

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, SEPTEMBER 27, 2021 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, September 27, 2021, in person. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Bartholomew, Council Members: Piekarski Krech, Dietrich, Murphy, and Gliva; City Administrator Wilson, City Attorney McCauley Nason, City Clerk Kiernan, Interim Public Works Director Eckles, Community Development Director Rand, City Planner Hunting, Fire Chief Thill, and Finance Director Hove.

Also Present:

Mayor Bartholomew stated Agenda Item 6A. Consider Approval of Acceptance of Minnesota DNR Grant for Heritage Village Park, has been pulled from tonight's Agenda.

3. PRESENTATIONS:

There were no presentations.

4. CONSENT AGENDA:

A. Minutes from the September 7, 2021, City Council Work Session.

B. Resolution 2021-251 Approving Disbursements for Period Ending September 21, 2021.

C. Consider Approval of Personnel Actions.

D. Consider Approval of Individual Massage Therapist License for Danielle Widen, at OyeSpa Aveda Lifestyle Salon & Spa.

E. Consider Approval of Real Property Identified by PID #20-00700-08-015 for Potential Acquisition Purposes.

F. Consider Approval of **Resolution 2021-252** Approving Settlement Agreement in Kleiber v. Nelson Auto Center.

G. Consider Approving Amendment to Lund Easement Purchase Agreement.

H. Consider Approval of a **Resolution 2021-253** Receiving Proposals, Selecting WSB for Consultant Administrative Services, and Appointing Additional Members for the Pavement Management Task Force.

I. Consider **Resolution 2021-254** Approving Change Order for City Project No. 2021-11 - Trunk Storm Sewer Extension for Landlocked Basin JP-1 (South Grove Townhomes Development).

J. Consider **Resolution 2021-255** Approving an Amendment to Engineering Services Proposal from Short Elliot and Hendrickson, Inc. (SEH) for City Project No. 2021-09D Bryant Lane Area Improvements (aka Majestic Woodlands).

Councilmember Murphy requested pulled Agenda Item 4I.

Audience Member requested pulling Agenda Item 4D.

Motion by Murphy second by Gliva to approve the Consent Agenda with the exception of Agenda Items 4D and 4I.

Ayes: 5

Nays: 0 Motion carried.

Agenda Item 4D. Consider Approval of Individual Massage Therapist License for Danielle Widen, at OyeSpa Aveda Lifestyle Salon & Spa.

City Clerk Rebecca Kiernan stated this was pulled at the request of the Applicant, Danielle Widen.

Danielle Widen, 1780 93rd Circle East, introduced herself and said she has been doing massage for awhile and wanted to come forward for approval.

City Clerk Kiernan stated Ms. Widen did the required background investigation. She recommended approval of the request.

Motion by Piekarski Krech second by Gliva to approve the Individual Massage Therapist License for Danielle Widen, at OyeSpa Aveda Lifestyle Salon & Spa.

Ayes: 5

Nays: 0 Motion carried.

Agenda Item 4I. Consider Resolution 2021-254 Approving Change Order for City Project No. 2021-11 - Trunk Storm Sewer Extension for Landlocked Basin JP-1 (South Grove Townhomes Development).

Councilmember Murphy asked if this was a product of being unable to see underground. He questioned if some digging was done, and things were found that had to be dealt with in a different way. He wanted to know how this came about.

Interim Public Works Director Klay Eckles responded this project is to try to provide an outlet for an area of town that doesn't have a way for water to escape. When the developer came forward to develop the property, Staff wanted to move forward with their project in parallel with the developer project. A quick estimate was done in the office and the estimate turned out to be off significantly. What may have happened is that it is currently a very volatile market. It was discovered as they got into the design that the pipe had to go deeper. Getting to a certain depth requires trench boxes to protect the surrounding area. The developer would be installing lots after the pipe is done, Staff doesn't want to disturb land the developer is putting lots on. Because there is some benefit to the developer, the developer agreed to participate in the extra costs above what Staff estimated.

He said the Engineers are a bit embarrassed by the overage. When he looked at the area, he noticed power poles were in the way of construction and they need to protect the foundation of those homes. If this would not be done the developer would likely have to wait a couple of years for the soils to reconsolidate. He said it was in everyone's interests to get this project in. It protects the neighborhood from flooding and the developer is willing to work with the city to get this done. Staff recommends moving forward.

Motion by Murphy second by Piekarski Krech to approve Resolution 2021-254 Approving Change Order for City Project No. 2021-11 - Trunk Storm Sewer Extension for Landlocked Basin JP-1 (South Grove Townhomes Development).

