

**REGULAR MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
MAY 21, 2019**

The meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 7:04 p.m.

Everyone present stood and said the Pledge of Allegiance.

ROLL CALL

Upon roll call, the following members were present: Mayor Heidi Gunderson, Council Members: Craig Johnson, Greg Urban, Patricia Youker and Robert Morse.

The following members were absent: None.

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

City Administrator Watson provided several announcements.

APPROVAL OF AGENDA

Upon motion by Johnson, seconded by Morse, it was

19-05-186 “RESOLVED that the May 21, 2019 Regular Meeting Agenda be approved as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF MINUTES

A. April 22, 2019 Special Council Meeting

Upon motion by Youker, seconded by Johnson, it was

19-05-187 “RESOLVED, to approve the April 22, 2019 Regular Workshop Meeting Minutes, as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

B. May 7, 2019 Regular Workshop Meeting

Upon motion by Morse, seconded by Urban, it was

19-05-188 “RESOLVED, to approve the May 7, 2019 Regular Workshop Meeting Minutes, as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

C. May 7, 2019 Regular Council Meeting

Upon motion by Morse, seconded by Johnson, it was

19-05-189 “RESOLVED, to approve the May 7, 2019 Regular Council Meeting Minutes, as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF CONSENT AGENDA

Upon motion by Johnson, seconded by Morse, it was

19-05-190 “RESOLVED, that the Consent Agenda Item #7A-7G for the May 7, 2019 meeting be approved as follows:

- A. Approve Claims #77706 Through #77781 and Electronic Claims #1367 Through #1370 for Payment
 - 1. U.S. Bank Visa Payment in the Amount of \$5,742.29
- B. Approve a Temporary On-Sale Liquor License for the Vadnais Heights Lions Club for Heritage Days August 17, 2019 from 8:00 am to 11:00 pm and August 18, 2019 from 8:00 am to 8:00 pm and Waive the Fee
- C. Accept Drainage and Utility Easements at 506 and 512 Bear Avenue South
- D. Approve Submittal of an Application to VLAWMO for a Community Blue Grant
- E. Approve a Public Outdoor Permit for the Susan G. Komen Twin Cities 3-Day Event on August 17, 2019
- F. Approve Expenditure for Body Cameras as requested by Ramsey County Sheriff’s Department
- G. Authorize Mayor and City Administrator to Execute an Amendment to the Joint Powers Agreement with VLAWMO.”

Ayes – 5 Nays – 0

The resolution was adopted.

OPEN TO THE PUBLIC:

Ron Pierson, 4015 Alpine Avenue, stated that he is back before the Council to find out why he has not heard anything about his complaint he made regarding the condition and use of a neighboring property. Fire Chief Leier noted that the Fire Department had done a check on the property and found only one code violation and they then sent a letter to the property owner and the Council and the owner has fixed the code violation. Pierson said that he would appreciate a response from the Council. Mayor Gunderson apologized to Pierson and said that she will personally reach out to

him after the meeting. Fire Chief Leier said that he is unprepared to address Pierson's concerns at the meeting but could sit with Pierson and address his concerns.

Pierson also asked whether the old meters on the outside of homes could be removed or are they City property. Public Works Director Farrell said that he believes that the reads on the exterior of buildings aren't being used anymore. He said he will follow-up with Pierson once he checks.

Pierson also asked about upcoming construction work planned for Centerville Road that is scheduled to begin on June 4. Gunderson said that there is going to be curb work done. Public Works Director Farrell noted the County is planning on resurfacing the road between Edgerton to County Road E and up to County Road F.

Debbie Weidell, 777 Garceau Lane, addressed the Council concerning the status of the Veteran Village Homes that were built by the non-profit Journey Homes. She said that Mr. Huffman had originally told the neighbors that the homes would be owned by veterans with disabilities and that they would be well maintained but now the properties are rentals and not well maintained. She said there had been a lot of misrepresentation given to the neighbors. She asked who is accountable for these properties and wanted to know if the Council has an update. Gunderson assured Weidell that the Council has some of the same concerns and that the City has been working with Mr. Huffman to get the project completed. She said that the City is currently working with other stakeholders on partnering with them to get the property cleaned up and finished and then sold.

