

**City of North Saint Paul
September 17, 2019
Adopted Regular City Council Meeting Minutes**

I. CALL TO ORDER

Mayor Furlong called the meeting to order at 6:30 p.m.

II. THE PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

III. ROLL CALL

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

Staff: City Manager Scott Duddeck, City Engineer Morgan Dawley, Ryan Krzos -
WSB, Electric Director Brian Frandle, Finance Director Jason Zimmerman,
Public Works Director Nick Fleischhacker, Deputy Clerk Mary Mills.

IV. ADOPT AGENDA

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

V. PRESENTATIONS

There were no presentations.

VI. APPROVAL OF CONSENT AGENDA

Mayor Furlong requested the following correction to the September 3, 2019 minutes:

-Page 2, 2nd to last paragraph, 2nd line – replace “Paul Bruggeman” with “the City of North St. Paul”

On motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to adopt the consent agenda, Resolution No. 2019-118 consisting of:

- A. September 3, 2019 regular meeting minutes
- B. General accounts payable: \$2,227,594.64
- C. EDA accounts payable: \$925.00
- D. HRA accounts payable: \$22,248.34
- E. Authorize the closing of City Hall on Tuesday, December 10, 2019 from 11:30 a.m. until 1:30 p.m. to conduct an all staff recognition event

- F. Set Public Meeting Date for SWPPP Annual Review for November 19, 2019
- G. Set Public Hearing Date for Special Assessments for Unpaid City Bills on October 15, 2019. Resolution No. 2019-119.
- H. Approve Resolution Relating to Parking Restrictions on Anchor Drive (S.A.P. 151-020-033). Resolution No. 2019-120.
- I. Authorize Advertisement for Bids for the McKnight Road (CSAH 68) Intersection Improvements, City Project 19-02

VII. MEETING OPEN TO PUBLIC

John Schmahl stated he recently saw a sign for Columbus Township on a bridge over Highway 97. He added there was discussion regarding the addition of a City of North St. Paul sign on the Margaret Street bridge, but it is not allowed by the Minnesota Department of Transportation (MnDOT). He requested that City Staff look into this issue.

Mr. Schmahl asked whether the name “Anchor Drive” is the official name of the proposed street that will run through the Anchor Block property. City Manager Scott Duddeck that is the direction at this point.

Mr. Schmahl asked who will be responsible for snow removal on the sidewalk near the development. Mr. Duddeck stated maintenance has not yet been discussed, but the City’s policy is that sidewalks on main thoroughfares are cleared by the City.

Rachel DesJardins stated she hopes to open an Airbnb at her brother’s North St. Paul home at his request while he is deployed. She added City Staff informed her that short-term rental use is not allowed in the District where her brother’s house is located. She noted the home is located on an intersection, and she was told that rental use is allowed at other properties on the intersection.

Mr. Duddeck stated Airbnb is not recognized as a use in North St. Paul, and the rental housing license program is currently used to manage these types of requests. Mr. Duddeck agreed to work with Ms. DesJardins to find a solution. He noted many metro area cities have ordinances with specific licensing for Airbnb’s, but it is not prohibited.

Council Member Thorsen stated the City should take action to determine whether there is a need for regulation of this type of use.

Donald Bieniek, 2146 Belmont Lane E, stated he noticed addresses that were wrong in the newspaper notice and also in the Planning Commission’s last agenda. He added the public notice refers to 2544 7th Avenue and 2546 5th Avenue E. He noted the correct addresses are 2546 and 2554 5th Avenue E.

VIII. PUBLIC HEARINGS

There were no scheduled hearings.

IX. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. Rezoning of 2546 and 2554 5th Avenue E and Vacation of 5th Avenue E and Alley Vacation for Old City Hall Site Redevelopment

Ryan Krzos, WSB, filling in for City Planner Erin Perdu, reviewed a request to rezone properties located at 2546 and 2554 5th Avenue from R-3 to MU-1, to combine the properties under a single zoning designation. He added vacation of an alley is required as part of the improvements will be located within the alley. He noted the Planning Commission reviewed these two requests at their September 5, 2019 meeting and unanimously recommended City Council approval.

Deputy City Clerk Mary Mills stated the Resolution in the City Council meeting packet related to this item reflects the correct addresses.

Council Member Thorsen requested that City Staff review the pertinent documents and ensure that all addresses are correct. Mr. Duddeck agreed.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-121 Approving Rezoning of 2546 and 2554 5th Avenue E.

On motion by Council Member Thorsen, seconded by Council Member Petersen, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-122 Approving the Vacation of 5th Avenue and 7th Avenue Alley Right of Way.

B. City Acquisition of Property – Anchor Block North – Planning Commission recommendation

Mr. Duddeck stated the Planning Commission reviewed this item at their September 5, 2019 meeting, and unanimously recommended City Council approval of the acquisition of the Anchor Block North property by the City of North St. Paul.

C. Purchase Agreement for Anchor Block North property – Contract for Deed

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-123 approving the Purchase Agreement for Anchor Block Property.

D. Anchor Block Commons Grading Project (City Project No. C.P. 19-01) – Receive Bids and Award Contract

City Engineer Morgan Dawley reviewed City Project 19-01, authorization for bids for mass grading of the Anchor Block site. Remediations are planned as well as construction of stormwater ponding areas. Bids opened on September 12, 2019, and City Staff received 8 bids. The recommended bid is for approximately \$1 million from Rachel Contracting, the low bidder. He added City Staff is comfortable with this bid, which falls within project financial guidelines.

Council Member Sonnek asked whether the City has had any experience with Rachel Contracting. Mr. Morgan stated they did the grading work for Anchor Block South site so they are familiar with the area.

Mr. Duddeck stated Rachel Contracting was the contractor for the Polar Ridge project and has a good record with the City.

Mayor Furlong asked whether bids increase toward the end of the year. Mr. Dawley confirmed this, adding recent increases in construction projects have resulted in 10-30% price increases.

Mr. Duddeck stated the construction contract is contingent upon completion of the close of the sale of the property.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-124 approving Anchor Block Commons Grading Project (City Project No. C.P. 19-01).

E1. Approval of the preliminary 2019 General Fund budget and tax levy and set public meeting date.

Finance Director Jason Zimmerman reviewed the preliminary 2020 General Fund Budget and Levy. He stated three resolutions will be presented for the City Council's review and approval. He added the City-based levy is proposed for 5%, which is the smallest increase since 2014, and the estimated market value of the median value home in North St. Paul increased by 2.4% since 2014. He noted the median value increased to 16.1% for assessment year 2019 and taxes paid in 2020.

Mr. Zimmerman stated the 2020 preliminary budget includes goals and achievable outcomes. He added these include increased resources for public safety, including an additional Patrol Officer and an additional Community Service Officer, as well as on-paid on-call firefighters and the Fire Relief contribution fund. He added other goals are the promotion of redevelopment and focus on growth opportunities, for which there are associated costs. He noted expansion includes North and South Anchor Block and new apartments at Old City Hall site.

Mr. Zimmerman stated other municipalities have had median value increases, while others have decreased. He added North St. Paul is 5.5% above the next highest growth city. He noted the City can be proud of this indicator of growth, and the fact that the City has recovered from pre-recession highs.

Mr. Zimmerman stated it is important to note that the composition of the tax base in North St. Paul has shifted in 2019. He added, while 16.1% is the average home value increase, the value of every home in North St. Paul did not increase by 16.1%.

Mr. Zimmerman stated property tax relief programs are available to residents of North St. Paul, and administered by the State of Minnesota, including the Senior Citizen Property Tax Deferral Program, and the State Property Tax Refund Program.

Mr. Zimmerman stated City Staff recommends City Council approval of Resolutions related to the preliminary 2020 City budget, as well as tax levy for the Housing and Redevelopment Authority (HRA) and Economic Development Authority (EDA). He added the date of December 3, 2020 is requested to be set for the Truth in Taxation Hearing.

Council Member Sonnek asked whether Ramsey County uses a formula for determining property values. He added the County has indicated a 16.1% home value increase in North St. Paul, but the median value of homes in adjacent communities did not increase by that high amount. Mr. Zimmerman stated the County makes each assessment individually and using the area market. He added there may be slower growth in another city.

Mr. Duddeck stated a Realtors Association report indicates that the average home sale price in North St. Paul for August 2020 is \$235,000.

Mayor Furlong thanked Mr. Zimmerman for his presentation, as well as his hard work and efforts on the 2020 budget.

Mr. Duddeck stated the information presented by Mr. Zimmerman is available on the City website.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-125 Adopting 2020 Proposed Budget and Tax Levy and set the Truth In Taxation meeting for December 3, 2019.

E2. Approval of the Preliminary 2019 EDA Tax Levy

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2019-126 Adopting preliminary 2020 tax levy for the North St. Paul Economic Development Authority.