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

6. REGULAR AGENDA:

Parks and Recreation:

A. Consider Approval of Acceptance of Minnesota DNR Grant for Heritage Village Park.

This item has been pulled from the Agenda per Staff request.

Community Development:

B. Consider Approval of Rental Licenses.

Community Development Director Heather Rand stated the request is for two Rental Licenses for properties located at:
 7550 Banning Way
 6852 Craig Court

The Applications have been reviewed. These are two-year licenses. The Police Department conducted background checks on the management firm and approved the license applications. Staff recommends approval of the two requests.

Motion by Dietrich second by Gliva to approve Rental Licenses for properties located at:

**7550 Banning Way
 6852 Craig Court**

Ayes: 5

Nays: 0 Motion carried.

C. TEXAS REPUBLIC SIGNS - Consider the following requests for property located at 11650 Courthouse Boulevard:

- 1. A Resolution relating to a Variance to allow a free-standing sign 75 feet in height whereas 38 feet is the maximum height at this location. Resolution 2021-256**
- 2. A Resolution relating to a Variance to allow a free-standing sign 309 square feet in size whereas 100 feet is maximum. Resolution 2021-257**

City Planner Allan Hunting stated the request is from Texas Republic Signs for the Pilot Travel Center located on the east side of Highway 52/55 and 117th Street. The Applicant is proposing a new free-standing sign larger than currently on site. This would provide better visibility for semi-trucks heading northbound as the 117th Street Bridge has a big impact on visibility for the site.

The proposed location of the sign was referenced on an aerial photograph. He stated the Applicant would remove the location "A" sign which has an existing pilon next to it. If the variance is approved the Applicant would also remove the sign in location "B".

An image of the proposed sign was shown and would be 75 feet in height. City Planner Hunting stated all signage together would be just over 309 feet high. Maximum height in I-1 is 10 feet above building height. The building is 28 feet high, maximum height would be 38 feet. The maximum size square footage for a sign freestanding is 100 square feet. Staff has not located a history of variances. Each existing sign has been larger than 100 square feet and the other 52 feet high. There have been signs up to as high as 240 square feet in the city. With the different oil companies that have come through this location, the signage has changed over the years with a history of larger signs on site. 117th Street

does limit visibility for trucks heading north. Semi-trucks need more time than a typical passenger car so they can find the site, get into the correct lane, and safely exit the freeway. The Applicant has said they would remove the 2 signs if approved.

He stated Staff has a history of recommendations being more conservative, concerned about size and height, and believe this could be accomplished with a smaller sign. Staff believes from looking at the pictures provided by the Applicant, the "Pilot" signage would be about 62 feet high and visible with a 240-foot sign. He said the Applicant pointed out they need the additional height to include pricing and to show the restaurant. Those details are important to their clientele. He stated the Planning Commission reviewed and felt strongly the variances were warranted to provide visibility for the site and recommended approval 8/0. The Resolution in the Council packets is an approval Resolution approving a 75-foot-tall sign and 309 square feet as the Applicant proposed.

Councilmember Piekarski Krech asked if it interferes with regulations. She asked if there was anything stating they cannot have a 100-foot-tall sign in the Ordinance. City Planner Hunting responded they do not. Some areas have overlays such as the airport where there is a limit, but there is nothing in this area that would limit. There were no other issues with height.

Councilmember Dietrich asked if the lumens would be the same or if it would be brighter, different bulbs. She was curious about how light it would be when it's very dark. City Planner Hunting responded there is only a maximum lamination on dynamic billboards. Free standing signage does not have a maximum.

Councilmember Piekarski Krech asked if there were residential properties in the area. City Planner Hunting responded there is no residential in the area. There is Industrial, DNR behind, and a Distribution center. She stated the sign would be lit 24/7. City Planner agreed it would be lit 24/7.

Michael Everett, Texas Republic Signs, 2211 Pech Road, Houston, Texas, 77055. He stated he has Ross Shaver on the phone who was unable to make it due to Pilot's protocol with Covid-19.