PRESENTATIONS:

A. Proclamation: National EMS Week – May 19-25, 2019

City Administrator Watson read the Proclamation: National EMS Week - May 19-25, 2019 recognizing the dedication and service of EMS providers during National EMS Week. The proclamation read as follows:

WHEREAS, providing emergency medical services (EMS) is a critical public service; and

WHEREAS, EMS teams in Minnesota include emergency physicians, physician assistants, emergency nurses, paramedics, emergency medical technicians, emergency medical responders, firefighters, law enforcement personnel, emergency medical dispatchers, educators, and administrators; and

WHEREAS, the lead agency for EMS in Minnesota is the Emergency Medical Services Regulatory Board; and

WHEREAS, members of EMS teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rates of those who experience sudden illness or injury; and

WHEREAS, injury prevention and the appropriate use of the EMS system will help reduce health care costs; and

WHEREAS, the city of Vadnais Heights recognizes the dedication and service of EMS providers.

NOW, THEREFORE BE IT RESOLVED THAT the Vadnais Heights City Council formally designates May 19-25, 2019 as Emergency Medical Services (EMS) Week in the City of Vadnais Heights.

B. Proclamation: National Public Works Week – May 19-25, 2019

Mayor Gunderson read the Proclamation: National Public Works Week – May 19-25, 2019 recognizing the contributions of public works employees and the services they provide. The Proclamation read as follows:

WHEREAS, public works services are important to the health, safety, and well-being of Vadnais Heights citizens; and

WHEREAS, these services can only be provided through dedicated public works professionals – including government and private sector employees who oversee water distribution, water treatment, wastewater treatment, sewer systems, equipment services, public properties, solid waste systems, city streets, and water utilities; and

WHEREAS, the support and understanding of an informed citizenry is vital to the efficient operation of public works systems; and

WHEREAS, the year 2019 marks the 59th Annual National Public Works Week sponsored by the American Public Works Association.

NOW THEREFORE BE IT RESOLVED that I, Heidi Gunderson, Mayor of Vadnais Heights, do hereby proclaim May 19 through May 25, 2019 as this year’s Public Works Week in Vadnais Heights, Minnesota, in recognition of the contributions of public works employees and the services they provide.

PUBLIC HEARINGS:

A. Consider Setting Assessment Rates for the Buerkle Road Project:

Public Works Director Farrell reviewed the current and proposed project schedule for the Buerkle Road project. Scott Haupt, S.E.H., gave an overview of the project. He said that the next steps are for the Council to hold the public hearing ordering the Project and establish the assessment interest rate. Bids would be opened in July and assessment hearing in August and then move on to construction. Haupt noted that the estimated project cost is \$645,000 (70/30 split). Haupt reviewed the estimated assessments for the five properties and noted that the final assessments won’t be known until bid opening. Farrell noted that the City received a draft Independent Benefits Analysis for the project last week. He said that based on the Analysis, assessments will be on the lower end. Farrell also reviewed the City’s assessment policy. Farrell’s recommendation is to hold and then close the public hearing, order the project and established the assessment interest rate. This item was not included in the City’s 2019 budget and they had planned on using state aid funds

for the City's portion of the project, but because of the way the project was developed that will not be possible.