E3. Approval of the Preliminary 2019 HRA Tax Levy

On motion by Council Member Sonnek, seconded by Council Member Walczak, with Mayor Furlong and Council Members Petersen, Sonnek and Walczak voting aye, and Council Member Thorsen voting nay (4-1), motion carried to adopt Resolution No. 2019-127 Adopting the Preliminary 2020 Tax Levy for the North St. Paul Housing and Redevelopment Authority.

Discussion during the motion: Council Member Thorsen stated, as discussed in previous budget meetings, he will not support the Resolution adopting preliminary 2020 HRA tax levy as the current cash fund is sufficient and a maximum levy is no longer required.

On motion by Council Member Petersen, seconded by Council Member Thorsen, with all present voting aye (5-0), motion carried to set the date of the Truth in Taxation Hearing for December 3, 2019.

X. REPORTS OF CITY MANAGER AND DEPARTMENTS

Mr. Duddeck thanked the City Council for their support of the Anchor North Site project.

Mr. Duddeck thanked North St. Paul residents for their patience during the trash hauler contract conversion, delivery of new carts and collection of old carts. He added the third-party vendor who handled delivery of new carts did an outstanding job. He thanked Target Corporation for the use of their parking lot as a staging location. He reminded residents that recycling is now picked up on a weekly basis.

Mayor Furlong requested clarification regarding composting. Mr. Duddeck stated residents who subscribe to the yard waste program receive a 95-gallon container. He added a 2nd cart will be provided upon request at no additional charge.

Council Member Thorsen stated he did not receive an orange linen bag from the new collector for household recyclables. Mr. Duddeck stated the orange bags will be direct mailed to all homes in North St. Paul within the next two weeks from Simple Cycle. He added the bag will be replaced after it is collected.

Councilmember Thorsen stated some residents still have their containers from the previous collector, and what they should do to get them collected. Mr. Duddeck stated residents can call City Hall. He noted a separate phone line has been set up for retrieval of old containers.

Electric Director Brian Frandle reviewed a City-wide power outage that occurred on Sunday, December 15, 2019, due to a blown power transformer. He added a 5-year maintenance inspection is due this fall, and the contractor will replace a burned-out lightning arrester as well as 2 other lightning arresters.

Mr. Duddeck stated the City's siren went off that night as a result of the power outage.

Mr. Frandle stated Excel Energy has indicated that they will need to replace some residential gas main service lines into homes due to faulty pipes.

Mayor Furlong stated he noted that Jim Winkels, Amcon Construction, was in the audience earlier. Mr. Duddeck stated Mr. Winkels had a rendering of the development at the old City Hall site for the City Council's review, to place on site and for inclusion on the City website.

XI. REPORTS OF COUNCIL, COMMISSIONS & COMMITTEES

Council Member Sonnek stated the Planning Commission held their 2nd meeting on Thursday, September 12, 2019. He added the Commission's next meeting will be October 3, 2019.

Council Member Petersen stated the Park and Recreation Commission meeting was held September 28, 2019 at City Hall.

Council Member Petersen encouraged residents to participate in the Trick and Treat Trail on October 26, 2019 from 2:00-4:00 p.m.

Council Member Thorsen stated the Economic Development Authority (EDA) meeting on Tuesday September 10, 2019, included a presentation from Lane Becker, Ramsey County Workforce Solutions. He added EDA Board members will be conducting business retention visits throughout town in September 2019.

Council Member Thorsen stated the Ramsey Washington Suburban Cable Commission met on September 10, 2019, and Vadnais Heights is withdrawing from the Commission. He added Vadnais Heights is requesting an arrangement to receive service through the end of 2019. He noted this will be discussed further by the Commission, as well as the ongoing franchise renewal process with Comcast.

Mayor Furlong stated the POW-MIA parade held was last week amid pouring rain. He thanked the VFW, American Legion, Angela Strong, and everyone who worked hard to make the parade possible. He added the North High School choir performed without umbrellas, and the Salvation Army provided refreshments.

XII. GENERAL BUSINESS

Council Member Peterson encouraged residents to come out and enjoy the parade. She added Mayor Furlong will be the Grand Marshall. She noted the parade is sponsored by the Car Show. She thanked the Car Show for their sponsorship.

Mayor Furlong stated he will be absent from the City Council's next meeting on Tuesday, October 1, 2019. He added Council Member Walczak will be filling in for him.

XIII. CLOSED SESSION

There was no closed session.

XIV. ADJOURNMENT

There being no further business, on motion by Council Member Petersen, Seconded by Council Member Walczak, with all present voting aye (5-0), Mayor Furlong adjourned the meeting at 7:56 p.m.

/s/ Jan Walczak, Acting Mayor

Attest: /s/ Scott A. Duddeck, City Manager