

1. Agenda And Packet

Documents:

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[APRIL 1, 2019 WORK SESSION AGENDA PACKET.PDF](#)

City of Excelsior

City Council Work Session

AGENDA

Monday, April 1, 2019

**NEW LOCATION – FORMER LIBRARY**

**343 Third Street**

5:30 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. Ice Castle Recap
  - a) Financial Recap
  - b) Measuring Success
4. Parking Meter Review
5. Adjournment

Note: The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.

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Auxiliary aid for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at (952) 653-3675.



# MEMORANDUM

**Re:** City Council Work Session Item 3a  
Ice Castle Financial Recap

**Date:** April 1, 2019

**To:** City Council

**From:** Kelly Horn, Finance Officer

On November 9, 2018 the City Council determined the final conditions of the Ice Castle contract and discussed the potential uses of the revenues generated from the Ice Castle event. The following is a summary of the revenues related to the Ice Castle:

### **Special Event Permit Fee -**

The Contract included a Special Event base fee of \$21,750, and an attendance fee of \$250 per each 10,000 visitors exceeding 50,000. The attendance numbers are to be provided to the City on April 15, 2019, and therefore the attendance fee remains to be determined.

At the November 9, 2018 Work Session, the Council discussed transferring the Special Event Permit Fee to the Park Improvement Fund. The Council should confirm whether this special event revenue should be transferred to the Park Improvement Fund, and whether the revenue should be committed to any specific use in the Park Improvement Fund, such as The Commons Master Park Plan Improvements.

### **Water Consumption Revenue –**

The City's most recent meter reading took place on March 12, 2019 and showed that the Ice Castle had used roughly 13,700,000 gallons of water during the season. The contract for the event included a charge of \$2.20 per 1,000 gallons of water. As of March 12, Water Consumption revenue was \$28,750.02. The City expects any remaining water revenue to be minimal since the Castle is in the deconstruction phase.

At the November 9, 2018 Work Session, the Council discussed transferring a portion of the Parking Meter revenues to make the water fund "whole," to recover the discount on the water consumption rate that was included in the contract. Additionally, the Water Fund had expenses related to the increased water production needed for the castle. These additional expenses include approximately \$4,000 in additional softener salt, chlorine, other chemicals, and more than \$1,500 in additional electricity charges at the Water Plant. This estimate does not include any additional costs related to the time spent by the City's Public Works staff, however Public Works conservatively estimated at least 80 hours was directly spent on Ice Castle related work.

Staff recommends that the Council allocate at least \$34,250 of the Parking Meter revenue to the Water Fund so the Fund can recover the additional costs it incurred to accommodate the Ice Castle event.

### **Parking Meter Revenue –**

The City's parking meters generated \$72,404.45 during the period of January 12<sup>th</sup> through March 9<sup>th</sup>, 2019. This compares to \$6,675 for January through March 2018, and \$6,450 for the same months in 2017. During the Ice Castle period there were 13,356 unique meter transactions, with the highest daily total of \$5,324.55 on Saturday January 19<sup>th</sup>. The City's estimated revenues per week were near the actual revenues realized; however, the duration of the Ice Castle event was significantly shortened by the delays in construction and the opening of the event related to warm temperatures, as well as days that the Ice Castle was closed due to extreme cold.

Staff recommends retaining at least \$6,000 of the parking meter revenue in the General Fund to maintain the historical revenues that the meters have provided to the General Fund, and that are included in the General Fund's budgeted meter revenues.

### **Summary:**

<b>Source</b>	<b>Revenue</b>
Special Event Permit	\$ 21,750
Water Consumption	28,750
Parking Meters	72,404
<b>Total Revenue - 4/1/19</b>	<b>\$ 122,904</b>
<b>Uses</b>	<b>Amount</b>
Park Improvement Fund	\$ 21,750
Water Fund Revenue	28,750
Water Fund "Recovery"	34,250
General Fund Meters	6,000
To Be Determined	32,154
<b>Total Uses</b>	<b>\$ 122,904</b>

**Council Action:** Confirm the Uses of the Ice Castle revenue as presented above, determine the best use of the remaining revenue. Direct staff to prepare resolutions for the transfer of funds and including any commitments that should be applied to the use of these funds.



