

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
AUGUST 7, 2019**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 5:32 p.m.

The following members were present: Mayor Heidi Gunderson, Council Members: Craig Johnson, Patricia Youker, Greg Urban and Bob Morse. The following member was absent: None.

Also present were: City Administrator Kevin Watson, Assistant City Administrator Tim Sandvik, Planning/Community Development Director Nolan Wall, Finance Director Bob Sundberg, Fire Chief Ed Leier, and Deputy City Clerk Peggy Aho.

Others present were: Andrea Blanchette, and Sheue Lee, WSB, Tim Finnerty and Randy Lafoy and Jim Dustin, Ramsey Washington Suburban Cable Commission, and Bob Vost, Kennedy & Graven.

1. Update on City's PAVER Pavement Management System (PPMS) and High-Level Budget Alternative Scenarios

Public Works Director Farrell introduced the item. In the past, the Council authorized a project to evaluate the City's pavements which facilitated creation of a city-wide Pavement Condition Index (PCI) map. This tool, the PAVER Pavement Management System, is a useful tool to help evaluate what pavement projects to do and when.

Andrea Blanchette, WSB, reviewed the results of the Pavement Management Study. Current rating average is 72 PCI. She shared the process for the research and the results of the study. They ran three models to date to see what the required budget would be to maintain the pavement at a certain level. The Council would need to decide whether to maintain the pavement at the rate of 67 PCI, 72 PCI or 77 PCI.

Farrell noted that he would like to eventually put the report and PCI map on the City's website. He said that the Study shows that the City's pavement does need significantly more investment than what the City has been doing each year. He said that the Council needs to consider what PCI rate they wish to shoot for. Blanchette said that WSB will finalize the map and that it will be useful for the Council, staff and residents.

City Administrator Watson asked if during WSB's review of the different conditions, did WSB talk to Public Works about when the roads were last worked on and does that factor into the rating. Blanchette said that now that the software is in place, it will be updated regularly and then used by the City to assist in determining what needs to be worked on. Mayor Gunderson said that she appreciates the work that was done and that she thinks it's a good idea to share it with the residents.

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2. Update on Negotiations with Comcast

City Administrator Watson introduced the item. He said that Comcast pays about \$160,000 in PEG fees from Vadnais Heights' residents and then about \$120,000 gets refunded back to the City and goes directly into the general fund. PEG fees can only be used for equipment needs within the operation and franchise fees can be used for anything. As part of our current franchise agreement, the PEG fees are \$4.60 and the City thinks that is too high. Watson has been engaged in negotiations with Comcast.

Under a new agreement with Comcast, the City would continue to have the 5% charge on revenue which is standard so instead of getting \$120,000 that we get refunded in the spring the City would get the entire \$160,000 over a series of payments. With the Cable Commission there is a healthy reserve, and with the City leaving the Commission we would be forgoing that and Comcast understands that so they are planning on giving the City \$170,000 up front over 2 years. These funds can be used for upgrades at the City. The PEG fee will be reduced to \$1.75. After the 4th year, that fee will change to a 2% charge on the revenue. We would start off getting two channels, standard and high definition.

Comcast has indicated that they will start charging for I-Net and they negotiated the cost of I-Net at \$330.00 a month for a 10 year contract. Will receive a few free cable boxes, but the City will need to determine if they want to pay for cable at City Hall. Leaving the Cable Commission will require the City to enter into an agreement with a different video/producer provider.

Watson noted that this agreement would be effective September 1. It is on the Council agenda for approval as well as authorizing him to write and submit a letter to the Cable Commission withdrawing its membership in the Commission effective at year end.

Jim Dustin, Cable Commission, raised the question about school/sports programming which is currently done by the Cable Commission. City Attorney, Bob Vost, said that the question of programming that has been produced by a cable commission for school programs, the question is who owns the intellectual property rights of the programming. He said that if it's a school sponsored event, although they may not provide the production crew, it is their event and they would ultimately control the programming. Although the cable commission may be producing the programming, there may need to be some arrangement for a leaving city on how that would be done. It has been successfully negotiated out with other communities that have left cable commissions. Yost noted that they have been negotiating this, but the negotiations are not complete yet.

Tim Finnerty, Cable Commission, said that the Commission has received a copy of the franchise agreement the City has negotiated with Comcast and they are just beginning to look at it. The Cable Commission is also currently negotiating their own agreement with Comcast but they are not done yet with the negotiations. He said he is not sure they can

or will be compelled to continue videotaping the sports programs and broadcast them for the Vadnais Heights residents. He said that the Commission was hoping that the City would remain with the members and they thought they were meeting the City's needs. He said they would like to continue discussions with the City on how the Commission could better meet the City's needs.

Mayor Gunderson said that she appreciates the Cable Commission and the work that Jim has done. She said that the programing has been great, but that she thinks times are changing and people are getting their communications differently. She questioned how many people are being reached for the money spent, and it is the Council's responsibility to see that those dollars are utilized properly to reach as many residents as possible. Council Member Johnson said that he would like to see what the revenue projection is the next 10 years. Watson said that is hard to create because revenue is based on what Comcast charges its subscribers and the number of subscribers.

Watson said this is a new revenue source that the City has never tapped into because it's been handed off to a cable commission. He said that he is working with Assistant City Administrator Sandvik to identify what the community needs might be and how best to reach them.

Gunderson thanked Jim for his years of service on the Cable Commission as a rep for the City. She then asked if the Council is prepared to act on this franchise agreement at the Council meeting. Council members stated that they were.

3. Discussion on 2020 Budget Breakdown: Public Works

Public Works Director Farrell gave a detailed overview of the 2018 expenditures from the Public Works budget including engineering, central garage, street maintenance, water utility, sewer utility and surface water utility. Mayor Gunderson thanked all department heads for presenting their budget items over the past couple months.

4. Hydrant Meter Rental

City Administrator Watson introduced the item, noting that this issue was brought up for discussion early this year by Council Member Urban. The City has had zero meter rentals this year. Watson reviewed examples of other municipalities' rental rates. He said that if the City decides to continue to rent out the meters, perhaps it should monitor the usage better and have some restrictions to people that are using the meter for projects within the community.

Council Member Urban said that he wanted to discuss meter rental rates because the City's current charge is more expensive than others. He said the problem with the way the City charges is that it is charging for the permit and another, irregardless of usage, \$45 per week that is concerning. He said that this is an essential service if you are building a project. He said that fees should be a flat rate and that he would rather see the rental rate raised but be a flat fee and that the weekly fee should be eliminated. Public Works Director Farrell suggested evaluating a higher deposit to encourage users to return

the meters and possibly specify which hydrant they should use. Mayor Gunderson said the City should be on par with what other cities are doing and that she likes the idea of a flat fee, plus usage charges.

Council Member Morse asked if there are any analytics for why people are using the meters for water. Watson said that staff can go back a couple years and come back to a Workshop with more information and a proposed new fee structure.

Council Member Johnson asked Farrell to look at the cost to the City for putting in a fill station. Urban to get names of cities that have fill stations.

5. Staff Updates

Fire Chief Leier noted that the Fire Department has had 166 calls over what they had last year at this time and the Department is struggling to get its regular work completed.

There being no further business, the Workshop adjourned at 7:02 p.m.