Ross Shaver, Project Manager for Pilot Travel Centers, 5508 Lonas Drive, Knoxville, Tennessee, 37909. He stated Covid has changed the trucking industry. Pilot owns and operates two brands; Pilot Flying J is the largest travel center truck stop company in North America. They had a majority of their customers under Contract where trucking companies would have to fill up their diesel at this facility. With truck driver shortages due to Covid, trucking companies were allowed to fill up wherever they want to get the best pricing. That has required their company put importance to having a good price. He stated that truck drivers price fuel far in advance. Not only is the Pilot name and price important, it is also very important to let them know what restaurant concept is at the facility, which is a Subway. He said they own and operate about 750 locations. There is a lot of information available about what is needed for height and square footage for legibility and safety. For big vehicles moving at a fast pace, they want to them to have a quarter mile visibility for them to be able to make a safe maneuver. That is how they came up with 75 feet along with a flagging study. The signs are very expensive at about \$2,000 per lineal height.

Mr. Everett displayed diagrams of scale, one included the current sign and the proposed sign, a quarter mile from the exit point. At a half mile, it was not visible. He responded about the Lumens saying it dims itself during the night, so it is not as bright, during the day it does brighten. It would not be any brighter than it is now.

Mayor Bartholomew asked if the Applicant proposes putting any other plaque on the sign if they would need to come before the Council with the request. City Planner Hunting responded that was correct, they would have to ask for a new variance. Mayor Bartholomew questioned if the only thing that can be changed is the content. City Planner Hunting agreed.

Councilmember Murphy asked if it was a condition of the variance to remove two signs to put up one sign. City Planner Hunting responded he did not add that but felt it was wise to add that as part of the condition of the variance approval. Add that the variance would be approved provided both signs "A" and "B" are removed.

Mayor Bartholomew stated the Planning Commission approved the height and square footage. He said he sees no reason not to approve. The more visibility, the more advantageous it would be to get trucks/vehicles off to that station without an accident. He said he could support both variances; 75 feet and the square footage of 309.

Councilmember Murphy stated he could support. He said he would feel more comfortable adding the condition to remove two signs to add the one larger sign.

Motion by Murphy second by Gliva to approve the request by TEXAS REPUBLIC SIGNS for property located at 11650 Courthouse Boulevard:

- 1. A Resolution 2021-256 relating to a Variance to allow a free-standing sign 75 feet in height whereas 38 feet is the maximum height at this location.**
 - 2. A Resolution 2021-257 relating to a Variance to allow a free-standing sign 309 square feet in size whereas 100 feet is maximum.**
- With the condition added that signs "A" and "B" are removed**

Ayes: 5

Nays: 0 Motion carried.

Fire:

D. Consider Approval of SAFER Grant.

Fire Chief Judy Thill gave the following presentation regarding the SAFER Grant:

SAFER Grant:

- **S**taffing for
- **A**dequate
- **F**ire and
- **E**mergency
- **R**esponse
- In February 2021, the Council authorized submitting a Grant Application to fund 9 full time staff.
- Staff was notified September 10, 2021 that the city was approved for the award.

General Overview:

- Covers 100% of all salaries and benefits for 9 FTEs for three full years.
- There is no city match.
- The 9 FTEs would include:
 - 6 full time Firefighters
 - 3 full time Lieutenants

- The present Duty Crew has one full time Captain and two Paid on Call (POC) Firefighters.
- Grant would allow to split the Paid-on Call. One on each Duty Crew:
 - 1 full time Captain, 1 full time shift Firefighter, and 1 Paid-on Call Firefighter.
 - 1 full time Lieutenant, 1 full time shift Firefighter, and 1 Paid-on Call Firefighter.

What the Grant means for the community:

- Improved response time. Especially northern.
 - Crews would come out of two locations.
 - Would not house both crews at Station 2.
 - Original Duty Crew was out of Station 1.
- Improved safety.
 - Quicker response time for fire and medical calls.
 - Additional crew of 3 Firefighters on scene more quickly for the more serious calls can help improve the outcome of the incident.
- Ability to maintain high level of service as community continues to grow and calls increase.

She stated the city is growing and will continue to grow. They need to make sure to grow with the community as it grows to be able to provide the same level of staffing and maintain things as they do now.

- Calls continue to increase:
 - Calls for the last 10 years have increased considerably to the point where it has doubled.
 - Will continue to go up as the city continues to grow.
- Second Duty Crew:
 - Community benefits.
 - Fire Department benefits. Safety is always a concern. For the most serious calls, when having to call the other station for help, that means help is needed right away. Rather than waiting for Firefighters to come from home, they would have the extra help coming right away in the second Duty Crew.