Council Member Urban said that he doesn't think that it's appropriate for there to be a Public Hearing at this meeting and said that this item should be brought back to the Council at a Workshop because the Council just learned that the City cannot use State Aid funds to pay for the City's share of the Project as originally believed. He said that he understands that there is a timeline that needs to happen for it to get done this year, but he said that until someone tells him where the money to pay the City's portion is going to come from, he is not sure it makes sense to keep moving forward with the project. Council Member Johnson said that he has a similar concern since we just found out how the funding is changing. Johnson asked what impact there would be to the project if it were to wait two weeks so that the City can figure out which direction to go with the Project. He said that he would assume that the road would look the same whether it is done to state standards or not, so it shouldn't have much effect on property owners. Farrell said that he recommends that the City continue to move forward with the Project as currently designed, and that the City should hold the Public Hearing and then discuss the budget issues at the next Workshop and dig into what was happening at each decision point. Urban said that at this point he is more inclined to look at the more expensive project that would be paid with State Aid dollars. He said that he thinks we need to see what is in the best interest of the City.

Farrell reviewed the project costs and that approximately \$200,000 of the City's share would come from the stormwater utility fund and that some of the remaining share would have to come from other sources, so roughly half would come from the stormwater utility fund. Mayor Gunderson said that she is not prepared to make a decision until we figure out how to address the funding issue and asked if there is any harm in waiting. Farrell said that the City could continue moving forward with the project and still have the budget discussion later and make a decision later whether to continue with the current project or start over. City Administrator Watson said that the City could go through the bids process and get to the assessment hearing and decide at that point whether to move forward. Farrell said that if we move forward tonight, final plans would be available at the next meeting for consideration by the Council. Retooling the project to State Aid standards would be much more involved.

Council Member Johnson said that this isn't the project that the Council initially wanted. He said that initially the City wanted to build it to the type of traffic that it has, but its fallback position was that it would be too expensive and the assessments too high for the property owners too high. Johnson said he would like to get back in touch with the property owners about looking at building a higher quality road. He said he would like updated numbers including what the assessments would be with a road being built meeting State Aid standards and take that into consideration. Farrell said that the Council does have the discretion of adjusting assessments to property owners.

Gunderson opened the Public Hearing at 7:51 p.m. and asked if anyone wished to speak. There being no one, Gunderson closed the public hearing at 7:51 p.m. Gunderson asked if there was a motion ordering the Buerkle Road improvement. No one made a motion.

Urban asked that staff prepare options for the Project and where the money would come from and bring to the Council for further discussion.

City Attorney Hartmann said that Statutes says that a resolution ordering the improvements may be made anytime within 6 months of the Public Hearing occurring.

B. Consider Setting Assessment Rates for the 2019-1 Street Improvements Project:

Scott Haupt, S.E.H., gave an overview of the 2019 Street Improvements Project and the project schedule. Public Works Director Farrell reviewed the City’s Assessment Policy. Staff are recommending an interest rate of 6% for this project. He noted that anyone wishing to appeal their assessment needs to appeal it at this time in writing to the Council.

Farrell said that they received seven bids, and the lowest was OMG Midwest, Inc. doing business as Minnesota Paving & Materials. Farrell noted that the City’s 2019 Budget will need to be amended to cover the cost of the City’s share of the 2019 street improvements.

Mayor Gunderson opened the Public Hearing for the assessments at 8:01 p.m. Gunderson asked if there was anyone present that wished to submit a written appear to the Council. There were none. Gunderson closed the Hearing t at 8:01 p.m.

Upon motion by Urban, seconded by Johnson, it was

19-05-191 “RESOLVED that the Council adopts a Resolution adopting the assessment roll for the 2019-1 Street Improvements and interest rate at 6% as recommended.”

Ayes – 5 Nays – 0

The resolution was adopted.

Upon motion by Johnson, seconded by Morse, it was

19-05-192 “RESOLVED that the Council adopts a Resolution accepting the tabulation of bids and awarding the project to OMG Midwest, Inc. dba Minnesota Paving & Materials and to authorize the City Administrator to execute a construction agreement with S.E.H. for field construction services for the 2019-Street Improvements Project in the amount of \$37,700, as recommended.”

Ayes – 5 Nays - 0

The resolution was adopted.

OLD BUSINESS:

A. Consider Awarding a Contract for the 2019-1 Street Improvements Project:

Public Works Director Farrell noted that the Council awarded the contract as part of the motion in the earlier agenda item.

B. Consider Approval of a TIF Development Agreement for the Willow Ridge East Project:

Planning/Community Development Director Wall noted that before the Council for consideration is a new Tax Increment Financing (TIF) Agreement with Willow Ridge East

LP which was initially approved back in 2017. The construction of the project was delayed so that the property owner could obtain tax credits. There was a housing TIF district that was established as part of the original approval which was a pay as you go agreement. Since then, Staff have determined that there is sufficient funds to pay for the eligible project costs within the TIF district and as a result staff are proposing to terminate the existing agreement and approve a new agreement to use the pooled TIF funds. The use of the pooled funds is extremely limited, and is a use it or lose it, and instead of giving the money back to the county we should use them for this project. Staff administrative costs for this type of agreement are basically gone, and this type of agreement is similar to a forgivable loan. Staff are recommending a motion to pass a resolution that approves a new financing agreement with Willow Ridge East LP. Wall noted that the benefits of this agreement are that it takes away or reduces administrative costs, uses funds that are earmarked for a limited number of projects, and has taxing benefits.

Upon motion by Urban, seconded by Morse, it was

19-05-193 “RESOLVED that the Council adopt a Resolution approving a Tax Increment Financing Development Agreement for the Willow Ridge East apartment project, as recommended.”

Ayes – 5

Nays – 0

The resolution was adopted.

C. Consider Approval of an Amendment to the Development Agreement for the Willow Ridge East Project:

Wall reviewed the proposed amendments to the existing Development Agreement for the Willow Ridge East project. Previous conditions were approved in 2017 and subsequently reported. Any conditions that were established as part of that agreement were memorialized in the original agreement. The developer is requesting revisions to the Development Agreement which are basically site plan revisions. The sites plans are an exhibit to the Development Agreement. They are proposing seven changes, four of them have to do with signage. Most significantly, are two revisions including that the driveway is reinstated from the County Rd D Circle was proposed as part of the project. Through the approval process with the City Council, this driveway was removed and only allowed as an emergency access only. They are proposing to provide full driveway access, remove the signage and pavement markings and construct it as its own separate driveway. Secondly they are proposing to add a sidewalk on the south edge of the property and that connection would connect into an existing sidewalk for an extension to the sidewalk to County Road D. Wall said that the sidewalk will benefit all surrounding properties.

Wall reviewed the driveway drawings and said that it is staff’s recommendation that it be an entrance only driveway. It can be signed and striped accordingly.

Council Member Johnson said that that driveway was an initial concern with the neighbors, and asked if anyone has discussed the proposed change to the driveway with the neighboring property owners. Johnson asked if we get too many complaints can the City

close it off. Wall stated that there may be more cost efficient solutions than closing the drive. Mayor Gunderson said that when this came before the Council initially with an entrance/exit access and there would still be access for emergency vehicles and she said that she thinks the landscaping will be a nice buffer. She said that she agrees with Johnson that we had a lengthy debate with the neighbor, but with them not being notified is slightly remiss to moving forward. Johnson appreciated that comment and that he thinks the driveway turn is not very different from the turn that would be made inside the parking lot and the landscaping should shield lights. City Administrator Watson said that staff were discussing the possibility of having an escrow account so that if there are complaints, changes may be made to address the neighbor's concerns. Gunderson said she could live with that. Morse said that that sounds like a good compromise. Johnson agreed that that is a nice solution.

Upon motion by Johnson, seconded by Morse, it was

19-05-194 “RESOLVED that the Council approve the Amendment to the Development Agreement between the City of Vadnais Heights and Willow Ridge East, LP including the revised site plan with a condition that the driveway be entrance only and that there be an escrow account set up to address concerns of the neighbors to address any improvements to mitigate impacts of headlights, as recommended.”