# MEMORANDUM

Item 3(b)

**Re:** Measuring Success

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**Date:** April 1, 2019

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Amy Edwards, Event Coordinator

**To:** City Council

**From:** Kristi Luger, City Manager

As part of the City of Excelsior's contract with the Ice Castle, the Council decided that the City will measure the success of the Ice Castle using some of the following parameters:

- Residents' comments and experience
- Economic impact on the businesses
- Parking meter revenue
- Public safety's experience
- The Commons recovery timeframe – were the ground useable in a reasonable amount of time following the event?

The purpose of tonight's discussion is to start discussing the success measures and how some of the information should be collected. Additionally, if the Council already knows they are not interested in hosting the Ice Castle in the future, it would be beneficial to communicate that information to the Ice Castle.

### **Resident's Comments and Experience**

Staff did receive some immediate feedback from residents (mainly along Lake Street and in the immediate vicinity of the Ice Castle) with some questions and concerns about the Ice Castle, such as: safety of pedestrians in the area, noise and light complaints, and snow removal. Those issues were addressed as best as they could when they were brought up. The Council should discuss how they want to collect post-event feedback from the residents.

### **Economic Impact on the Businesses**

As part of the Ice Castle's success measures, they assess economic impact during the event which is evaluated by sending out a survey to all the restaurants and retailers in the area after the event has concluded. The Ice Castle has sent out the survey and is waiting on the results.

### **Parking Meter Revenue**

As discussed earlier in the work session, the City generated \$72,404.45 in parking meter revenue during the months of January through March 2019, compared to an average of approximately \$6,500 in past years.

### **Public Safety's Experience**

Staff has had informal discussions with the Fire Chief and Police Chief, neither Chiefs had any significant issues with the Ice Castle.

### **The Commons Recovery Timeframe**

This success measure is yet to be determined and will be evaluated in the late spring/early summer.

The Ice Castle is also in the process of evaluating their measures of success to help decide on their 2020 location, which will hopefully be decided in May or June. The Ice Castles measures success using some of the following parameters:

- Number of tickets sold and repeat ticket purchases
- Customer feedback and experience that is gathered by handing out a survey to customers as they exit the Ice Castle
- Facebook page comments
- Post-event phone calls
- Economic impact during the event which is assessed by sending out a survey to all the restaurants and retailers in the area after the event has concluded

There will be a formal Ice Castle recap when The Commons recovery timeframe can be evaluated. At this time, staff is requesting preliminary feedback from the Council and direction on how to gather the resident's comments and experience.



# MEMORANDUM

Work Session Item 4  
Parking Meter and

**Re:** Parking Permit Review

**Date:** April 1, 2019

**To:** City Council

**From:** Kelly Horn, Finance Officer

## **SUMMARY:**

- Since the implementation of the electronic kiosks, total parking meter sales revenue is over \$750,000.
- Meter 09 (near Tommy's Trolley) is the top producing meter for both sales revenue and number of transactions.
- Meters 05 and 06 are the next highest performing meters for revenue and number of transactions, these meters were the most highly utilized meters during the Ice Castle Event.
- Meters 01 and 02 (near the beach and playground) are the lowest producing meters, and potentially could be moved to a different area within the City.
- The dock meters are underutilized, and the revenue generated from the dock meters is highly dependent on the weather.
- The City currently issues resident and non-resident annual parking permits but does not issue any business permits.
- There are additional options for sticker-type and placement locations for residential parking permits.

## **STAFF RECOMMENDATION:**

Based upon the staff's analysis, staff would recommend the Council discuss the following topics:

- Should city-wide parking rates be held at \$3 per hour, or should the City return to the reduced fee at the "North" meters Monday through Wednesday?
- Should the dock meter rates be lowered in an effort to increase utilization?
- Should Meter 02 be relocated to a new site within the current metered streets or should it be moved to a new location?
- Should the City implement a business parking permit program?
- Should the City change the sticker-type or placement locations for permits?

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## **BACKGROUND:**

The City implemented electronic parking meter kiosks in the summer of 2016 to replace the coin-only operated meters that had been in the city prior to the electronic kiosks.

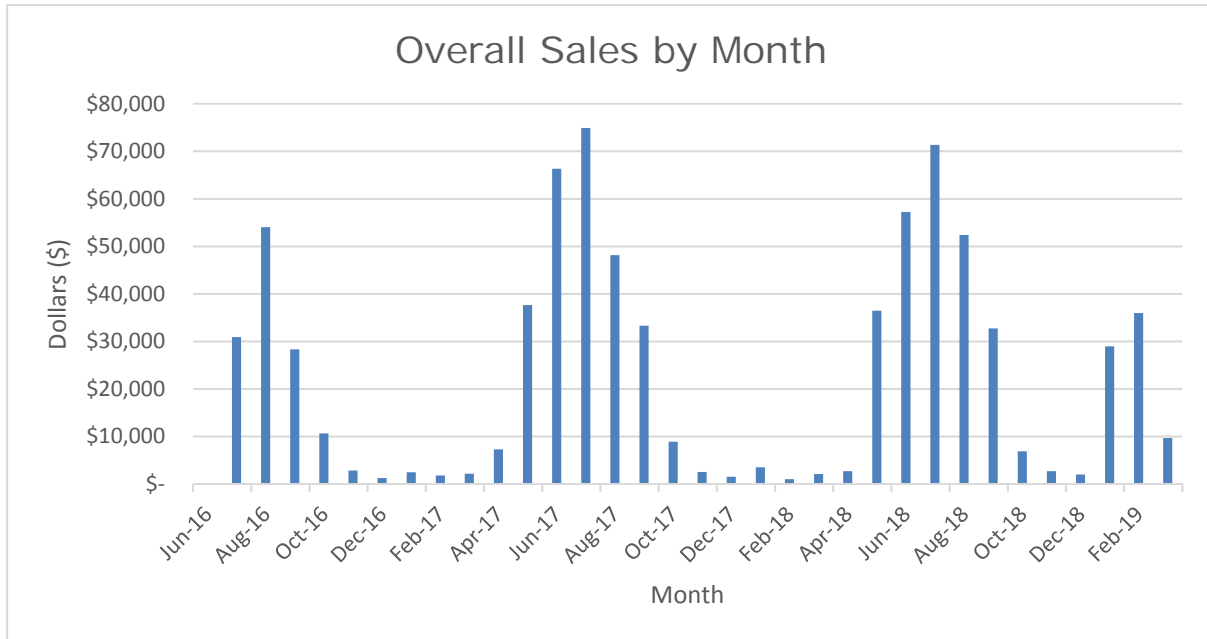
The City currently has 19 kiosks located throughout the City (see map), including the "North" meters 1-10, the "South" meters 11-17, and the two boat meters at the Docks, meters 18-19.



**METER RATES:**

Parking rates have been at \$4 per hour since December of 2018, when the Special Event rate applied due to the Ice Castle Event. Before that, the City used a \$3 per hour rate at all meters, except the North Meters which were reduced during Monday – Wednesday. Dock rates have remained steady at \$5/hour since 2016.

**LIFETIME-TO-DATE RESULTS:**



Total Sales By Meter	
Meter 01	\$ 5,483.65
Meter 02	10,713.05
Meter 03	57,857.50
Meter 04	40,066.15
Meter 05	63,578.95
Meter 06	63,515.80
Meter 07	54,114.45
Meter 08	56,066.77
Meter 09	105,278.25
Meter 10	16,396.35
Meter 11	25,510.30
Meter 12	54,108.14
Meter 13	42,931.25
Meter 14	24,559.45
Meter 15	14,526.80
Meter 16	26,585.35
Meter 17	23,827.55
Meter 18	32,089.25
Meter 19	37,401.70
<b>Sum</b>	<b>\$ 754,610.71</b>

Total sales revenue generated through the electronic meters since the meters were put in place has been over \$750,000. The highest daily sales occurred on Saturday January 19, 2019 at \$5,324.55 and during the July 4<sup>th</sup> weekend that brought in \$13,738 in 2017 (Fri 6/30 – Tues 7/4) for the highest grossing weekend. Meter 09 (Tommy’s Trolley) is the top performing meter, with 14% of the overall sales. Increasing the scope to include all kiosks on Lake Street between Center Street and Excelsior Boulevard/5 Corners, (Meters 08 – 14), accounts for 43% of all sales revenue. Dock Meters 18 and 19 accounts for 9.2% of overall sales. Meter 01 and 02 collectively comprise only 2.15% of the overall sales. Approximately 10% of the total meter revenue-to-date was received during the Ice Castle event taking place January – March 2019.

**LIFETIME-TO-DATE RESULTS, CONTINUED:**

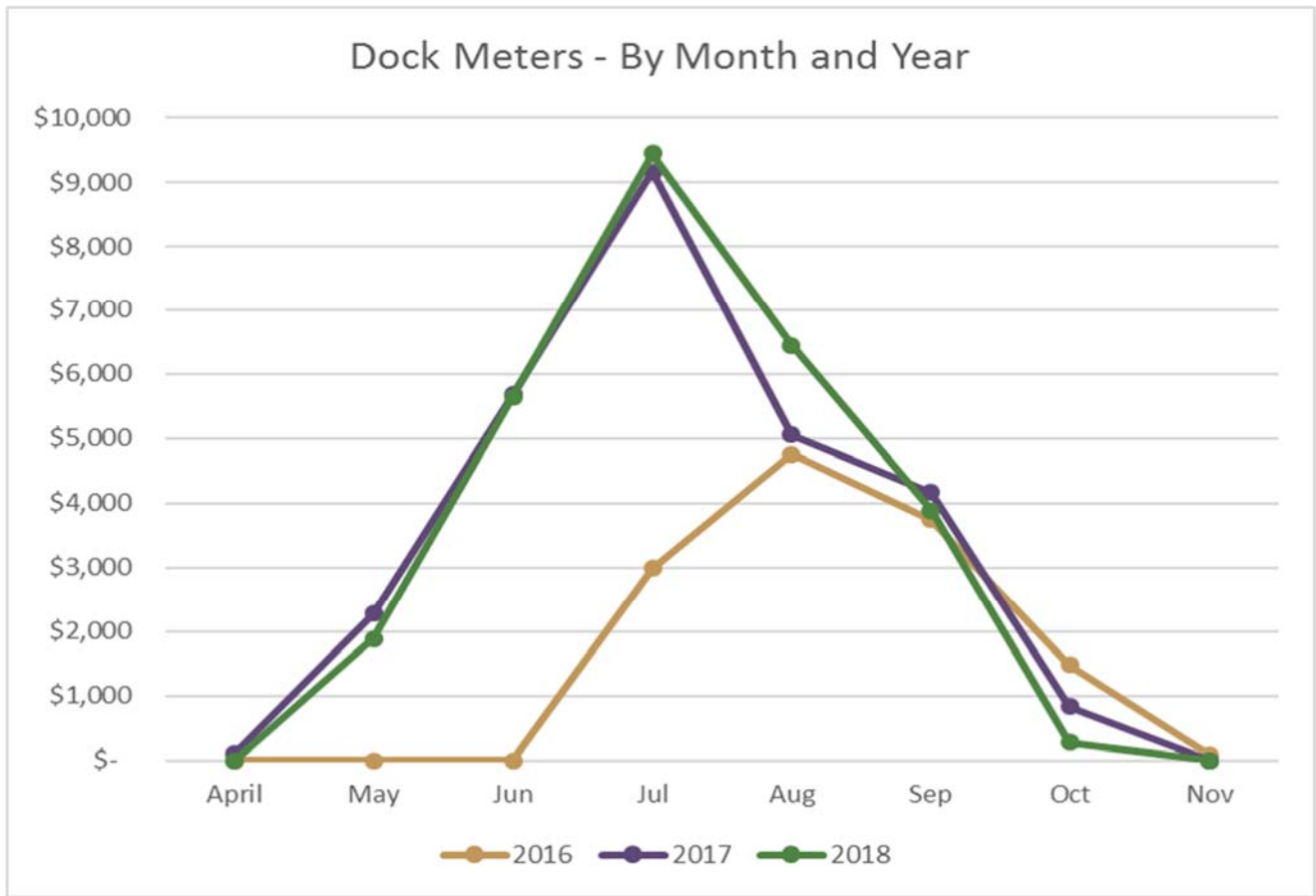
	<b>Transaction Counts</b>	<b>Average Transaction \$ Amount</b>
Meter 01	1,087	6.15
Meter 02	2,273	5.47
Meter 03	14,677	4.26
Meter 04	9,868	4.53
Meter 05	15,442	4.68
Meter 06	15,289	4.71
Meter 07	10,627	5.41
Meter 08	9,277	6.34
Meter 09	16,819	6.23
Meter 10	2,930	5.37
Meter 11	3,814	6.79
Meter 12	9,387	6.22
Meter 13	15,126	2.64
Meter 14	3,797	6.72
Meter 15	2,191	6.22
Meter 16	4,069	5.91
Meter 17	3,741	6.22
Meter 18	4,382	7.85
Meter 19	5,105	7.18
<b>Sum</b>	<b>149,901</b>	<b>\$ 5.73</b>

