

**AGENDA
BIG LAKE CITY COUNCIL
WORKSHOP**

WEDNESDAY, APRIL 22, 2020

5:00 p.m.

1) CALL TO ORDER

2) ROLL CALL

3) ADOPT PROPOSED AGENDA

4) BUSINESS

4A. Lakeside Park Parking Policy for 2020 Discussion

4B. 2020 Street and Utility Improvement Project No. ST2020-1 Discussion

4C. New Ideas Discussion

5) OTHER

6) ADJOURN

Attendance at Workshop: All attendees are expected to follow CDC recommendations ensuring social distancing of at least 6 feet away from other persons. Some members of the City Council may participate in this Workshop via telephone or other electronic means on an as needed basis.

Audience Attendance at Workshop: To join this workshop via Zoom videoconferencing, please contact City Clerk Gina Wolbeck at 763-251-2973, or by email at gwolbeck@biglakemn.org to obtain a meeting Identification and Password. **The deadline to obtain a password to join the meeting is 4:00 p.m. the day of the meeting.**

Disclaimer: This agenda has been prepared to provide information regarding an upcoming workshop of the Big Lake City Council. This document does not claim to be complete and is subject to change.



WORKSHOP ITEM

Big Lake City Council

Prepared By: Layne Otteson P.E., DPW/CE PW20-025	Meeting Date: 422/2020	Item No. 4A
Item Description: Lakeside Park Parking Policy for 2020	Reviewed By: Clay Wilfahrt, City Administrator	
	Reviewed By: Deb Wegeleben, Finance Director	

COUNCIL DIRECTION REQUESTED

Discuss parking options and provide direction towards establishing a policy for 2020.

BACKGROUND/DISCUSSION

Concerns have been raised regarding a potential influx of Lakeside Park users due to park and boat launch closures in other communities due to COVID-19. A significant increase by non-resident users would likely have an adverse impact to resident parking and access to Lakeside Park. In the event that this takes place, Staff needs to be able to respond immediately if the residents and seasonal pass holders are not being able to use the Lakeside Park parking lot as expected. There is no policy guiding Staff in such a circumstance. **A change in operations utilizing an approved option would only happen if needed.**

OPTIONS

After considering many ideas and concerns, the following are 4 viable options.

Option 1 – Designate Parking Areas

Define areas of the parking lot for seasonal passes and day passes. Seasonal pass holders will be prioritized while still allowing day passes. Parking needs for seasonal passes will be estimated based on counts and user feedback. Reduce staff during the week and increase staff during busy weekends to coordinate parking.

Pros - This allows seasonal pass holders ability to park. Revenue from the day pass users will still be collected.

Cons – A reduction in daily pass revenue would be likely. Staff will have to monitor parking lot capacity and direct parking during weekend’s peak hours.

Comment – This option has the least negative impact to those that live in the City and nearby. This option is attractive because disruption to operations and reduction of revenue is least.

Option 2 – Seasonal Pass Access for Residents and Non-Residents (no day pass)

Allow parking for all seasonal pass holders only. The cost for a resident is equivalent to 2 day passes and should be received well. It would be expected that non-residents would purchase more passes but not in problematic numbers. Attendants would be staffed at entrance on high volume days and perform parking spot checks during the week.

Pros – Simplifies access and minimizes confrontational situations. Residents likely receive this well. There should be a significant increase in season passes.

Cons – Without day pass sales, significant income loss is expected. Staffing would be reduced to reflect the expected loss in revenue.

Comment – This option will serve those in the City and nearby but require them to buy a seasonal pass. This options becomes attractive when the Park begins to reach parking capacity. The loss of day passes would likely result in revenues reduced to half.

Option 3 – Seasonal Pass Access Only for Residents (no day pass)

Seasonal passes continue to be available for those providing proof of residency at City Hall. The cost for a resident is equivalent to 2 day passes and should be received well. Attendants would be staffed at entrance on high volume days and perform parking spot checks during the week.

Pros – Simplifies access. Residents likely receive this very well, especially frequent users.

Cons – The City would receive criticism from non-residents in the area especially previous pass holders. Without day pass sales, significant income is lost. Staffing would be reduced to reflect the expected loss in revenue.

Comment – This option will work well for residents but have a significant revenue reduction. The loss of day passes would likely result in revenues reduced to half.

Option 4 – Adjust Current Price Schedule

Maintain the current price for resident season passes but raise the price of daily passes and non-resident season passes. This would encourage residents to get a season pass to save money. Staffing levels would remain as planned but subject to adjustment if loss in revenue.