Ayes – 5 Nays – 0

The resolution was adopted.

- D. Consider Approval of a 2019-2020 Work Plan resulting from the Council's Goals Session: City Administrator Watson noted that the Council met and came up with seven priorities including: developing a street reinvestment plan; formulating and adopting a 20-year Capital Improvement Plan; developing a proactive Economic Development Plan; creating and utilizing a service-level budgeting approach; developing communication/engagement strategies for greater community participation; maintaining or increasing housing values through a Housing Preservation Plan; and preserving and expanding the City's trail system. Mayor Gunderson thanked staff and the Council for participating in the Goals Session process.

Upon motion by Johnson, seconded by Youker, it was

19-05-195 “RESOLVED that the Council approves the 2019-2021 Work Plan as recommended.”

Ayes – 5 Nays – 0

The resolution was adopted.

NEW BUSINESS:

A. Consider Well Rehab Project:

Public Works Director Farrell reviewed Well #2's infrastructure needs and the action before the Council for consideration. Farrell noted that the work on the Well was anticipated and included in the CIP line item for 2019. He said that three bids were received and Keys Wells provided a very competitive bid of \$34,990.

Council Member Johnson said the City has four wells, and asked if there would be any benefit to doing more than one well at a time. Farrell responded that all wells are different. Johnson asked if the City could benefit from having a spare pump on hand so we wouldn't have to take a well out of service if there was an issue. Farrell said he will look into it and see if there is any benefit on having a back-up.

Upon motion by Youker, seconded by Urban, it was

19-05-195 "RESOLVED that the Council award an agreement with Keys Well Drilling Company for the inspection and maintenance of the pump at Well #2 in the amount of \$34,990, as recommended."

Ayes – 5

Nays – 0

The resolution was adopted.

B. Consider Setting Tuesday, June 4, 2019 Workshop and Agenda:

City Administrator Watson said that the Council will talk about the 2020 budget and Buerkle Road.

COUNCIL AND DEPARTMENT REPORTS

Public Works Director Farrell noted that staff is patching potholes and that they had helped perform difficult water service repair on County Road E and he thanked the businesses for their patience during the disruption of water service.

Planning/Community Development Director said that the Planning Commission is meeting next Tuesday to review a site plan for a building on County Road E and Hoffman Road and also that the Garceau Task Force has its first meeting on May 29. Wall has met with Hartmann to talk about possible Ordinance amendments to bring back to the Council in June regarding subdivisions.

Fire Chief Leier thanked the Council for its Proclamation for EMS Week. Trying to put together the budget presentation for a June Workshop. The good thing is that the Department calls are up 7%, and their on scene time is averaging 40 minutes per call. Some of that time is because of road construction, waiting for support.

Sandvik thanked the Council for its Proclamation in support of National Public Works Week and noted that the City has been doing a lot of public engagement about Public Works this week. He also noted that construction Bear Park playground has begun.

Council Member Morse said that he had recently attended a Heritage Days Committee and the Committee is making good progress in terms of sponsorship, fireworks and planning. He also noted that the Health and Public Safety Committee meets on May 22.

Council Member Youker attended the April VLAWMO Board meeting. Their 2018 Audit was approved for distribution and their fund balance has increased. She also noted that the draft Water Plan has been approved for distribution. She said that VLAWMO has received notice of award of a grant for Lambert Creek.

City Administrator Watson said that Ramsey County is doing some survey work in the Rice Street area because of the water level being so high in the area. The County thinks the water level will remain high and are looking at a long-term solution.

Mayor Gunderson thanked EMS and Public Works Department staff for their service. She also noted that she attended VHEDC luncheon which was well attended.

A motion to adjourn was made by Council Member Johnson at 8:42 p.m. Meeting adjourned.

Respectfully submitted,

Kevin Watson, City Administrator