Firefighters do a lot of training on shifts as well as other duties:

- Truck checks.
- Equipment checks.
- There are three Stations. The Duty Crew keeps all vehicles in a state of readiness with these checks. This is on top of training, calls, and activities the Duty Crew is required to go to.
- Looked to trying to have the Duty Crew help the Fire Inspector with inspections. Unfortunately, there isn't enough time in the day. Especially due to the way calls are increasing.

What a Grant means to the Fire Department:

- Improved safety for Firefighters. More Staff on scene.
- Improved efficiency.
 - Splitting work between two crews allows more time for training, inspections, pre-plans.
- Ability to try and meet National standards. (Currently do not meet National standards).
 - NFPA requires a specific number of Firefighters to arrive on scene in a specific amount of time. This is a National standard the Department would like to head toward.
 - This would allow them to get closer to that National standard.

What the Grant means to the Paid-on Call Firefighters.

- Understands that not every Paid-on Call Firefighter wants to be a Firefighter.
- Some join with the desire to be a Paid-on Call Firefighter. They go through city training and outside training.
- Having these 9 positions gives them an opportunity to stay in the Inver Grove Heights Fire Department.

- They want to be a full time Firefighter, do the extra training, train with the city. If they are not hired, they would be hired somewhere else.
- Between simultaneous calls and larger calls, an entire Station needs to be paged out. For example: If the Duty Crew is busy at 2:00 a.m. and need another response to something minor, an entire Station would need to be paged to do it.
- Having a second Duty Crew would help reduce the amount of call backs that Paid-on Call has to respond to outside of their normal staffing of the Duty Crew.
- There are currently two Paid-on Call spots to fill and will continue to have two Paid-on Call spots to fill in the future.
 - Instead of two Paid-on Call spots and one Duty Crew, they would have them split. What that does is helps when there are newer younger inexperienced Paid-on Call Firefighters. Having two full time people help guide them along helps them learn faster.
- Even though they are looking to fill these positions from within, they fully intend to backfill those positions.
 - Do everything they can to fill the 9 positions if hiring all 9 from within.
- Not looking at reducing any type of training opportunities/expectations with Paid-on Call, would still offer those the same.

What the Grant is NOT intended to do:

- The intent has not and has never been to make the IGH Fire Department into a full time Fire Department.
 - With a population of 36,000, should be able to maintain a large Paid-on Call contingent for many years.
 - When Fire Chief Thill was hired, she was the first full time employee which made the department a combination department.
 - FEMA has four definitions they go by:
 1. Completely non-career Fire Departments. (Paid-on Call, Volunteer, Part time).
 2. Combination with primarily non-career. (What this Department currently is).
 3. Combination with primarily full time.
 4. Fully career Department.

She stated even if adding the 9, 75% of the Staff would be Paid-on Call. Would still be a combination department with primarily non-career Firefighters.

- 9 would give more stability. Currently needed and needed for the future of the city.

Costs:

- The Grant will pay up to \$3,423,623.88
 - For Firefighters, it depends on what the pay scale comes in as.
 - Has not been rated yet. \$3.4 million would be the highest but can come in under.
 - Grant reimburses for actual costs. For example, if coming in at \$3.2 million, the remainder would go back to the Federal Government if not spent.

She stated she had 3 Staff in the 2022 Budget. If the Grant is approved those 3 requests would be removed out of the 2022 Budget. They are not looking for 12, they are looking for 9 total in the Grant.

Big Step:

- Will be challenges.
 - Need to get 9 full time Firefighters hired and backfill the 9 if hiring them all from within.
 - Plan on running another recruitment drive if they get the Grant so they can try get people hired before fire training begins in January.
 - Realizes anytime a department moves forward there will be challenges with this Grant and the available financing, they consider this a positive thing in trying to help move forward.

- Good time to add Staff. Applied for this Grant last year but did not get it. It was needed last year, need it now, and will need it in the future.
- City will continue to grow, will continue to need to add Staff.
- Grant helps with financing going forward.

Capital Concerns:

- Station 1 changed from 1 room to 3 office areas. Currently there is 3 separate sleeping quarters.
- Look at potentially adding a Station Alerting System (2023). Lights go on alerting to wake. Currently similar to what is expected at home, pagers go off, get up and go to the call.
- Goal would be to try to move the Duty Crew to Station 3 to allow for one on the north side of town and one in the middle of town.
 - This does not have to happen right away; it is not immediate.
 - Discuss challenges at Station 3 with repairs.
 - Or can stay at Station 1 if Council desires.
 - If moving to Station 3, perhaps not invest in the Station Alert system right away. Wait for that expenditure.

