock
Others Present:	Daniel Tienter, Staff Liaison; Dave Ostwald, Councilmember-at-Large; Jerry Ratcliff, Resident

Mr. Tienter asked the Committee Members if they would like to proceed with the meeting despite only four of the eight members in attendance. The Committee Members agreed to proceed as planned. Shortly thereafter, Committee Member Smith joined the meeting.

OLD BUSINESS

1. Information Requested by the Public Finance Advisory Committee

Mr. Tienter reviewed the information provided to the Committee in their agenda packet at their request and asked if they had any questions about the materials. He noted that one Committee Member asked five questions at the previous meeting and staff compiled the answers in writing for the benefit of the Committee.

Committee Member Thompson asked Mr. Tienter to review Question No. 4 of the handout in greater detail. Mr. Tienter reviewed the same and described some of the technical terms, including material draws on reserves and credit rating, to the Committee. The Committee did not ask any other questions.

Mr. Ratcliff, 7350 Memory Lane, asked to speak to the Committee about some of his concerns with the park system. He mentioned that he was partially blind and asked the City to install signage about a blind person in his neighborhood and the City refused his request. Mr. Ratcliff also said that he asked the City to change the speed limit on his street and that his neighborhood lacked sidewalks. He wanted to know when the City would do something about the situation.

Mr. Tienter explained that the Committee was only asked to examine the potential financing strategies for the pending Park System Improvement Plan and not necessarily considering the issues raised by Mr. Ratcliff. Mr. Ratcliff apologized if he was in the wrong place but wanted the City to be aware of his concerns. Mr. Tienter told Mr. Ratcliff he would pass his comments along to the Director of Public Works/City Engineer and someone for the City would reach out to him.

The Committee Members thanked Mr. Ratcliff for attending the meeting and stated they had no other questions about the materials provided by the City.

NEW BUSINESS

2. Proposed 2021–2032 Financial Plan Alternatives and Preliminary Bond Issue Analysis

Mr. Tienter reviewed the information provided to the Committee in their agenda packet. He explained that staff prepared five potential financing alternatives for the Park System Improvement Plan, along with a preliminary bond issue analysis and a map of the potential property tax abatements. Mr. Tienter also mentioned that staff, at the request of the Committee, did not prepare a formal presentation and invited the Committee Members to comment on the proposed alternatives.

Committee Member Schwankl asked Mr. Tienter to walk the Committee through each financing alternative in order and to do so on the screen for the benefit of the Committee. Mr. Tienter agreed, and the group reviewed each scenario in turn.

Committee Member Schwankl asked Mr. Tienter if the Committee could consider different bond terms. Mr. Tienter stated that the Committee could consider different bond structures as part of their deliberations. Committee Member Schwankl requested a 15-year bond term. Mr. Tienter responded that he would ask the municipal advisor for the City to prepare a preliminary bond run as requested.

Committee Member Thompson told the Committee that she had five different recommendations for their consideration. She provided each recommendation in turn and Mr. Tienter asked a series of clarifying questions. He told the Committee that staff would compile the recommendation in writing for the benefit of the group.

Committee Member Ackerman asked Mr. Tienter to clarify the potential property tax increases associated with each financing alternative. He stated that, depending upon the scenario, property taxes would increase about 10% to 15% for a median-valued residential homestead. Committee Member Ackerman commented on the relatively large tax increase and that it would be quite an impact on property taxpayers. Mr. Tienter mentioned that even with such an increase the City would be about average in terms of property tax rate compared to peer communities.

Committee Member Brinkhaus asked Mr. Tienter if the City ever considered franchise fees or a sales tax to fund the Park System Improvement Plan. Mr. Tienter responded that staff did not consider either financing method. He said that the City Council were not generally supportive of franchise fees and their use was a contentious issue several years ago. Committee Member Brinkhaus asked about the issues surrounding them.

Mr. Tienter invited Councilmember Ostwald to discuss the issue. Councilmember Ostwald explained that the Charter Commission amended the City Charter to prevent the City Council from creating a franchise fee without a ballot question as they considered it a direct tax on residents, since franchise fees are generally passed along to the property owners. He also opined that the City Council would likely not support franchise fees but encouraged the Committee to make their own recommendation.

Committee Member Brinkhaus stated that the Committee should consider franchise fees and asked Mr. Tienter to prepare a potential franchise for review by the Committee. Mr. Tienter agreed to discuss the issue with the City Manager and prepare the information as requested.

In response to the question of a sales taxes, Mr. Tienter explained the process for instituting a sales tax to the Committee. He stated that most of the projects included in the Park System Improvement Plan would likely not meet the statutory criteria for a sales tax. The Committee requested more information on a sales tax. Mr. Tienter agreed to provide more information at a future meeting.

Mr. Tienter asked if the Committee had any other questions. The Committee indicated they did not and thanked Mr. Tienter for the information.

ADMINISTRATIVE MATTERS

Mr. Tienter stated that he had no administrative matters and asked if the Committee had any comments. Committee Member Thompson told the group that she would not be able to attend the next meeting. Since she could not attend the next meeting, she informed the Committee that she would be opposed to the use of franchise fees.

OPEN FORUM

None.

ADJOURN

The meeting adjourned at 7:40 p.m.

Respectfully submitted,
Daniel Tienter, Staff Liaison