

**WORKSHOP MEETING  
OF THE COUNCIL OF THE  
CITY OF VADNAIS HEIGHTS  
NOVEMBER 2, 2016**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Johannsen at 5:30 p.m.

The following members were present: Mayor Marc Johannsen, Councilmembers: Jerry Auge, Terry Nyblom, Craig Johnson and Bob Fletcher.

The following members were absent: None.

Also present were: Administrator Kevin Watson, Assistant Administrator Kathy Keefe, City Engineer Mark Graham, Finance Director Bob Sundberg, Fire Chief Ed Leier, Planning/Community Development Director Nolan Wall, and Deputy Clerk Beckie Gumatz.

**1. Sewer Calculation Rate Discussion**

- Sundberg explained that in past years the policy has been to use actual water usage for the 1<sup>st</sup> quarter as the base charge for sewer billing for all four quarters.
- There have been two main issues with this method. One is snowbirds that are gone during the first quarter don't have an adequate usage reflected in their 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarter billing.
- The second issue was some users used more water in 1<sup>st</sup> quarter than they do in 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarter, so they were negatively affected in later quarters.
- It was noted that the city has about 3,800 residential accounts. About 1,100 of those used more water in the 2<sup>nd</sup> quarter than the 1<sup>st</sup>. About 1,050 used more water in the 1<sup>st</sup> quarter than the 3<sup>rd</sup>.
- Fletcher asked what the best solution would be.
- Sundberg stated that there are a number of ways to do it.
- One option would be to make the second quarter a little shorter
- Sundberg also suggested using actual water usage for the 1<sup>st</sup> and 4<sup>th</sup> quarters for sewer billing.
- It was mentioned that there is a 6,000-gallon minimum charge for sewer usage each quarter.
- Sundberg estimated that between 15-20% of the households irrigate. These were the people who were most negatively impacted by the change.
- Johnson stated that he does not see the snowbirds being a major problem.
- The challenge is that if you lower the cost for one group, it will raise the cost for another group.
- Johannsen has concerns about turning this into a bigger issue for more people, or making things worse for everyone.
- Johannsen would like to see what the 4<sup>th</sup> quarter numbers look like and do some testing to see if using that usage would be a fair billing method and how it would impact residents.
- Sundberg noted that he made adjustments for residents with pools, those who were watering sod, or had a leak in their irrigation system.
- Fletcher asked what the average annual sewer bill is. Johnson noted that his was roughly \$280.
- Staff will look at 4<sup>th</sup> quarter usage numbers and bring back a discussion next February for the City Council to make a decision on any changes.

**2. Organizational Discussion of the Public Works Department**

- Graham explained that the Public Works Department is currently down two employees since Labor Day with the passing of Joe Momsen and Ken Novack resigning.
- The proposed plan would save approximately \$40,000.

- Graham anticipates that in the next 5 to 10 years, about half the current Public Works employees will be retiring.
- There are currently three employees in the department that could become the future of the Public Works Department and be around for many years. They have each been with the city for a couple years and have demonstrated a wide variety of talent.
- Graham would also like to get away from having separate Parks Department and Public Works Department; they should really be cross trained more.
- Fletcher asked if Council approval is needed to reorganize.
- Keefe explained that Council approval is needed to change the pay grade level of the three current employees.
- Auge asked if there is an automatic advancement from PSW I to PSW II. Keefe answered in the negative.
- There was discussion of each employee start date with the city and how to implement the raises for each as they started at different times. Keefe explained that staff has a plan to implement the pay increases.
- Graham stated that he believes with the current group of employees, and with additional cross training, they can get by with eleven employees in the department.
- Fletcher asked what would happen to the \$40,000 being saved. It was explained that it would be used to help the next year's budget.
- Council consensus was to move forward with this and put it on the November 16, 2016 Regular City Council Meeting Agenda.

### **3. Public Outdoor Event Ordinance Discussion**

- Watson explained that there have been questions raised at recent council meetings on this item.
- Most of the changes made when the Ordinance was amended were administrative to help staff.
- One of the big questions was regarding the church getting a permit to have their pumpkin patch event on their property.
- Watson explained that the church has always been required to get a permit and the city always waives the fee.
- Staff has received no complaints about the process.
- The other main question has been regarding non sporting events at the Sports Center.
- Watson explained that that requirement is in the Sports Center Development Agreement.
- Staff is looking for any suggestions from the City Council on any changes to be made to the City Code chapter.
- One recommendation from staff is to approve of these permits administratively. This would save a lot of time.
- Events with a noise component or that would impact traffic would still be brought to the City Council.
- Fletcher would like to make the process as streamlined as possible.
- There was discussion about having a new application each year for reoccurring events.
- Having a yearly application will ensure that staff has a correct contact and phone number each time the event takes place.
- Leier went over the Fire Department's review process.
- Nyblom would like events that could impact traffic to be reviewed by the City Council.
- Auge does not believe events need to come before the City Council.
- Johannsen stated that the pumpkin patch event could be taken care of administratively, as well as other events that have been approved in previous years.
- Johannsen would also like events that could have a traffic impact, or use city streets, to come before the City Council.

- Nyblom would like events that will have alcohol to also come before the City Council.
- It was noted that such events would require a temporary liquor license, which would also require City Council approval.
- Staff will bring a recommendation for an amendment to the City Code.

#### 4. Garceau Corner Update Discussion

- Watson noted that two developers are currently interested in building an affordable senior housing facility on the site.
- Affordable senior housing would entail independent living with rents between \$900 and \$1300. The people would have to be income qualified.
- These developers get funding through the Minnesota Housing Finance Agency (MHFA).
- MHFA is looking at changing their grant requirements for 2017. If the criteria were changed, this would result in a larger amount of funding that developers would be asking for from the city, which would make the Vadnais Heights project unfeasible.
- Additionally, the City Council also asked staff to look at market rate housing options.
- Staff recently met with Jason Aarsvold from Ehlers, realtor Mike Brass, developer Don Kraus, and VHEDC's Ling Becker. Mr. Kraus felt that market rate housing would work on the site. They are working on a market study.
- Staff also recently met with The Beard Group as well. They are currently looking for their next project. They were recently approved for a project in the City of Victoria.
- It was noted that they would likely need TIF funding to build high quality market rate housing.
- If the city was interested, they would do a market study.
- Staff is asking that the City Council decide and give direction on whether to focus on market rate housing or affordable senior housing.
- Johnson mentioned that with a senior housing facility would come more emergency service calls.
- Johnson would like to look at market rate housing.
- There was discussion regarding building height/number of stories for the site.
- Fletcher has concerns with building something more than three stories. He feels it would not fit with the neighborhood.
- Johnson asked if a market rate housing project would still qualify for the grants that the city has received. Watson answered that they would have to ask the grantors, but he felt most would.
- Nyblom noted that Dominion likes to do 55+ housing because seniors generally help keep the neighborhood quieter and put less wear and tear on the building.
- Council consensus was to focus on market rate housing proposals for the site.

**Adjourned at 6:56 p.m.**

Prepared for and approved by:

Attest:

---

Kevin Watson, City Administrator

---

Marc Johannsen, Mayor