Grant Challenges:

- How to pay for this in year 4.
- The Fire Service Delivery Study is currently in process.
 - Will be done by the end of the year.
 - Do not need to decide tonight. Can look at keeping the scope the same or tweaking the scope and adding the 9 in to see how that affects the outcome.
- Acknowledge there will be different pay scales for full time and Paid-on Call.
 - Not everyone wants to be a full time Firefighter.
 - Need to remind everyone this is one Fire Department. It is not a full time Fire Department, not a Paid-on Call Fire Department. All are equal members in this Department.
 - Need to make sure both groups feel their worth.
 - Continue to provide opportunities for all.

She stated there are many successful combination Fire Departments in Minnesota. Her plan if the Grant is approved, is to contact other Fire Chiefs and find out lessons learned, how they did things, and make sure the same mistakes made are not repeated. Try to keep everyone together as one department.

- Reduce temporarily. If hiring from within, Paid-on Call ranks to fill full time positions.
 - Will backfill lost Paid-on Call positions.

Grant Rules:

- Must accept or decline the Grant by October 10th.
- Have 180 days to hire all 9 new Staff.
 - Timer started August 31, 2021.
 - Have to have everyone hired by February 27th, 2022.
- During the 3-year Grant period, operational positions cannot be eliminated. The following are all considered to be operational positions. Cannot eliminate any of these 12 positions during the Grant cycle.
 - Have 3 existing Shift Captains
 - 3 new Lieutenants
 - 6 new Firefighters
- There are provisions if 1 of the 9 gets another job, moves, decides this is not for him/her:
 - If this takes place, will have to let them know there will be a period of time that there would not be someone in a given position.

- o No costs would be incurred, therefore no reimbursement.
- o If there is a Worker’s Comp injury the Grant provides for that. If there is any out-of-pocket cost to the city of one of the 9 hired, the Grant pays.

Mayor Bartholomew congratulated the Fire Chief on writing a successful Grant and winning the award. He asked if there was a Grant document that can be seen. Fire Chief Thill responded she would send it to all Councilmembers.

Mayor Bartholomew wanted to be sure all were certain of the obligations and performance standards, if any are listed in the Grant. He asked the following questions:

- How they would maintain and prove compliance.
- What type of remedies the Grant would allow for failure to comply.
- If there was a grace or catch-up period.

He said he was concerned about how to pay for this after 3 years. Fire Chief Thill responded she would send the requested documents to the Council. There is a User’s Guide that walks through reporting requirements, how to report, how to set things up. She would be spending time with the Finance Director to make sure things are set up correctly. She said they want requests for reimbursement at least quarterly but can ask for every pay period.

Mayor Bartholomew asked if the Grant was the same regarding intent and purposes as the application was. Fire Chief Thill responded nothing has changed.

Fire Chief Thill stated they requested City Attorney Bridget McCauley Nason look through all of the documents to make sure they are able/capable of meeting all requirements.

Councilmember Murphy asked for clarification on the importance of backfilling the 9 Paid-on Call. Fire Chief Thill responded to be able to maintain the number of Firefighters to fill those two positions. They have to have a certain number in order to sign up for shifts that are required. There are 2 Paid-on Call positions, there are about 52 Firefighters. If hiring 9 out of those, want to at least get back to the 52 so they can still continue to fill 2 positions.

Finance Director Amy Hove discussed how they would begin to plan for Year 4 stating it would be a pretty significant impact on future budgets and levies. There are three different options for the Council to consider, a way of phasing it in so the request in Year 4 isn’t quite as large. She stated if Council has other potential scenarios, please let Staff know. Options are:

Option #1: Slow & Steady:

There are three sections:

1. Grant Period (This is the three years the Federal Government would completely reimburse the city for the costs of the 9 Firefighters).
 - In year 2022: There would be \$359,400 budgeted for 3 Firefighters. Under this scenario it is proposed reducing that to \$150,000.
 - Cost for the 9 Firefighters is just over \$1 million dollars.
 - Fully paid by the Grant.
 - The cost of what would be levied, \$150,000, would go straight to the Saving’s Account.
 - In 2023: Increase that by \$175,000.
 - Now have built up a levy of \$325,000.
 - Levy sent to savings, \$475,000.

