

**City of North Saint Paul
August 21, 2018
Adopted Regular City Council Meeting Minutes**

I. CALL TO ORDER

Mayor Kuehn called the meeting to order at 6:36 p.m.

II. THE PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

III. ROLL CALL

Present: Council Member Furlong
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Kuehn

Staff: City Manager Dr. Craig Waldron, Fire Chief Scott Duddeck, Finance Director Jeanne Day, Public Works Director Nick Fleischhacker, Deputy Clerk Mary Mills.

IV. ADOPT AGENDA

Mayor Kuehn amended the agenda by adding an item to City Business related to the Interim Use Permit for 2115 Burke Avenue.

On motion by Council Member Petersen, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to approve the agenda as amended.

V. PRESENTATIONS

There were no presentations.

VI. APPROVAL OF CONSENT AGENDA

Council Member Sonnek requested that Item U be moved to City Business for further discussion.

On motion by Council Member Furlong, seconded by Council Member Walczak, with all present voting aye (5-0), on Items A-M, O, P, R-T, V-AA, Council Member Furlong abstaining from Items N and Q (4-0), motion carried to approve the consent agenda, Resolution No. 2018-095 consisting of:

- A. June 16, 2018 HRA meeting minutes.
- B. July 17, 2018 workshop meeting minutes.
- C. July 3, 2018 regular meeting minutes.
- D. July 17, 2018 regular meeting minutes.

- E. July 23, 2018 special budget workshop minutes.
- F. August 8, 2018 HRA special meeting minutes.
- G. August 8, 2018 special city council workshop minutes.
- H. August 8, 2018 special city council meeting minutes.
- I. August 8, 2018 emergency city council meeting minutes.
- J. General accounts payable: \$2,905,870.42.
- K. EDA accounts payable: \$32.00.
- L. HRA accounts payable: \$72,713.48.
- M. Amendment to POW/MIA March route. Res. 2018-096.
- N. Application for a Temporary On-Sale Liquor License for the Silver Lake Improvement Association. Res. 2018-097.
- O. Approval of Special Event Permit for Pompe Warrior Foundation Carnival Fundraiser, Saturday, September 8, 2018. Res. 2018-098.
- P. Application for a City (local) Charitable Gambling Permit for an event to be conducted by the Pompe Warrior Foundation, Saturday, September 8, 2018. Res. 2018-099.
- Q. Application for a Temporary On-Sale Liquor License AND an Application for a Charitable Gambling for Exempt Permit for the Church of St. Peter, North St. Paul Event to be held Friday, September 28 through Sunday September 30, 2018 at O'Reilley Hall, cafeteria and outdoor patio area. Res. 2018-100.
- R. Approval of Special Event Permit for American Legion Brat and Corn Feed, Saturday, September 8, 2018. Res. 2018-101.
- S. Application/Request from American Legion Post #39, North St. Paul, for a temporary extension of their on-sale liquor license to include a portion of their parking lot, Saturday, September 8, 2018. Res. 2018-102.
- T. Set Special City Council Workshop for Monday, August 27, 2018 at 5:30 p.m. to receive a presentation from Fitch and Associates regarding the Fire and Police study.
- U. ~~Annual Review to the Data Practices Policy and Procedures for the City of North St. Paul.~~ (Pulled for further discussion).
- V. Technical correction to Ordinance No. 764 on the mis-numbering of a section. Ord. 770
- W. Approval of Resolution Authorizing a Special Assessment for the Suite Living/Dignicare Property Assessed Clean Energy (PACE) Program Energy Improvements. Res. 2018-103.
- X. To adopt a resolution approving Construction Pay Voucher No. 14 & Final for Valley Paving, Inc., in the amount of \$13,034.42 for the 2016 Street and Utility Improvement Project, City Project No. S.A.D. 16-01. Res. 2018-104.
- Y. To adopt a resolution approving Construction Pay Voucher No. 2 & Final for Hydro-Klean, LLC, in the amount of \$6,944.05 for the 2017 Sanitary Sewer Improvement Project, City Project No. 17-01. Res. 2018-105.
- Z. To adopt by resolution an amended Special Assessment Policy. Res. 2018-106.
- AA. 2nd Quarter Financial Report.

VII. MEETING OPEN TO PUBLIC

This portion of the meeting was moved to take place following the public hearing.

John Schmahl commented that there were not enough budget handouts at the workshop for the public. Council Member Sonnek inquired if the documents can be displayed on the screen in the meeting room. Staff will research this option.

