

City of North Saint Paul
July 2, 2024
Approved City Council Workshop Meeting Minutes

I. CALL TO ORDER

A meeting of the City Council was held in the City Hall Council Chambers and was called to order at 5:15 p.m. by Mayor Monge.

II. ROLL CALL

Present: Council Member Schweer arrived at 5:42 p.m.
Council Member Nordby
Council Member Cole
Council Member Wong
Mayor Monge

Staff: City Manager Brian Frandle, Assistant to the City Manager Jennie Kloos, Finance
Director Dan Winek, Public Works Director Ron Ritchie, Public Works
Supervisor Randy Miller, City Attorney Soren Mattick

III. ADOPT AGENDA

On motion by Council Member Cole, seconded by Council Member Wong, with all present voting aye (4-0), motion carried to approve the agenda as submitted.

IV. TOPICS

A. Community Center – Next Steps

Finance Director Dan Winek presented this item, reviewed what has happened thus far and addressed questions and concerns from the previous workshop meeting.

Mr. Winek explained the Wold facility analysis report and briefly described the breakdown of the \$7.6 million dollars.

Council Member Wong inquired if the boiler replacement was included in the Wold report and noted a possible change to the totals depending on whether it was added or not. Mr. Winek stated he would have to look at the details of the report. He also stated depending on how the interior of the building may be constructed or used, it would affect the adequacy of the current heating and cooling system.

Mayor Monge inquired about the failure of the elevator. City Manager Brian Frandle stated the City's desire to wait on any elevator repairs until the City decides how to proceed with the community center.

Council Member Wong inquired about previous interior work. Mr. Frandle noted there was a small amount of interior work done due to safety concerns.

Council Member Wong clarified the grant amount would cover the community center for the first five years and the City would not have to fund the remaining \$1.7 million until year six, providing a long time to look at options to cover the remaining \$1.7 million.

Mr. Winek stated based on the totals, the grant amount would cover the first five years but his concern is where the money would come from to fund the remaining \$1.7 million and possible other unforeseen renovations that are not in the Wold report.

Council Member Cole reiterated the same sentiments for the remaining \$1.7 million would allow the City six years to plan for funding. Mr. Winek stated the facility assessment will show an accurate picture of what facilities across the City will cost moving forward and suggested starting the planning process soon.

Mr. Winek presented an estimated operating cost if the City ran the community center and summarized it would not be financially feasible to have the City run and operate the community center without partnerships from outside groups. He stated partnerships would be required in order for the community center to be financially sustainable.

Council Member Wong inquired about adding five different employee positions to other City operating costs. Mr. Winek stated it is added to all of the City's operating costs including the Enterprise, EDA, and HRA in the form of a transfer.

Council Member Nordby inquired if the \$150,000 capital replacement cost needs to be budgeted for each year. Mr. Winek stated yes, the City should budget for approximately 1.5-2.5% of the replacement value in order to allow for future improvements.

Council Member Wong stated the City would need to plan for \$150,000 each year. Mr. Winek stated the facility assessment would bring a better understanding of what would be needed.

Council Member Wong inquired if the annual estimated utility cost includes the fiber optics. Mr. Winek stated he uncertain. Mr. Frandle believed it was included in that figure but will double check.

Council Member Cole inquired about the janitorial cost estimate and the IT services line. Mr. Winek stated he used the janitorial cost of city hall as an estimated example and described how departments are charged for information technology services based on a per person allocation, noting other buildings within the City are not mapped out this way in terms of how money is allocated and what are building costs.

Council Member Cole inquired about the necessity of the additives. Mr. Winek stated those can be pulled off the estimate, if desired. Mr. Winek stated the importance of the capital improvement plan and the facility assessment in order to plan for future funding and to place the City in a better financial state moving forward.

Council Member Cole looked at the estimated cost numbers and inquired if the estimates are the highest cost possible. Mr. Winek stated yes, it is based on high-cost numbers.