- In 2024: Increase of \$200,000.
 - To get to the levy set aside of \$525,000.
 - Savings balance of \$1 million dollars to pay for the cost in Year 4.
 - Cost of the 9 Firefighters:
 - In 2022: \$1 million dollars.
 - In 2023: \$1.1 million dollars.
 - In 2024: \$1.2 million dollars.
 - In 2025: \$1.263 million dollars.
 - Estimates in a 4% increase in costs a year. This takes into consideration: Step increases, COLA, and potential health insurance costs.
2. Saving Spend Down Period (The city would levy a certain amount of money each year, setting it aside into a special savings account and then slowly phase on the cost in future years when the cost is now 100% on the city).
- In 2025: The city's levy portion has increased to \$738,000 (this is the year the cost is not going to be covered by the Grant).
 - Spend down \$525,000 of the savings account.
 - Leaves a balance of \$475,000.
 - In 2026: Planned for the slight increase. The levy would increase \$235,000.
 - Getting to a new levy total of \$975,000
 - Cost is at \$1.3 million dollars.
 - Have \$340,000 in savings that will be added in.
 - At the end of 2026 will have \$135,000 left in the bank to put toward this.
 - In 2027: Increased the levy another \$250,000.
3. Costs Fully Supported by the Levy (Getting to the year when the full levy will have utilized the full savings account and it is fully levied on the books).
- By 2028: An increase of \$190,000 is shown.
 - To get to a levy of \$1.4 million dollars.
 - No Grant dollars or savings will be used because it was used up in 2027.
 - Get to the levy needed to support the 9 full time Firefighters.

The Benefits/Key Takeaways:

- Savings account at the end of 3 years will be \$1 million dollars.
- The levy increase gradually increases over time. Phased in slowly, no sticker shock in year 4.
- Fully transitioned to the levy supporting those positions in 2028.
- Can actually reduce next year's levy by \$209,000 if they are only levying \$150,000 for the savings plan.

Mayor Bartholomew asked if the capacity rate has been run to see if there is the capacity and what it does to the rate. He asked if it could be protected and questioned if in 2023, our capacity would be (a given number) and this is how it would affect the rate. Finance Director Hove responded those numbers have not been run yet. With all of the reductions being proposed for next year's budget, they would incorporate that into an analysis.

Mayor Bartholomew referenced years 2024, 2025, and 2026 asking what it would do to the long-term capacity rate and if there is the underlying capacity to support. Finance Director Hove responded that can be plugged into the financial management plan.

Councilmember Piekarski Krech stated this is just Fire, they are not accounting for Police, Public Works, and other things that are going to want to increase. She asked what the total levy increase is going to be. Everyone is going to want more and it's all going to keep going up. Finance Director Hove responded this looks at the impact of planning ahead.

Councilmember Piekarski Krech commented it was strictly for the 9 Firefighters. It's not the whole Fire Department, it's not equipment or anything else. Finance Director Hove responded this was just a plan to cover salary and benefits.

Option 2: Jump start the savings and then go small:

Set up exactly the same way as Option 1 but made the following changes:

- Keep the levy. Keep the \$359,400. See what can be done in future levies so it doesn't have to be increased quite as much in future years.
- From 2022 to 2023 it was increased \$120,000.
- In 2024 also increased \$120,000.
- In 2025 bumped up a bit more to \$145,000.

The layering in of additional levy was just a bit smaller to leave room in other areas where the city may need to levy those dollars.

- In the first 3 years the Grant covers 100%.
- The savings account at the end of those first 3 years is about \$1.4 million dollars. Due to levying more in 2022.
- In 2025 they are slowly spending the savings down.
- There is some residual in 2028 to keep increases smaller so it transitions over to being fully levy supported in 2029.

The Benefits/Key Takeaways:

- Nice to jump start the savings.
- It's already in the budget.
- Already in the preliminary levy.
- Like the smaller annual increases, less impact on other areas where the city may need levy dollars.
- Savings at the end of 3 years, a little higher than Option #1 and the same as Option #3.
- Longer transition period.
 - If interested in getting that fully levy supported, this might not be the right option. This is another year of spending the savings down.

Option #3: Jump Start Savings, but big bumps every other year:

- Starting with \$359,400. Already part of this year's levy.
- Looked to see if there was a way to minimize impact on the rest of the city operations.
 - Is there a way to budget a larger increase for this cost every other year?
 - In the off years, leave it the same as it was the year before. Minimizes annual impact.
- In 2022: \$359,400 current levy in the preliminary levy and budget.
- 2023: Keep it at \$359,400.
- 2024: Increase it \$350,000.
- 2025: Year off.
- 2026: Increase it another \$350,000.
- 2027: Year off.
- 2028: Back to fully levy supported.

