

City of North Saint Paul
April 7, 2020
Adopted Regular City Council Meeting Minutes

I. CALL TO ORDER

Mayor Furlong called the meeting to order at 6:30 p.m. The meeting was conducted via Zoom.

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, City Planner Erin Perdu, Finance Director Jason Zimmerman, City Attorney Soren Mattick, Deputy Clerk Mary Mills.

IV. ADOPT AGENDA

On motion by Council Member Petersen, seconded by Council Member Walczak, 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

On motion by Council Member Sonnek, seconded by Council Member Thorsen, with all present voting aye (5-0), motion carried to approve the consent agenda, Resolution No. 2020-046 consisting of:

- A. March 17, 2020 workshop meeting minutes.
- B. March 17, 2020 regular meeting minutes.
- C. General accounts payable: \$515,175.75.
- D. HRA accounts payable: \$8,611.77.

VII. MEETING OPEN TO PUBLIC

John Schmahl, 2750 Chisholm Avenue, stated he would like to comment on the City's phone system set-up during the COVID-19 situation. He added he called the City's main phone line on

Monday, March 30, 2020, to figure out how to access the Planning Commission's April 2, 2020 online Zoom meeting, as the online link posted on the City's website was not working. He noted the phone system sent him through the menu of options numerous times without talking to anyone. He finally selected the Parks and Recreation option and was able to talk to Keith, who sent him a Zoom meeting link.

Mr. Schmahl stated it would be helpful to have a voicemail option so residents can leave a message for a call back, rather than getting stuck in the loop and not speaking to anyone.

City Manager Duddeck stated he would look into that, and check the date and time that it happened, because looping should not be happening. He added there are three City Staff working from home who are set up to answer the City's phone lines remotely. He noted he would review the phone menu system to ensure that callers are able to speak with a City Staff representative.

VIII. PUBLIC HEARINGS

A. Public Hearing on the Proposal to Adopt a Street Reconstruction Plan and the Intent to Issue General Obligation Street Reconstruction Bonds

Finance Director Jason Zimmerman reviewed the proposed issuance of General Obligation bonds, in accordance with State Statute Chapter 475, for the 2020-2024 5-Year Street Reconstruction Plan. He added street reconstruction plans are a useful planning tool that can complement traditional budgeting processes, as they outline costs, funding structure, and provide an indication to the community of future street reconstruction plans. He noted the proposed Resolution calls for the issuance of bonds up to \$6.1 million which exceeds the feasibility study and will allow for changes and adjustments without requiring another public hearing.

Mr. Zimmerman thanked City Engineer Morgan Dawley for his assistance in putting together the project details included in the meeting packet. He stated maps, descriptions, justification and financial considerations for each portion of the project are included. He added a list of projects is included on page 54, as well as a pavement condition index on page 56, which provides justification for the projects as outlined. He noted a PCI index on page 58, shows City streets and their conditions in a list format, rather than a map.

Mr. Zimmerman stated City Staff recommends City Council adoption of the Street Reconstruction Plan as outlined, and approving issuance of General Obligation Street Reconstruction Bonds.

Mr. Zimmerman stated the next item on tonight's agenda will be presented by Mr. Dawley and relates to City Staff's request for City Council approval to move forward with advanced funding of approximately \$2.2 million from the Minnesota Department of Transportation's Minnesota State Aid Fund. This advance would potentially allow the City to change the funding mechanism for this and future projects, reduce issuance of the debt and lower interest fees, and remove a levy component.

Mr. Dawley stated a direct benefit of this first come, first served, interest-free State Aid funding is significant savings from a levy standpoint.

Mr. Zimmerman stated the City will have a combined total of \$3.6 million in funding to be applied toward MSA-eligible costs. He added the City will save approximately \$800,000-850,000 in interest over the next 10 years.

Mayor Furlong opened the public hearing at 6:51 p.m.

John Schmahl asked, with regard to the PCI number, whether the road is in good shape if the number is higher. Mr. Dawley confirmed this.

Mayor Furlong closed the public hearing at 6:53 p.m.

Council Member Sonnek requested clarification regarding the nature of the loan, and whether it is interest-free and guaranteed. Mr. Dawley stated the State of Minnesota does not consider it a loan, but rather a form of financing, with limitations related to how much each City can request and receive, and the use of annual allocations that the City normally receives to pay off the advance. He added the funding is first come, first served, at this time there is funding available, but it is not guaranteed. He noted, if approved, the City will be notified by the end of the week whether funds are available.

Council Member Sonnek stated page 46 of the meeting packet refers to a petition process, wherein voters may petition for a reverse referendum on the issuance of street reconstruction bonds. He asked whether voters could vote to have the referendum reversed.

Mr. Zimmerman stated previous projects were completed through the use of assessments, and a reverse referendum process was not required. He added, due to the additional funding source, there is a requirement for advance notice and a 30-day window for a reverse referendum.

Councilmember Thorsen asked whether this will be the new process moving forward. Mr. Duddeck confirmed this.

Council Member Sonnek stated page 56 of the meeting packet shows a map with remaining street projects. He asked whether there has been any discussion about which project or projects will be constructed next, after the five years is completed.

Mr. Dawley stated the current focus is on the three project areas currently being presented for City Council consideration. He added further consideration will be ongoing as City Staff tracks street deterioration. He noted City Staff reviews approximately 1/3 of the City's streets annually. He added it is hoped that this process will continue on an annual basis, and a version of this document will be reviewed by the City Council annually.

Council Member Thorsen requested clarification regarding current interest rates. Mr. Zimmerman stated the interest rate is currently around 3.5% but it is an extremely volatile market, and there are many factors to consider including geographic location and debt funding.

Mr. Duddeck agreed, adding the City intends to hold off on bond sales as long as possible due to the volatility of the current market.

On motion by Council Member Sonnek, seconded by Council Member Thorsen, with all present voting aye (5-0), motion carried to adopt Resolution No. 2020-047 approving Street Reconstruction Plan and Issuing General Obligation Street Reconstruction Bonds.

IX. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. State Aid Advancement Funding Request

City Engineer Morgan Dawley reviewed a proposed request for a Municipal State Aid street funding advance, for which the City is eligible to support the 2020 Street Utility Project on 7th Avenue and adjacent streets. The advance is populated through State funding from the gas tax, sales tax and related fees, and is divided among cities with a population over 5,000, based on population and State Aid needs.

Mr. Dawley stated, as Mr. Zimmerman noted, there is an existing balance in the MSA account of approximately \$1.4 million, available for use on eligible projects. The proposed advance request would be for \$2.2 million, which is the maximum allowable amount and equal to five times the City's annual allocation up to \$4 million. This funding is available on a first come, first served basis, and dependent upon availability at the time of the City's request.

Mr. Dawley stated, if approved, funding would be requested and could be available in approximately 1 week, after which it would be available for allocation to eligible projects by the Finance Department.

Mr. Dawley stated the proposed request for an advance of \$2,196,550 would be replenished from the City's gas tax. He added gas tax revenues fluctuate at the State level, which could alter the rate at which the advance is paid back, but not in a significant way.

Council Member Thorsen asked whether the City has ever borrowed this type of funding. He asked whether the MSA funding could be requested again before the advance is paid back in full. Mr. Dawley stated the last time this type of funding would have been used was the Highway 36 project, although there is no evidence of a previous advance.

Council Member Thorsen asked whether the MSA funding would need to be paid back in full before additional funding could be requested. Mr. Duddeck stated there will not be any future projects that involve State Aid roads, so there would not be a need for this type of funding.

On motion by Council Member Petersen, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to adopt Resolution No. 2020-048 approving State Aid Advancement Funding Request.

X. REPORTS OF CITY MANAGER AND DEPARTMENTS

Mr. Duddeck thanked the City Council for their patience in figuring out how to conduct this online Zoom meeting, which will be used for City Council meetings for the foreseeable future. He urged residents to contact him if they are having issues with reaching City Staff, with regard to City services including building permits and utility billing. He stressed the importance of protecting the health and safety of the City's residents and City Staff.

Mr. Duddeck stated road construction projects will move forward as planned, including 7th Avenue from 1st Street to 3rd Street, which is scheduled to begin April 20, 2020. He added the McKnight Road and Anchor Drive redevelopment projects are scheduled to begin April 23, 2020. He noted Excel Energy has begun sewer main replacement on 7th Avenue.

Mr. Duddeck stated online pre-construction meetings are taking place, and every effort is being made to protect contractors and City Staff.

Mr. Duddeck stated multiple meetings have been held regarding the Uptown Commons Project at the former City Hall site, and an agreement is imminent. A special City Council meeting may be necessary in the next week to review that agreement.

Mr. Duddeck stated the City's playgrounds are closed and marked with signage and caution tape, in an effort to protect residents and children. He added the City's parks and trails are open, and the Casey Lake Park Building restrooms are open. He noted safety measures are being taken wherever possible.

Mayor Furlong stated he has been contacted by residents who have asked whether the playgrounds could be disinfected. He added he assumes this would be a very difficult and continuous task.

Mr. Duddeck agreed, adding it is not practical or feasible to consider disinfecting the equipment, because it would need to be continuous to prevent contamination and exposure. He added the playground equipment can be thoroughly cleaned when playgrounds are opened.

Mr. Duddeck stated mill and overlay projects will be completed on some streets near Richardson School, specifically 15th Avenue between Helen Street and Margaret Street. He added Xcel Energy is looking at doing gas service main replacement at that location before the City's project begins. He noted mill and overlay is also being considered for Seppala Boulevard as the roadway surface is in poor condition and will be restored to two-way traffic with new striping.

Council Member Walczak requested an update on progress at the school-built house. Mr. Duddeck stated the class instructor is continuing to work on it, with assistance from a part-time

staff member. It is hoped that they can get the house closed in as soon as possible. A summer collaboration with St. Paul College is being pursued.

Mr. Duddeck stated City residents should reach out to Police and Fire Department first responders if they are in need or require support. He added calls for support have decreased, and City Staff are monitoring the situation daily. He noted scheduled Zoom meetings are being held with Public Works staff as well as weekly meetings with the County Manager and other City Managers.

Council Member Petersen asked whether the City's first responders have all the equipment they need. Mr. Duddeck stated supplies are running low, and it is not possible to order replacement equipment.

Mr. Duddeck stated he would like to schedule a weekly Workshop to keep the City Council informed.

Mayor Furlong stated he would support having a City Council Workshop every other Tuesday night when there is no City Council meeting, to get an update on from the City Manager. He added the City Attorney has indicated there have been many legislative changes that should be brought to the City Council's attention.

Mr. Mattick stated there have been many changes, and not much precedent for dealing with the unprecedented situation. He added the City of North St. Paul is in a good position, and Mr. Duddeck has done a great job of putting things in order and taking care of employees.

XI. REPORTS OF COUNCIL, COMMISSIONS & COMMITTEES

Council Member Sonnek stated the Planning Commission held the City's first online meeting on April 2, 2020. He thanked City Planner Erin Perdu and Planning Secretary Olivia Boerschinger for organizing the meeting. He added the 7th Street townhomes Planned Unit Development plan was recommended for City Council approval. He noted there was a lengthy discussion regarding the removal of approximately 2/3 of the trees on this heavily wooded site. The developer has exceeded the required number of trees to be planted; however, a condition of approval was added that the developer would continue to work with the City Engineer and City Staff to determine whether more trees can be saved, or added.

Council Member Sonnek stated the Planning Commission did not discuss the proposed chickens and bees Ordinance. He added numerous residents have expressed their desire that the Ordinance go through as soon as possible. He noted he had hoped that University of Minnesota experts could provide additional information at a City Council meeting, as previously discussed.

Mr. Duddeck stated it was hoped that some experts could be available for the City Council's April 1, 2020 meeting, but City Staff have been unable to set it up due to recent changes.

Mr. Duddeck stated he has received many calls about yard waste collection, which will begin on April 20, 2020. He added the compost site is not open yet but will hopefully open within the next week. He noted residents who subscribe to the yard waste removal program will not be charged for extra compostable bags that they leave out for collection, and an additional cart can be delivered to them at no cost.

Council Member Thorsen stated both EDA and Business Association meetings have been postponed for the foreseeable future. He added it is hoped that there will be meetings again in May.

Mr. Sonnek expressed his gratitude to Mr. Duddeck for his management of the City's responses to the pandemic. He also thanked the City's Police and Fire operations on the front lines, as well as all the City Staff who are working hard to maintain City services.

Council Member Petersen wished everyone a Happy Easter and Happy Passover. She recognized Rachel Thompson, a local resident who has opened a local neighborhood pantry. She added Ms. Thompson has been receiving donations of food and supplies, which are greatly appreciated. She noted the Easter Bunny will be stopping at Ms. Thompson's pantry on Saturday April 11 at 4:00 p.m.

Councilmember Thorsen thanked Mr. Duddeck for his hard work in keeping the City running smoothly while dealing with the unprecedented stay-at-home order. He added this is a frustrating time, but the City's decisions are based on recommendations from the Minnesota Department of Health and the CDC. He noted, moving forward, the City will be able to look back on this time and do some planning, including a stockpile of PPE equipment for the Police and Fire Department.

XII. GENERAL BUSINESS

Mayor Furlong stated the City of North St. Paul is doing a great job in this very difficult time. He added the City Council is staying informed and City Staff are working to keep City services running smoothly. He urged residents to reach out to the City Council and City Staff with any concerns or needs.

Mr. Duddeck stated customer service is a high priority, and City Staff are working hard to ensure that the needs of all the City's residents will be met. He urged residents to contact City Staff with questions or issues.

Mayor Furlong stated he and Mr. Duddeck have discussed reaching out to local churches as a resource for residents.

XIII. CLOSED SESSION

There was no closed session.

XIV. ADJOURNMENT

The next regularly scheduled City Council meeting is Tuesday, April 21, 2020 at 6:30 p.m.

There being no further business, on motion by Council Member Sonnek, Seconded by Council Member Walczak, with all present voting aye (5-0), Mayor Furlong adjourned the meeting at 7:42 p.m.

/s/ Terrence J. Furlong, Mayor

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