

# 2016 CAG ANNUAL MEETING

Prior Lake, VFW, 7:15pm

1/19/16

# AGENDA - CAG 2016 ANNUAL MEETING



- Welcome and Call to Order, Wes Mader
- Pledge of Allegiance
- Sign-in
- Recap of CAG Purpose and Charter
- Treasurer's Report, John Siskoff
- Chair's Report, Wes Mader
  - Recent highlights
    - 2016 Budget/Levy approval
    - Stemmer Ridge extension (SMSC involvement)
    - Golf Course land (SMSC fee-to-trust)
  - Future priorities
    - City Hall plans to escalate City debt
    - SMSC fee-to-trust implications
    - 2016 City Council elections
  - Call for volunteers (Minimum effort involved)
- Election of Steering Committee for 2016
- Jason Lewis, Guest Speaker
- Closing comments

# MISSION



- **TO PROMOTE AND SUPPORT ACCOUNTABLE LOCAL GOVERNMENT THAT IS COMMITTED TO:**
  - using tax dollars to provide public services that are of benefit to all residents, and to refrain from using public funds for the benefit of a select few.
  - providing required services in a fiscally responsible manner, and at minimum cost to taxpayers.
  - managing growth for the benefit of all current residents rather than for the benefit of special interests, land speculators and/or developers.
- **GOALS AND TASKS:**
  - To identify, encourage and support competent and trustworthy candidates for office.
  - To be informed and to create citizen awareness on critical issues such as Taxation and Major Spending Initiatives.

# 2015 FINANCIAL REPORT



Item	Value
Beginning Balance (1/1/15)	\$1,479.69
Expenses	
• Website Support/Main.	\$60.00
• Literature Publishing	\$739.60
Dues / Contributions	\$0.00
Ending Balance (12/31/15)	\$680.09

## NOTES

- Members of the Steering Committee don't receive any sort of compensation.
- Last year many CAG members volunteered their time. The Steering Committee members cover their own costs if any, for any CAG related activity.
- At the beginning of 2014 the Steering Committee voted to eliminate membership dues. No dues were collected in 2015 (Dues checks received were returned to donors) and no fund-raising effort was made.
- CAG funding needs are minimum but modest contributions are appreciated to maintain the website and for occasional printing of brochures.
- CAG would like to thank all our members, supporters and volunteers for their efforts throughout the year.

# 2016 BUDGET / LEVY APPROVAL



## TOTAL REVENUE/TOTAL SPENDING (Excluding Transit)

	2010	2015	% Inc.
<b>City Budget Data</b>			
Revenue	\$21.140M	\$25.968M	23%
Spending	\$18.141M	\$31.602M	74%
<b>CAG Analysis</b>			
Revenue	\$18.307M	\$23.751M	30%
Spending	\$18.094M	\$29.410M	63%
Discretionary	\$15.305M	\$25.153M	64%
<b>Cumulative Inflation</b>			8%

### NOTES

- REVENUE AND SPENDING DATA FOR 2010 EXCLUDES TRANSIT (BUS SERVICE) THAT WAS DISCONTINUED IN 2015. THIS PERMITS APPLES-TO-APPLES COMPARISON OF 2010 TO 2015.
- THE DISCREPANCY BETWEEN CITY BUDGET DATA AND CAG ANALYSIS IS DUE TO CITY DOUBLE-COUNTING REVENUE AND SPENDING (TRANSFERS OF MONEY BETWEEN INTERNAL CITY BUDGETS IS TREATED AS SPENDING) . BUDGETS ARE NOT SUBMITTED TO AUDIT.

# 2016 BUDGET / LEVY APPROVAL



<b>Tax Levy Proposals</b>		
Proposed By	Increase 2015 – 2016	Cum. Inc. 2014 – 2016
Lloyd Erbaugh, Chair EDAC	16%	27.6%
Frank Boyles, City Manager	11.5%	22.7%
Cumulative Inflation	0.5%	1.8%
<b>Final Decision</b>		
Council Decision	6.5%	17.2%

## NOTES

- Mayor Hedberg and Council Member McGuire spoke in support of 11.5 %. Other Council Members spoke in support of lesser or zero levy increase.

# STEMMER RIDGE EXTENSION (SMSC INVOLVEMENT)



- In late 2014, City Hall plans to extend Stemmer Ridge Road from Spring Lake Estates to CR 82 were disrupted when SMSC (without knowledge of the City) purchased the land.
  - The road extension was in support of a City Hall plan to promote a 2700 home development on land currently not in the City.
  - City Manager Boyles proposed having the land placed into SMSC tax-free trust to gain SMSC approval to extend the road. The projected local tax revenue loss long term would be \$1.25million per year.
  - Although Mayor Hedberg and Council Member McGuire supported the proposal, the Council majority did not.
  - With over \$4.5 million already spent (on unused infrastructure) in anticipation of the 2700 home development, this project remains in limbo.