Council Member Cole also inquired about private sector tenant lease funding some of the utility cost. Mr. Wink stated it could be funded that way depending on lease language.

Council Member Wong inquired about the definition of “other operating expenses.” Mr. Winek stated this would be expenses that do not fall under any particular category.

Mr. Winek briefly discussed the library and the information that Pang Yang, Director of Ramsey County Library, detailed at a previous City Council workshop meeting.

Council Member Nordby inquired about an accurate number of visitors per hour at the library. City Council stated Ms. Yang did not provide an answer for that and Mayor Monge stated he has inquired about a more accurate count but has not heard back.

Mr. Winek reviewed the results of the RFI and stated the City had received one completed submittal application from HYPE Volleyball Club generating \$60,000 a year. He also noted a variety of other phone calls of interested parties.

Council Member Wong inquired about the details of the received phone calls. Mr. Frandle stated the individuals he spoke with were seeking information on possible short- and long-term rental opportunities.

Mr. Frandle noted the groups he spoke with preferred a phone call inquiry versus filling out an application. Mayor Monge added some of the groups were given tours of the building.

Council Member Wong suggested reaching out to organizations or groups that previously showed interest and were initially engaged with Wold. Mr. Winek explained the solicitation process and will look at engaging those previously interested parties.

Mr. Winek stated the City did not get enough information from the RFIs and the communications that went out. He stated he is unsure of staff’s capacity to put out the communications to the 20 previously interested parties.

Mr. Winek reviewed the grant terms. Mayor Monge noted his disagreement with the 25-year term and Council Member Schweer noted her absence.

The Council discussed the uncertainty if the City defaults on the grant terms. Mr. Winek explained if the City defaults on the grant, the State can demand the grant recipient return the funds but does not specify any other details. If the City does not pay the allotted amount within 30 days, the State could discontinue the annual government aids in order to collect the allotted return funds.

The Wold report provided other options and estimates from June 2022 that included:

- Option 1 - Retainment of the library but the demolition of the community center
- Option 2 - Relocation of library to existing space and demolition of community center
- Option 3 - Construction of new library and demolition of community center

Council Member Wong inquired about the cost effectiveness to demolish the community center. Mr. Winek reiterated the estimates that were provided from the Wold report were from 2022 and new estimates would need to be researched and documented based on inflation.

Council Member Nordby inquired about the estimates solely based from Wold and no other internal or external source. Council Member Cole expressed his concern with the lack of detail in the Wold report.

Mr. Winek reviewed what has been presented thus far and what the City has learned. He recommended City Council discuss and decide on programming goals for the community center. This information will help staff have a clear understanding of programming priorities.

Council Member Cole requested a friendly amendment to the sentence that in part reads: “acceptance of the grant will increase financial risk to our community” and change it to “may increase.” Mr. Winek stated those comments were noted.

Mr. Winek stated a draft of an RFP is included in the packet. He looked at a similar RFP in Hibbing, Minnesota, and noted it would likely cost the City approximately \$45,000-60,000 for a facility assessment.

Mr. Winek thanked staff, Ava Griemert for assisting on the write-up of the RFP.

Council Member Wong expressed her concern that the economic and community impact is not measured in the existing information and needs to be sought out as part of the study.

Mr. Winek suggested any other questions or concerns regarding the RFP draft could be directed to him. He noted next steps would be to bring the questions or concerns to City Council and then decide on acceptance or denial of the grant and how to proceed accordingly.

Mr. Frandle noted the next meeting will not have a full Council and the first meeting in August was is not scheduled due to National Night Out. He noted the next meeting with a full Council will be the second meeting in August.

Elaine Barton noted the vision of the community center programming and suggested specific ideas or details on what is actually needed.

V. ADJOURNMENT

On motion by Council Member Nordby, seconded by Council Member Cole, with all present voting aye (5-0), meeting is adjourned at 6:26 p.m.

/s/ John Monge, Mayor

Attest:

/s/ Brian Frandle, City Manager / Clerk