The graph above shows the raw number of transactions per meter. Once again, Meter 09 is the top performing meter at 16,819 transactions. Also noteworthy, is Meter 13. This meter reports the second highest volume of transactions; however, the average transaction dollar amount is less than half of Meter 09. This is due to the meter historically only charging \$1/hour until the rate was changed in December 2018 to accommodate Ice Castle Special Event Rate.

**DOCK METERS 18 & 19:**

The following chart graphically shows the sales generated by both dock meters. As indicated below, the revenue in 2017 begins in April, with 2016's revenue not beginning until July when the meters were first put in place. Dock revenue was \$27,582 in 2018, \$27,270 in 2017 and \$13,057 in 2016.

Also presented below is the utilization of total capacity at the docks. There are 20 metered slips available at the "transient" piers. The chart below shows the utilization based on total hours available. For 2016, the chart only includes the months of July and August, whereas for 2017 and 2018, it includes hours for all three summer months. The formula to calculate total hours available uses 12 hours per day and 30 days per month of availability at all 20 slips. It is not expected that utilization would ever approach 100%, however these factors were chosen for the calculation to remove subjectivity on how much utilization we should expect.



Dock Meter Utilization - June, July and August Only				
	2016	2017	2018	Total
	July - Aug	June - Aug	June - Aug	
Total Hours Paid - Docks	\$ 1,549	\$ 3,973	\$ 4,307	\$ 9,829
Total Hours Available	14,400	21,600	21,600	57,600
Utilization Ratio	11%	18%	20%	17%

Nevertheless, even when considering those constraints, it should be noted that the dock meters are well below their capacity, and a rate reduction could be considered in the attempt to increase the volume of users, and therefore revenue. Staff recommends that Dock Rates are reduced to \$3 per hour to mirror the rate of the other meter rates within the City.

**METERS 01 AND 02:**

From the information presented in the memo, and by viewing the map, it is strongly worthwhile to consider if there may be a more advantageous placement to one of these two meters. Meter 02 is located directly kitty-corner of Meter 03 on the intersection of Lake Street and West Lake Street, and therefore a user would not have far to walk to access Meter 03 if Meter 02 were moved to a better location.

**PARKING PERMITS:**

The City currently offers resident parking passes at \$10 per permit per year, and non-residential parking passes for \$225 per permit per year. Staff has had feedback from businesses within the City that the non-residential rate is cost prohibitive. Staff proposes offering a business permit

rate of \$100 annually, this is slightly less than half of the non-resident rate. Staff believes this would increase the likelihood of tax-paying businesses within the City to purchase these permits for themselves, and their employees without having to pay the higher non-resident rate. Staff recommends a trial period for 2019 of offering business permits at the rate of \$100 per permit, with a maximum of 10 business rate permits available to each address on a metered street. After the 2019 trial period the Council should determine a). if the same parking "rights" should apply to these business passes, i.e. valid in "permit-parking only" areas, b). if these passes should be registered to a specific vehicle or transferrable, c). any other additional questions that arise throughout the trial period.

Additionally, staff has had feedback on the placement and type of stickers the City uses for the residential parking stickers. The majority of comments are that people would prefer to place them on their back/rear window rather than the front. The South Lake Minnetonka Police Department (SLMPD) is the enforcement agency for the City's parking restrictions, they have noted they could do "drive-by" verification of parking permits using the rear window placement, whereas now they are required to walk in order to view the sticker. This is typically not an issue in the summer, however the rear window placement would make it easier during winter enforcement. The sticker used as the permit would need to be on the outside/external part of the rear window so that it is visible on every vehicle. If the Council recommends this change staff will bring back sticker options for the 2020 parking year.

#### **RECOMMENDATIONS:**

**Based on staff's analysis, staff would recommend the Council discuss the following topics:**

- Should the dock meter rates be lowered in attempt to increase utilization?
- Should Meter 02 be relocated to a new site within the current metered streets or should it be moved to a new location?
- Any additional parking spaces to potentially meter?
- Should the City implement a business parking permit program?
- Should the City change the sticker-type or placement locations for permits?

**Electronic Parking Kiosks, Revenue by Year**

**2019**

Revenue	JAN	FEB	MAR*	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Meter Revenue	28,969	35,967	9,682	-	-	-	-	-	-	-	-	-	74,618
Dock Meter Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>28,969</b>	<b>35,967</b>	<b>9,682</b>	-	-	-	-	-	-	-	-	-	<b>74,618</b>
Operation Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Back Office Software (biannual)	-	-	6,498	-	-	-	-	-	-	-	-	-	6,498
Meter Software Repair	-	-	-	-	-	-	-	-	-	-	-	-	-
Electronic Permitting (annual)	-	-	-	1,100	-	-	-	-	-	-	-	-	1,100
Whoosh Transaction Fees Quarterly	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Fees	1,556	1,950	-	-	-	-	-	-	-	-	-	-	3,506
<b>Total Operation Expenses</b>	<b>1,556</b>	<b>1,950</b>	<b>6,498</b>	<b>1,100</b>	-	-	-	-	-	-	-	-	<b>11,104</b>
<b>Net Income</b>	<b>27,413</b>	<b>\$34,017</b>	<b>\$3,184</b>	<b>(\$1,100)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$63,514</b>

\*Data current through 3/26/19

Note that there may be minor differences between the data this report presents (data per meter vendor) and the monthly revenue report (data per bank statement) due to the timing of the cash receipts.

**2018**

Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Meter Revenue	\$3,528	\$1,038	\$2,108	\$2,724	\$34,579	\$51,581	\$61,898	\$45,928	\$28,836	\$6,624	\$2,702	\$2,004	\$243,550
Dock Meter Revenue	\$0	\$0	\$0	\$0	\$1,883	\$5,649	\$9,442	\$6,445	\$3,892	\$271	\$0	\$0	\$27,582
<b>Gross Profit</b>	<b>\$3,528</b>	<b>\$1,038</b>	<b>\$2,108</b>	<b>\$2,724</b>	<b>\$36,462</b>	<b>\$57,230</b>	<b>\$71,340</b>	<b>\$52,373</b>	<b>\$32,728</b>	<b>\$6,895</b>	<b>\$2,702</b>	<b>\$2,004</b>	<b>\$271,132</b>
Operation Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Back Office Software (biannual)	-	-	6,498	-	-	-	-	-	-	-	6,498	-	12,996
Meter Software Repair	-	-	-	-	-	-	-	-	1,604	-	-	-	-
Electronic Permitting (annual)	-	1,100	-	-	-	-	-	-	-	-	-	-	1,100
Whoosh Transaction Fees Quarterly	-	-	63	-	-	-	25	-	-	262	2,184	-	2,534
Bank Fees	256	182	114	285	1,968	3,024	3,565	2,651	1,669	413	230	185	14,543
<b>Total Operation Expenses</b>	<b>\$256</b>	<b>\$1,282</b>	<b>\$6,675</b>	<b>\$285</b>	<b>\$0</b>	<b>\$3,024</b>	<b>\$3,590</b>	<b>\$2,651</b>	<b>\$3,273</b>	<b>\$675</b>	<b>\$8,912</b>	<b>\$0</b>	<b>\$31,173</b>
<b>Net Income</b>	<b>\$3,272</b>	<b>(\$244)</b>	<b>(\$4,567)</b>	<b>\$2,439</b>	<b>\$36,462</b>	<b>\$54,206</b>	<b>\$67,750</b>	<b>\$49,722</b>	<b>\$29,455</b>	<b>\$6,220</b>	<b>(\$6,210)</b>	<b>\$2,004</b>	<b>\$239,959</b>

**2017**

Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Meter Revenue	\$2,467	\$1,815	\$2,172	\$7,171	\$35,374	\$60,627	\$65,720	\$43,073	\$29,126	\$8,086	\$2,529	\$1,543	\$259,703
Dock Meter Revenue	\$0	\$0	\$0	\$102	\$2,275	\$5,680	\$9,163	\$5,060	\$4,165	\$825	\$0	\$0	\$27,270
<b>Gross Profit</b>	<b>\$2,467</b>	<b>\$1,815</b>	<b>\$2,172</b>	<b>\$7,273</b>	<b>\$37,649</b>	<b>\$66,307</b>	<b>\$74,883</b>	<b>\$48,133</b>	<b>\$33,291</b>	<b>\$8,911</b>	<b>\$2,529</b>	<b>\$1,543</b>	<b>\$286,973</b>
Operation Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Back Office Software (biannual)	-	-	6,498	-	-	-	-	6,498	-	-	-	-	12,996
Electronic Permitting (annual)	-	1,100	-	-	-	-	-	-	-	-	-	-	1,100
Whoosh Transaction Fees Quarterly	-	-	63	-	-	12	-	-	372	-	-	313	759
Bank Fees	210	182	197	638	2,031	3,702	3,702	2,378	1,738	595	219	170	15,761
<b>Total Operation Expenses</b>	<b>\$210</b>	<b>\$1,282</b>	<b>\$6,758</b>	<b>\$638</b>	<b>\$2,031</b>	<b>\$3,714</b>	<b>\$3,702</b>	<b>\$8,876</b>	<b>\$2,110</b>	<b>\$595</b>	<b>\$219</b>	<b>\$482</b>	<b>\$30,617</b>
<b>Net Income</b>	<b>\$2,257</b>	<b>\$533</b>	<b>(\$4,586)</b>	<b>\$6,635</b>	<b>\$35,618</b>	<b>\$62,593</b>	<b>\$71,181</b>	<b>\$39,257</b>	<b>\$31,181</b>	<b>\$8,316</b>	<b>\$2,310</b>	<b>\$1,061</b>	<b>\$256,356</b>

**2016**

Revenue	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Meter Revenue	-	-	-	-	-	194	27,904	49,267	24,575	9,171	2,752	1,267	115,130
Dock Meter Revenue	-	-	-	-	-	-	2,992	4,762	3,746	1,472	85	-	13,057
<b>Gross Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194</b>	<b>30,896</b>	<b>54,029</b>	<b>28,321</b>	<b>10,643</b>	<b>2,837</b>	<b>1,267</b>	<b>128,187</b>
Operation Expenses	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Pay Stations (one-time)	-	-	-	-	-	-	-	141,341	-	-	-	-	141,341
Setup Fee (one-time)	-	-	-	-	-	149	-	-	-	-	-	-	149
Back Office Software (biannual)	-	-	-	-	-	-	-	6,498	-	-	-	-	6,498
Bank Fees	-	-	-	-	-	-	1,418	2,728	1,372	689	254	122	6,582
<b>Total Operation Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>1,418</b>	<b>150,567</b>	<b>1,372</b>	<b>689</b>	<b>254</b>	<b>122</b>	<b>154,570</b>
<b>Net Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45</b>	<b>\$29,478</b>	<b>(\$96,538)</b>	<b>\$26,949</b>	<b>\$9,954</b>	<b>\$2,583</b>	<b>\$1,145</b>	<b>(\$26,383)</b>





★ Commons Meters North

★ Boat Meters

★ Business District South

Excelsior Bay

Excelsior

82

Minnetonka Blvd