VIII. PUBLIC HEARINGS

Mayor Kuehn noted that the upcoming public hearing is related only to the proposed assessments for the 2018 street project. Upon opening the public hearing comment will be taken from anyone who is a resident impacted by the assessment. Council will not be discussing the project per se, tree removal per se, sidewalk, walkway, or other issues. This is strictly an assessment hearing. Before moving into the assessment hearing Council has been asked to be addressed by a spokesperson representing the Silver Lake neighborhood.

A. Spokesperson from Silver Lake Neighborhood

Kathy Kater addressed the Council on behalf of a committee composed of seven people to represent people who were attending an Adhoc meeting of Silver Lake homeowners who came together on August 1st. The group was under the impression that the amount of trees to be taken down was much less than the most recently noted amount of 71. Kater read a statement to the Council. Kater noted that the purpose for this request is to save as many of the trees as possible in the street and utility project area. The request is to have a voice in this decision and that saving the trees should carry as much weight as safety, risk and cost. Prioritizing the trees in this neighborhood should be of equal dominance in considering plans. It was suggested that council create a committee to work with the engineers and the city to save trees. City Management has been listening, and tree removal has been put on hold for the time being while two very strong alternatives are explored or implemented. City Manager Waldron had suggested that perhaps the Council would approve the formation of a work group to work side by side with City Management to come up with ideas for street redesign and changes to the current plan.

Mayor Kuehn noted that there were many things that need to be considered with this project besides the trees, but he is in support of the formation of a working group.

Morgan Dawley noted that currently, as part of the utility portion of the project, only 16 trees need to be removed. All others can be looked at with other options to keep them. Additional expense that could be incurred in order to work around a tree will vary. There will be a savings by not removing a tree, but the additional cost could be anywhere between \$1,000-\$3,000 per workaround.

On motion by Council Member Petersen, seconded by Council Member Sonnek, with all present voting aye (5-0), motion to approve establishing a committee to work with the Silver Lake neighborhood to include member representation of the City Council and City Staff and Engineering.

B. 2018 CIP Street and Utility Assessment Hearing 6:30 p.m.

Mayor Kuehn opened the public hearing at 7:08 p.m.

Morgan Dawley presented a brief overview of the project and the assessments.

- At the July 3rd 2018 regular Council Meeting, following the public hearing, the City Council ordered the public improvements included in the project area.
- Improvements for the project area include street reconstruction and rehabilitation, replacement and rehabilitation of sanitary sewer and water public main lines, storm sewer improvements, trails/sidewalks, street lighting, and electric and other burying of overhead and underground utilities.
- The proposed Project area is comprised of the following streets (see attached map)
 - Lake Boulevard from 17th Avenue East to the Municipal Boundary
 - Poplar Avenue from Helen Street North to Swan Avenue East
 - Swan Avenue East from Lake Boulevard to Poplar Avenue East
 - 19th Avenue East from Helen Street North to Century Avenue
 - Park ROW from 19th Avenue East to 20th Avenue East
 - 20th Avenue East from Park ROW to Century Avenue
 - 11th Avenue from McKnight Road to Castle Ave
 - Castle Avenue from 11th Avenue to 12th Avenue
 - 12th Avenue from Castle Avenue to Margaret St N
 - 14th Avenue from McKnight Road to 3rd St. N
- The proposed project is anticipated to be funded, in part, by special assessments to benefitting properties, in accordance with the Assessment Policy.
- There are no assessments proposed for any utility improvements or reconstruction to occur as a part of this project.
- Assessments are proposed to be paid in equal annual installments over 15 years for single family residential property beginning in January 2019 with an annual interest rate of 5.25% per annum. The assessment may be paid in whole with no interest charged if the entire assessment is paid within 30 days of the adoption of the assessment. Special assessment deferment, with interest, are available for property owners meeting qualifying criteria.

Public comment began at 7:18 p.m.

The following persons addressed the Council:

- *David Jungkunz, 2745 Lake Boulevard.* Asked for clarification that these assessments were final amounts, not estimated amounts. Morgan Dawley stated that the reason the wording on the notification is called an estimate because it has not yet been adopted by Council. It should also state on the notification that if the assessment is adopted as proposed then consider this your final statement. Attorney Mattick stated that is correct. In addition the action locks the council in on the maximum value. So while it is an estimate the most that can be assessed is the amount in that notice. It cannot go up.
- *Rick Gelbmann, 2838 Lake Boulevard.* Because the payment on assessments is due prior to any actual street work, Gelbmann inquired about delaying/extending the date that property owners can make interest free payments. Finance Director Jeanne Day noted that the September payment date could be extended until November 10. The City needs to certify new assessments to the County by November 15th. Gelbmann also requested consideration on the assessment calculation for a vacant lot he also owns. The value of the vacant lot is \$23,800. The assessment on that property is \$5,600, which is 23% of the value of the property. Attorney Mattick stated there is no special provision for vacant lots. Every property is treated the same. Gelbmann was advised that he could appeal that amount.

- *Barry Brown, 2601 Swan Avenue.* Noted that the lift station constructed in 2016 consumes 17% of his linear footage and he should not be assessed the normal rates for that portion because the concrete curb and gutter will not be replaced. Morgan Dawley indicated that it has not yet been determined the original curb and gutter will be replaced. The roadway will be reconstructed either way and a new asphalt mat included. The City has worked with Mr. Brown to install screening landscaping around the station.
- *Lincoln Fetcher, 2634 E. 19th Avenue.* Thanked the Council and Staff for flexibility in working with the tree saving effort. In the introduction to the Policy it says that the amount assessed against any particular parcel is required to be not greater than the increase in the market value of the property due to the improvement. This can be determined by appraisals prior to the public improvement. Even though the procedures are identified in this document, the City Council has the authority to deviate from this policy as deemed appropriate by the City Council or when the law requires such deviation. Fetcher noted that there is some concern about the loss of property value if they lose a lot of trees. This is a factor to consider.
- *Paul Nichol, 2928 Lake Boulevard.* Did not agree with the amount being assessed. He was not aware the amount would be that high. He inquired if the final design was complete and if he would lose part of the lot during construction. Mayor Kuehn stated that this is all public property that is being improved, no private property. There has always been an assessment policy in place. People getting improvements in front of their home get assessed. It is only a portion of the full project cost.
- *Tom Lutmer, 2598 Swan Avenue.* Lutmer also commented about the lift station and inquired why it is so large and made of stainless steel. Morgan Dawley stated the size allows for the station to hold more advanced equipment and provides better safety for the city workers for maintenance and access. Stainless steel is more durable and does not require painting.

Mayor Kuehn closed the public hearing 7:55 p.m.

There were a total of six letters of intent to appeal received either prior to or during the public hearing. They will be kept on file.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2018-107 approving the submitted assessment roll for the 2018 Street and Utility Improvement Project, City Project S.A.D, 18-01, allowing for an extension of interest free payment date to November 10, 2018.

IX. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. Award Resolution for General Obligation Bonds for 2018 Street and Utility Improvement Project

City Manager Waldron introduced Terry Heaton of Springsted to bring forward a recommendation to present with the results of the sale for consideration to award the sale of the bonds. At the July 17, 2018 meeting the City Council authorized Springsted, Inc. to proceed with the competitive negotiated sale of bonds totaling \$6,940,000. \$3,475,000 is to finance the street improvements as 429 bonds, and secondly, \$3,465,000 the related waste water, water, and surface water system improvements as 444 bonds.

Terry Heaton stated that the results from today were good. There were nine financial institutions that submitted bids. This is a big number due to a day of low supply and the larger than normal bond issue, which gets people's attention in the market place. In total there were 39 financial institutions interested in the bonds. The lowest bid came from Janney Montgomery Scott LLC at 2.82% going out to 2034. She commended the Council and Manager as leaders of the City and Staff because along with this the investors are looking at the credit rating. Standard and Poor gave an affirmation of the AA rating, which is a very high rating. The comments in the credit rating report talked about the strong economy in the surrounding metro area, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, and the weak debt (in MN we see high liquidity and weak debt position because we can issue debt as needed and not have to let some of our infrastructure wait.) The offset to that is that 77% of the scheduled debt is going to be paid off within ten years.

On motion by Council Member Petersen, seconded by Council Member Furlong, with all present voting aye (5-0), motion carried to adopt Resolution No. 2018-108 awarding the sale of bonds as recommended by Springsted, Inc. to Janney Montgomery Scott LLC in the amount of \$6,940,000.00.

B. Richardson Elementary Variance and Site Plan Review

City Planner Erin Perdu presented a request for approval for Richardson Elementary.

- Richardson Elementary School has applied for three variances and site plan approval to allow for building additions and site improvements at the school.
- The work includes three building additions, changes to the bus loop, parking lot reconstruction, improvements to the ballfields, and new stormwater improvements.
- Variances are requested for the number of parking stalls, length of parking stalls and width and placement of access driveways on the site.
- The Planning Commission held a public hearing and reviewed the application at their regular meeting on August 2, 2018.
- No objections were raised from the neighbors at that meeting.

The Planning Commission made the following recommendations to the City Council:

- **Conditional approval** of a variance for the minimum required parking space size (18 ft. where 20 ft. is required) with the condition that all applicable engineering comments be addressed
- **Conditional approval** of a variance from the minimum required number of parking spaces on the site (71 provided where 134 are required) based on the fact that the ordinance requirements have created a practical difficulty to the reasonable use of the property for a permitted use (an elementary school), with the condition that all applicable engineering comments be addressed
- **Conditional approval** of a variance from the residential district driveway requirements on the site (for a 24-foot wide curb cut and a driveway leading to a non-enclosed parking area) with the condition that all applicable engineering comments be addressed

Council Member Walczak indicated that there was no site plan in the council documents to review, and therefore would like bring this item back after council has had time to review it.

On motion by Council Member Walczak, seconded by Council Member Furlong, with all present voting aye (5-0), motion carried to continue this item to the September 4, 2018 meeting to allow the Council to review the site plan for the project.

C. Interim Use Permit status update.

Attorney Soren Mattick updated Council on the status of the Interim Use Permit (IUP) for 2115 Burke Avenue. This item will be continued to the September 18, 2018 regular meeting for council consideration. This is not a clear-cut situation and there are conflicts between the requirements/conditions of the permit and the city code, as well as State requirements. In addition, there are conflicts from one section of the code to another related to parking. The main issue being parking in a residential area and how we measure distance using the right-of-way. Staff needs to review the code and the conditions of the permit and make recommendations. There needs to be an element of fairness to rectify and correct conflicting provisions. In addition, the Planning Commission is reviewing this at its September 5th meeting and will come back with recommendations. City Manager Waldron recommended that the IUP should govern and override the rest of the code when there is a conflict with the code. In this case, IUP rules would supersede the code.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to continue this item to the September 18, 2018 meeting to allow the City Attorney to put together a recommendation related to the IUP for 2115 Burke Avenue. The Planning Commission will begin review of the conflicting ordinances in the code book.

D. Review of data practices policy. (this is Item U from consent agenda)

City Manager Waldron presented a request to adopt the updated Data Practices Policy. Council Member Sonnek requested to have more time to review this policy and how the city charges for data requests. Sonnek questioned why the city would charge to send data electronically to one person if we don't charge someone else to come in and just look at the data. We should not charge just because we are allowed to. His point is that staff has to devote the time and resources to collect the data in either case.

There was no motion made. Council would like this brought back at another time for further discussion.

X. REPORTS OF CITY MANAGER AND DEPARTMENTS

There were no reports.

XI. REPORTS OF COUNCIL, COMMISSIONS & COMMITTEES

Council Member Sonnek noted that the September 6th Planning Commission meeting had been rescheduled to September 5th.

Council Member Petersen had the following:

- Municipal Revenue policies will be sent to the Metro Cities Board and then they go to the 2019 Legislative session.
- Ramsey County League of Local Governments now has a full board again. The annual meeting will be on November 29, 2018.
- Ramsey/Washington Suburban Cable Commission continues its litigation with Maplewood.

Council Member Furlong noted that POW/MIA Parade is September 6th at 6:30 p.m. beginning at the VFW. They will march down to the Veteran's Park.

XII. GENERAL BUSINESS

Council Member Petersen had the following general business:

- Thanked all who hosted National Night Out activities.
- Thanked residents in the 19th Avenue and Lake Boulevard area for their patience and persistence.
- Attended the Municipal Utilities dinner.
- Wished everyone a Happy Labor Day.

Mayor Kuehn received a thank you note from the Veteran's Memorial Committee and from the Splash people. They thanked the city, but it is them that make our city function well and do well by their involvement and participation.

Chief Duddeck addressed the council regarding the new student built house. Construction began on that today. The foundation was dug and the footings will be poured Wednesday. The goal is to get the basement in and complete and ready for the students to begin when school starts.

Duddeck also reminded council that there will be a street closure following the POW/MIA march on Margaret Street between Centennial and the slip ramp, and also a section of 12th from Helen to Margaret for that event.

A comment on the Richardson project. One of the concerns Duddeck had mentioned for the Planning Commission to consider is with the parking issue. Over the years there have been parking complaints at Cowern due to the amount of street parking there. This is a common code compliance issue because people block mailboxes and driveways. Also to think about watermain. There is watermain that runs right under Richardson School. Morgan Dawley noted that the engineer comments did take that into consideration. They looked at the fire flow through the model in the comprehensive plan. Upsizing a watermain between 17th and 15th to an eight inch from the existing size it is now will allow the city to abandon that watermain. There are other options as well to minimize the risk.

XIII. CLOSED SESSION

There was no closed session.

XIV. ADJOURNMENT

There being no further business, on motion by Council Member Furlong, Seconded by Council Member Walczak, with all present voting aye (5-0), Mayor Kuehn adjourned the meeting at 9:07 p.m.

/s/ Michael R. Kuehn, Mayor

Attest: /s/ Dr. Craig Waldron, City Manager