- How this looks in terms of savings:
 - Similar to Option #2: Grow to \$1.4 million dollars.
 - In 2025: Using a significant amount of savings.
 - In 2026: A smaller portion.
 - In 2027: More of the savings would be used.

The Benefits/Key Takeaways:

- Jumpstarting the Financing Plan.
- Same as option #1.
- Savings are the same as Option #2. Will have \$1.4 at the end of the 3-year Grant/savings period.
- Fully transitioned in 2028. Was not in Option #2.
- Will have a larger impact on levy increase years.
- Need to do more planning around the off years in terms of how to grow city operations.

She stated they ran a lot of different scenarios, there are a lot of viable options. Staff liked Option #1 which gives an opportunity to reduce next year's levy. She said if the Council is interested in getting prepared and preparing a prefinancing plan for when this is fully levy supported, this would be Staff's recommendation. Overall, all options would work.

Mayor Bartholomew stated they are looking at historically, a 2-4% increase in tax rates every year. If dropping this in they would likely be looking at a 6.5-7% tax rate from years 2022 to 2028. His concern was if they would have the capacity to handle that. He would like to see more analysis along those lines so they can see what it does to the capacity rate and tax rate. That would determine what each household and business would pay.

Finance Director Hove asked if there was a favorite Option, she could run those numbers on. Mayor Bartholomew responded he liked Option #2.

Councilmember Piekarski Krech stated definitely not Option #3, it bounced things too much.

Councilmember Murphy stated he liked Option #2.

Councilmember Gliva stated she was in favor of Option #1.

Councilmember Dietrich stated it would be Option #1 or #2 for her.

Finance Director Hove asked the Council if she should run the numbers for Options #1 and Option #2.

Councilmember Murphy stated there would be one more meeting before the deadline.

Councilmember Piekarski Krech responded unless a Special Meeting would be scheduled.

Mayor Bartholomew asked what the timeline was for getting the analysis before the Council. Finance Director Hove responded she would see what she could put together tomorrow. Mayor Bartholomew stated they could possibly get it in to a Special Meeting, there is a Work Session coming up.

Councilmember Piekarski Krech stated she would also like to see it in conjunction with the entire budget. The capacity and what has been done.

City Administrator Wilson stated it was relatively easy to model out potential expenditures. When modeling out a tax rate, they are making a whole series of assumptions. How much new tax base will be added through the addition of housing, commercial, multifamily. What will the value of that be? How will the value of the existing parcels in town change over the next 6-8 years? She stated she has a lot of faith in Finance Director Hove's ability to do this. It is going to be a large series of different assumptions around things if bringing in that many variables. She said these models are relatively easy because it is an expenditure projected out. They cannot control what happens in the local and national housing market. Being asked what that would look like in 2026 or 2027 is going to involve a lot.

Councilmember Piekarski Krech suggested doing the numbers for the first couple of years assuming they didn't have the Grant. She raised the following questions/concerns and requests:

- Questioned what these costs do.
- Would like to know where that effects.

She said they have been lucky the last several years because they haven't had major fluctuations, people understood valuations changing. She said there have been times when City Hall is filled with people who are angry about the change. That is a concern they always need to be aware of.

- She was concerned because they have not had the Fire Study done yet.
- She would like the Fire Study completed the way it started. She doesn't want the extra people added in.
- She wanted to know what was thought of the baseline before.
- Concerned about Union issues with salaries and Paid-on Call and how those relationships would work. There could be Human Relations issues that go with some of this.
- She said she was unsure how other Departments worked it out.
- Regarding National Standards, she asked if Inver Grove Heights was the only city in Dakota - County that isn't meeting National Standards.
- She asked if neighboring cities meet standards, and what they have done so they could meet standards.

She commented information is needed for her to be comfortable.

- Needs more information about what the long-term plan was.
- What the Organizational Chart looks like under this scenario.
- What Staffing looks like.
- How to make sure, with burnout with the current full time Staff as they fill in, how that would change, and what would be done.
- What are the job descriptions for new people and Paid-on Call people.

City Administrator Wilson stated she believed all would agree they wished the timing worked out better to have the Consultant Study completed. She wished for more than 30 days to accept or decline the application. She said she checked in with the Consultant that is performing the Service Evaluation of the Fire Department. They are in the early stages of the analysis of the data provided. She stated he shared that he would be willing to attend the Monday meeting remotely and would do additional work between now and then to provide preliminary thoughts on what the data is telling him. If the Council believes that to be helpful, she can take the final steps to arrange it.