Pros – Provides deterrence to overcrowding by non-residents especially from farther distances. Residents will likely appreciate the parking availability without cost increase.

Cons – Non-resident season passes would likely be reduced. We would expect negative response from non-residents in the area. If people are upset about the cost, they may avoid coming to the park in the future even after COVID related concerns are gone. This also may appear like the City is price gouging or trying to capitalize on the reduced entertainment options during the pandemic. A loss in revenue would be expected.

Comment – This option will work well for residents but can damage the City's reputation. If reputation was not a concern, this would be a favored option due to ease of implementation and effectiveness. If this option was selected, it would be best to implement immediately before more non-resident season passes are sold.

FINANCIAL IMPACT

Each option is expected to result in a reduction of fees collected. The losses in revenue would likely range between 10% and 50% depending on use from residents and non-residents. Staffing reductions would correspond to tracked revenue loss.

CONCLUSION

This response by the City will only take place if absolutely necessary. Parking lot and boat launch use this summer is unknown and the COVID-19 situation is very fluid. City staff will monitor parking lot use and capacity closely. There are 4 options that can be implemented but each has varying consequences to the City, residents and non-resident users. Of the 4 options, staff finds Option 1 to be best response to address parking lot use increases due to non-residents. If the situation continues to escalate, staff will would return with an amendment further restricting parking access. The policy would be applicable for Lakeside Park this summer only.

RECOMMENDATION

Staff recommends Council select Option 1 to be implemented into a Lakeside Park Parking Policy and have it brought back for adoption.

ALTERNATIVES

- A. Direct staff to incorporate one of the options into a policy and bring back a Lakeside Park Parking Policy for adoption.
- B. Direct staff to take no further action on this item

ATTACHMENTS

- 2019 Parking Pass Data
- 2019 Day Pass Data (graph)

2019 Lakeside Park Seasonal and Daily Pass

LRO April 14, 2020

Season Pass Purchases

Residential

	#	Ratio	Revenue Less Sales Tax	
			Rate	Total
Vehicle Only	493	60%	\$ 9.31	\$ 4,589.83
Vehicle/Trailer	328	40%	\$ 18.62	\$ 6,107.36
Sub-Total	<u>821</u>			\$ 10,697.19

Non-Residential

Vehicle Only	83	27%	\$ 27.94	\$ 2,319.02
Vehicle/Trailer	221	73%	\$ 37.25	\$ 8,232.25
Sub-Total	<u>304</u>			\$ 10,551.27

Grand Total \$ 21,248.46

Season Pass Comparisons

Vehicle Only v. Vehicle/Trailer

	#	Ratio
Vehicle Only	576	51%
Vehicle/Trailer	549	49%
Sub-Total	<u>1125</u>	

Residential v. Non-Residential (both passes)

Residential	821	73%
Non-Residential	304	27%
Sub-Total	<u>1125</u>	

Vehicle Only

Residential	493	86%
Non-Residential	83	14%
Sub-Total	<u>576</u>	

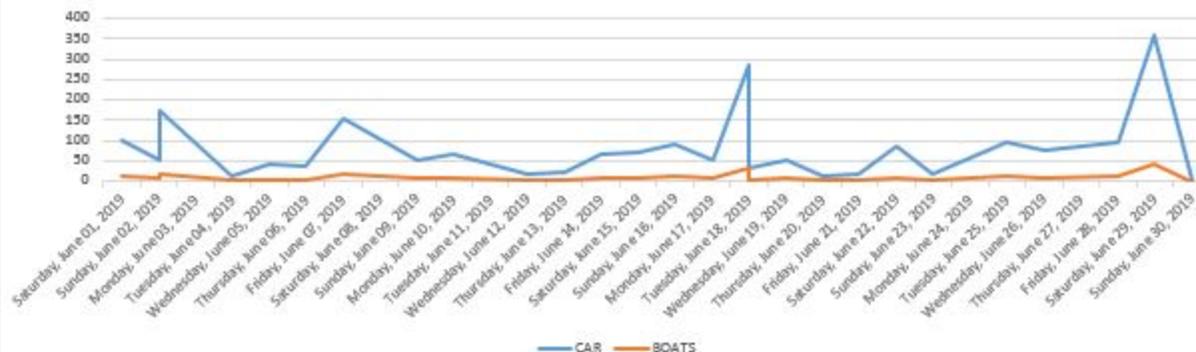
Vehicle/Trailer

Residential	328	60%
Non-Residential	221	40%
Sub-Total	<u>549</u>	

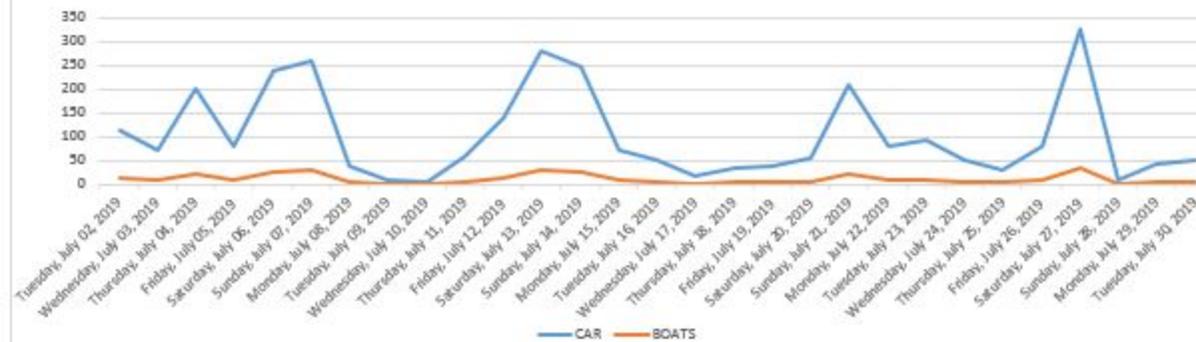
Day Pass Purchases

	#	Ratio	Revenue Less Sales Tax	
			Rate	Total
Vehicle Only	7320	90%	\$ 4.66	\$ 34,112.76
Vehicle/Trailer	814	10%	\$ 13.97	\$ 11,372.10
	<u>8134</u>			\$45,484.85

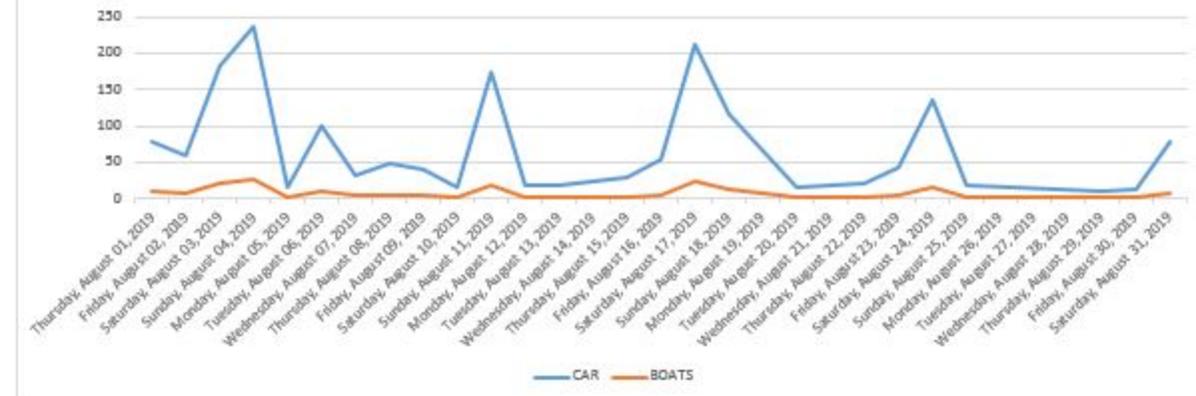
June 2019



July 2019



August 2019



2019 Lakeside Park (Day Passes)



WORKSHOP ITEM

Big Lake City Council

Prepared By: Layne Otteson P.E. City Engineer / Public Works Director PW20-026	Meeting Date: 4/22/2020	Item No. 4B
Item Description: Update regarding bids and costs for the 2020 Street and Utility Project No. ST2020-1	Reviewed By: Clay Wilfahrt, City Administrator Reviewed By: Deb Wegeleben, Finance Director	

COUNCIL DIRECTION REQUESTED

No direction requested.

BACKGROUND/DISCUSSION

Current status:

On April 7th, bids were opened for the 2020 streets projects. The bids varied from \$3.0 million to \$3.9 million with 5 bidders submitting. Several bidders indicated they had not seen much change in asphalt prices although oil had recently dropped. The asphalt pavements and pipe prices were higher than expected, but some other work was a bit lower than expected.

Project costs:

The following are estimated costs including the lowest bidder with no changes in work.

Low Base Bid	\$3,024,699.71
Alternate No.1 (watermain repair)	\$38,588.37
Alternate No. 2 (mill/overlay credit)	(\$27,212.97)
Project Engineering	\$312,493.00
Soil Boring/Lab Testing	\$17,500.00
Small contingency	<u>\$5,000.00</u>
Total	\$3,371,068.11

In December, the project was estimated to cost \$3.73 million including construction and engineering/testing.

Project funding:

The funding for the \$3.37 million cost is based on accepting the low bid and would be broken down as follows:

Special Assessments	\$1,446,728.80
City	<u>\$1,924,339.31</u>
Total	\$3,371,068.11

In December, the funding was identified to be approximately \$1.74 million in special assessments and \$1.99 million by City.

Right now, the city has three options to proceed, reject the bids, accept the low bid, or wait until the next Council meeting.

Option 1: reject the bids – The city could choose to outright reject all bids and rebid the project at a later date.

Pros: Right now we are obviously in a very unique economic environment. The City is contributing \$300,000 in cash towards this project, and conserving that cash would put the City in a stronger financial position to endure the current economic uncertainty. Additionally, the residents who are being assessed for these projects may not like being assessed during such uncertain economic times. Finally, prices came in higher than expected and staff believes that some of that may have been due to the economic uncertainty. Rejecting the bids would allow staff to rebid and possibly get a lower price.

Cons: The streets are in obvious disrepair and they will need to be done eventually. Some residents in the area will not be happy that these projects are pushed out. Additionally, while prices came in higher than expected, there is no guarantee that they will drop when the City bids them next. There is an element of risk that the City will end up paying more money for these projects in the future. Finally, Public Works will need to spend more time and money on maintenance of these streets until they are resurfaced.

Option 2: Accept the low bid – The Council could choose to accept the low bid immediately.

Pros: The streets are in need of completion, and many residents are excited for these projects to be completed. Public works will spend less time on maintenance of these streets if they are resurfaced. The City would also avoid potential inflation of costs.

Cons: The city's cash position will be worse, and with uncertainty around collection of property taxes, utilities, and intergovernmental aid, staff has concerns about maintaining a healthy fund balance. Spending this \$300,000 now would lead staff to believe that under a worst case situation, the City would fall below its financial policy floor for reserve balance. Many residents are under financial strain right now as well, and assessing them for this project may hurt their financial positions during a very difficult time. Bids came in higher than expected, rejecting the bids would allow the City to rebid during a more stable time, and hopefully get a lower bid.

Option 3: Wait three weeks – The City can wait up to 60 days from bid opening to award the bids. The bids were opened on April 7th, so the Council can wait until its second meeting in May to award bids.

Pros: The Council will have more information about the current economic situation if it waits to make a decision. During this time, staff can evaluate other bids, the City's financial situation, and the bond market to have a clearer understanding of many of the benefits and drawbacks of awarding or rejecting bids. Council will be able to make a decision with more information than it has today.

Cons: This will push the beginning of the project back, which will ultimately push final completion of this project into 2021. Staff believe that the streets would be resurfaced this year with some minor outstanding work rolling over into 2021

Recommendation: Staff believes that the cost of waiting a few weeks is very low. During the current situation, information is changing so rapidly that just a few weeks' time might change the entire landscape on a project like this. For that reason, staff believes that the Council should wait until the next meeting and discuss this project again.

If Council chooses to reject bids or accept the low bid, staff could either bring the item forward to the next Council meeting, or the items could be added to the agenda for tonight's meeting. If the Council would like to award the bids, the contract would need to be approved contingent on staff and attorney review. Given staff's recommendation, we have not spent the time and money to have the attorney review the contract at this time.

FINANCIAL IMPACT

As laid out above, the City would bond for \$3,371,068.11 plus bond issuance costs of approximately \$135,000 to complete these projects. The City would pay \$1,924,339.31 for the project plus the approximately \$135,000 of issuance costs, of which, \$300,000 would be cash, and the other \$1,624,339.31 would be paid through a bond with interest and funded through the City's debt levy.

ALTERNATIVES

1. Direct staff to reject the bids
2. Direct staff to award the low bid
3. Direct staff to bring this item back for discussion at the next Council meeting



WORKSHOP ITEM

Big Lake City Council

Prepared By Clay Wilfahrt, City Administrator	Meeting Date 4/22/2020	Item No. 4C
Item Description New Ideas Discussion	Reviewed By: N/A	
	Reviewed By: N/A	

COUNCIL DIRECTION REQUESTED

None

BACKGROUND/DISCUSSION

This item is dedicated for City Council Members to bring up any ideas/projects that they would like to discuss during the Workshop.

FINANCIAL IMPACT

None

ALTERNATIVES

None

ATTACHMENTS

None