# SMSC APPLICATIONS TO PLACE GOLF COURSE PROPERTY IN TAX-FREE TRUST




- SMSC has applied to place the golf course (Lone Pine) and some adjacent land into tax-free trust.
- While Mayor Hedberg and Council Member McGuire support the SMSC application, the Council majority did not.
- The City Attorney was directed by the Council to prepare a letter of objection to the SMSC application, which he did.
- However upon the pleadings of City Manager Boyles, Hedberg, and McGuire, the sentence expressing objection was removed from the letter that went to the BIA.
- With no stated objection, the application will ultimately be rubber stamped by the BIA.



# 2016 AND BEYOND



4646 Dakota Street SE  
Prior Lake, MN 55372

Date: August 10, 2016  
To: Mayor Hedberg, Council Members and Residents of Prior Lake  
From: Frank Boyles, City Manager   
Subject: 2016-2020 Capital Improvement Program

One of the most fundamental responsibilities of local government is planning for, constructing and maintaining the community's investments including streets, trails, sewer, water, parks and public buildings. Taken together, this investment in infrastructure is the physical fabric of our community which provides for our public safety and health.

Prior Lake's five-year Capital Improvement Program is directly responsive to the City's 2040 Vision and Strategic Plan. The Strategic Plan serves as our vision and our "things to do" list. How that list is prioritized, funded and converted into City projects is determined largely through the five-year Capital Improvement Program (often referred to as the CIP).

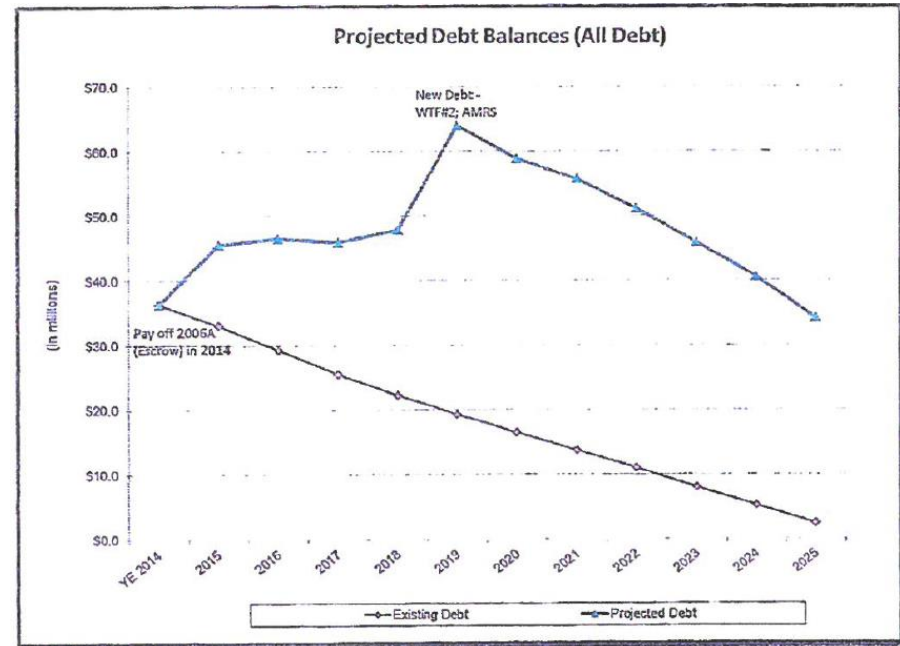
Each year, forecasts for projects that will be needed, estimated costs and possible funding sources are programmed into the CIP for the next five years. The CIP is updated, evaluated and approved each year by the City Council as projects are completed and priorities change. The purpose of the CIP is to assure that funds are available when projects are required to meet community needs.

I encourage you to review the attached 2016-2020 CIP. It contains new and continued projects critical to the development of our community and achievement of our 2040 Vision and Strategic Plan goals. It reflects an aggressive approach to upgrading the conditions of our streets and infrastructure in direct response to citizens' feedback.

All-in-all, the 2040 Vision and Strategic Plan establishes the vision for our community...and the Capital Improvement Program helps us to achieve it!

# 2016 AND BEYOND

- \$91M in Capital Project in the next 4 years
  - City's share = \$65M
- Debt to increase by 80%
  - (\$36M (YE2014) to \$65M (YE2019))



# 2016 AND BEYOND



- **IMPLICATIONS OF FEE-TO-TRUST APPLICATIONS**
  - SMSC has been purchasing prime developable land at an accelerated rate with the stated goal of placing it into tax-free trust.
  - SMSC has reportedly purchased over three and a half square miles of land in addition to what is already in tax-free trust.
  - Using the City's estimate for lost taxes on the Stemmer Ridge property as a basis, the additional projection for lost local taxes long term on the additional land is \$10 million annually.
- **NOTES (WHAT'S AHEAD?)**
  - A recent court decision in the state of Washington required local jurisdictions to pay back property tax that had been collected on corporate owned businesses located on tribal property.
  - A recent directive from the US Dept. of Justice has ruled that marijuana can be grown and sold on reservation land.

# 2016 AND BEYOND



- **CITY COUNCIL ELECTIONS THIS YEAR**
  - Terms end this year for Mayor Hedberg and Council Members Keeney and Morton
- **ELECTIONS COUNT, BUT YOU THE VOTERS ARE ACCOUNTABLE;**
  - To identify and encourage potential candidates
  - To support candidates who will represent residents
  - To vote