Councilmember Piekarski Krech asked for additional information ahead of time She said she needs time to sit down and look things through.

City Administrator Wilson stated they can use the remaining days of this week to address the questions asked.

Mayor Bartholomew understood it would be difficult. He stated there is a lot of historical knowledge. Valuations for existing stock is known. The difficult part would be the actual capacity relative to commercial. He felt they could be conservative and go with historical data. They could have best case/worst case scenarios with tax rates. He understands home values are going to fluctuate. Councilmember Murphy stated for example, assuming one of the three scenarios is approved, in 2028 and 2029 residents and Council cannot take the increase, he asked if they would be looking at a situation where they would be laying off or terminating Firefighters. Mayor Bartholomew responded he wouldn't speak to future Councils, but he doesn't believe it would be out of their jurisdiction to have a downsize. Councilmember Piekarski Krech responded Police Officers have been laid off or done by retribution, they were not replaced, in the last downfall.

Councilmember Gliva stated it would be helpful to have how the actual head count flows. For example: the 24-hour timeclock. How the entire cycle and the 9-fit in.

Councilmember Dietrich thanked Finance Director Hove for putting together these scenarios, the time she put into working on them, and the time invested in re-working them.

Mayor Bartholomew asked if they were looking at having a Special Meeting with further information next Monday.

City Administrator Wilson suggested the Council work with the City Clerk to legally call a Special Meeting for 6:00 p.m., a week from tonight. This matter can be addressed and then the Council would go into their regularly scheduled Work Session and discuss other Agenda Items previously planned.

Mayor Bartholomew asked if action was needed in order for this to take place. City Attorney McCauley Nason responded if it works for everyone to have a meeting at that time, it was fine to formally call a meeting. The Council would need to work with the City Clerk to send the written request in.

Mayor Bartholomew asked the Council if a 6:00 start time worked to hold a Special Meeting. Councilmember Murphy responded they already have a 6:00 start time. Mayor Bartholomew stated they could have the Work Session open after they hold the Special Meeting.

Councilmember Gliva suggested holding the Special Meeting ½ hour earlier if it works.

The Council was in agreement with a 5:30 p.m. start time.

7. PUBLIC COMMENT:

There were no public comments.

8. MAYOR AND COUNCIL COMMENTS:

Mayor Bartholomew stated there is a Work Session taking place on Monday with a Special Meeting prior.

Councilmember Piekarski Krech said the city had a wonderful clean-up day. She said she was very impressed with the SMART Center Open House today. The building is very well thought out with training rooms for Police Officers to be trained in Crisis Intervention Training. She met

the Drug Sniffing Dog for Dakota County. She saw the technology room where they can keep cell phones plugged in continuously for cases. She commented it was very impressive. She said she is happy to have this opening in the city and hopes they can welcome a lot of First Responders and Law Enforcement from around the five State area to come in for special training.

Councilmember Murphy asked if it was possible, when going forward and looking at developments in town, to include information in the Council packets about how much Park land was required by City Code and how much was donated. He felt this would save time going forward. He said he has not noticed it in anything and was wondering if he has missed it. He asked if this was something that could be added going forward. Mayor Bartholomew agreed it was a good idea. Councilmember Piekarski Krech said she felt the information was buried within the Development Contract. She thought it didn't state how much land, it states value. Mayor Bartholomew responded there was a calculation. Councilmember Dietrich agreed it was a great suggestion. She said there is a formula, and it would be nice to have it presented.

Interim Public Works Director Eckles stated the City Council has been very engaged in Pavement Management for the last several months. There is currently a fully staffed Task Force on Pavement Management. There is a consultant on board to help lead and facilitate the discussion. He said they are looking at potentially having the first meeting in mid-October. An invite and Agenda will be sent to Task Force members.

He stated the Council gave direction to work on 9 different pavement rehabilitation projects for next summer. Since the last meeting there are 3 consultants on board to help deliver those projects. They hope to make progress within the next month to contact those neighborhoods. He said that Staff was thankful for the support that Council has given. He said he believes they have all the tools to be able to deliver on this important issue.

City Administrator Wilson stated it is believed the Council needs one more Work Session than the calendar is providing and suggests to tackle that on October 18th. As they head into the holiday schedule there will not be a need to scramble for time. She asked if the date doesn't work for the Council to please let her know, otherwise they will continue planning for a Work Session that evening.

9. EXECUTIVE SESSION:

10. ADJOURN:

Motion by Gliva second by Piekarski Krech to adjourn the meeting at 7:22 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek