

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, OCTOBER 11, 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, October 11, 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, Police Chief Chiodo, Police Officer Johnson, Civil Engineer Moser, Interim Public Works Director Eckles, Community Development Director Rand, Assistant City Engineer Dodge, and Finance Director Hove.

Also Present:

3. PRESENTATIONS:

DWI Award to Officer Johnson

Police Chief Melissa Chiodo introduced the person who would be presenting the Award, the original Traffic and DWI guru in Minnesota, Bill Hammes, who was a Lino Lakes Police Officer, and prior to that worked in San Diego. Mr. Hammes was instrumental in getting DWI's at the forefront for Officer enforcement. She said he did a lot of work with Anoka County when they were one of the top Counties for DWI's and is currently with the Office of Traffic and Safety Management now that he is "retired". She said he is the coordinator and person that the Department goes to when doing things with DWI's.

Bill Hammes stated beginning on Wednesday, the TZD (Toward Zero Death) Conference would be held virtually. This conference consists of 12 sessions; 6 in October, 6 in November. To participate, log on to MinnesotaTZD.org to see all of the sessions and register for any of them. It's free. There are some interesting sessions coming up that deal with traffic safety.

Mr. Hammes stated he was here to recognize Officer Johnson, but first he wanted to share the following statistics:

- Over the last 20 years traffic fatalities have been going down in Minnesota.
- In 2003, 655 people died on the roadways.
- In 2017, the fatality rate was 358. This shows a 45% reduction. That has a lot to do with what the Officers are doing.
- 358 is the lowest fatality rate in Minnesota since World War II.

He said things haven't gone well these last few years, things have been on an incline.

- Last year 394 people lost their lives on the roadways.
- This year, as of this morning, 379 people have died on our roadways compared to 312 at this time last year.
- It is estimated that it could go over 500 by the end of the year at the rate things are going.

He stated at the Office of Traffic Safety, they have recognition programs. This is not a reward or award. This is recognition for what they call lifesaving Police work. Every time an Officer removes an impaired driver from the streets, who knows what may have happened down the road. It could be the possibility of a life saved. He stated for example:

- A Chisago County Deputy stopped a vehicle for a minor equipment violation (taillight out). The driver was impaired and wanted for murder in Anoka County. That person is off the streets.

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- The Wyoming Police Department stopped a vehicle driving erratically down 35. The vehicle was pulled over and the driver was found to be impaired and was arrested. The driver was put in the backseat, and it was noticed the person had slumped over. The occupant was taken out of the car, did not have a heartbeat and was not breathing. CPR was started and Narcan was administered, which started to work but again the person's heart stopped. CPR was continued for 8 minutes until the Paramedics arrived, another shot of Narcan was given, got him to the hospital, and the individual lived. He said they say that guy's life was saved twice. 1. When he was taken off the road and could have killed himself or someone else. 2. By doing the actions that he did. He commented that is the kind of Police work lately seen all of the time.

He said he always tells Officers after they make these arrests and are back in the department doing paperwork the following: Every time you take one of these people off of the street, ask yourself this while doing the report; who gets to go home tonight to their family because you did what you did.

Mr. Hammes stated tonight they would be recognizing someone he calls a Hero, someone who saves lives. In 2020 Officer Johnson arrested 31 impaired drivers in the City of Inver Grove Heights. He said to remember how traffic was down in 2020 due to Covid. So far this year he has arrested 99 people for impaired driving. He was nominated by the Agency for the DWI Officer Recognition Program and selected to be one of the recipients. On 9/11, Officer Johnson managed to arrest 3 impaired drivers in one shift. That is a lot of dedication and good Police work. In Minnesota, that is called a Hat Trick. He stated tonight he is here to present Officer Johnson with the DWI All Star Bat, Hat, and Pin, along with the Hat Trick Hat and Pin. He displayed the bat which states the Officer's name along with "DWI All Star".

Mr. Hammes stated on behalf of the Office of Traffic Safety, the Director Mike Hanson, and everyone who works there, he presented him with the Bat and thanked him for the work he has been doing because lives have been saved. The Hat and Pin, and the Hat Trick Hat and Pin were presented to Officer Johnson.

Mr. Hammes thanked the Council for letting him be in attendance tonight and for all of their support in this program. He said we are all saving lives and making sure everyone gets to go home.

Mayor Bartholomew addressed Officer Johnson and thanked him for his hard work and efforts. He thanked him for his dedication and hard work saying it means a lot to the city.

4. CONSENT AGENDA:

A. Minutes from the September 13, 2021, City Council Meeting.

B. Resolution 2021-259 Approving Disbursements for Period Ending October 5, 2021.

C. Consider Approval of Personnel Actions.

D. Contract Extension with WSB for Interim Public Works Director Services.

E. Consider Final Compensating Change Order No. 2, Final Pay Voucher No. 2, Engineer's Final Report, and **Resolution 2021-260** Accepting Work for City Project No. 2021-09B - Seal Coat.

F. Consider a **Resolution 2021-261** Ordering Feasibility Study, Accepting Engineering Services Proposal from Bolton and Menk, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09E - Alison Way Area Rehabilitation.

G. Consider a **Resolution 2021-262** Ordering Feasibility Study, Accepting Engineering Services Proposal from Bolton & Menk, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09F - Tyne Lane Area Rehabilitation.

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- H.** Consider a **Resolution 2021-263** Ordering Feasibility Study, Accepting Engineering Services Proposal from Bolton & Menk, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09G - Albano Trail and Albright Court Rehabilitation.
- I.** Consider a **Resolution 2021-264** Ordering Feasibility Study, Accepting Engineering Services Proposal from WSB, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09H - Upper 55th Street (Blackberry Trl to Cahill Ave) Rehabilitation.
- J.** Consider a **Resolution 2021-265** Ordering Feasibility Study, Accepting Engineering Services Proposal from WSB, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09I - Carmen Avenue and Claude Way Area Rehabilitation.
- K.** Consider a **Resolution 2021-266** Ordering Feasibility Study, Accepting Engineering Services Proposal from SEH, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09J - Cheney Trail and Coffman Path Area Rehabilitation.
- L.** Consider a **Resolution 2021-267** Ordering Feasibility Study, Accepting Engineering Services Proposal from WSB, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09K - Akron Avenue and 50th Street Rehabilitation.
- M.** Consider a **Resolution 2021-268** Ordering Feasibility Study, Accepting Engineering Services Proposal from SEH, Authorizing Preliminary Engineering and Professional Services for City Project No. 2022-09L - Bolland Trail and 62nd Street Rehabilitation.
- N.** Consider Accepting Donation of Trees for Dog Park.
- O.** Approve **Resolutions 2021-269** relating to a Conditional Use Permit for a 40 unit assisted living facility and Conditional Use Permit to exceed 25% maximum impervious surface in the Shoreland Overlay District for Rachel Development. Property located at 7855 Cahill Avenue.
- P.** Approve a **Resolution 2021-270** relating to a Variance for James Leslie for a front yard setback for property located at 7974 Blanchard Court.
- Q.** Approve a **Resolution 2021-271** relating to a Conditional Use Permit amendment and Storm Water Facilities Maintenance Agreement for Jaeger Construction for an expansion of an automobile and off highway vehicle sales lot for property located at 1290 50th Street.

Motion by Dietrich, second by Murphy, to approve the Consent Agenda as presented.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

A. Assessment Hearing to Consider Resolution Adopting Final Assessment Roll for the 2021 Pavement Management Program, City Project No. 2020-09D - Delaney Circle and Delaney Court Improvements. Resolution 2021-272

Civil Engineer Jacob Moser gave a presentation on the Delaney Circle and Delaney Court improvements for City Project NO. 2020-09D.

Project Overview:

- Petition from the neighborhood for street improvements.
 - Received by Council dated June 2020
- Partial reconstruction of Delaney Circle and Delaney Court
- Roadway and driveway culvert replacements and minor ditch grading as needed

Final Project Cost and Funding:

- Total Project Cost for Street and Storm Improvements: Including Administrative and Engineering costs along with construction: \$742,440
- Funding comes from a combination of Pavement Management Funds and Special Assessments

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- Total proposed Assessments: \$345,600
- Total Pavement Management Fund: \$396,840

Assessment Policy & Proposed Assessments:

- City Assessment Policy for single family lots in a neighborhood assessed per parcel (all lots same amount).
- Partial Reconstruction Projects, the city Assessment Policy is to assess 55% of the project cost to the benefitting property owners.
- Proposed assessment amount based on the lower cap or Policy amount.
 - Assessment Cap
 - (Value provided by an Independent Appraiser in a Special Benefit Report)
 - \$9,600
 - Policy Street & Storm Assessment (Preliminary Stage)
 - Based on 55% of the estimated project cost at that time
 - Would have been \$14,424
 - Policy Street & Storm Assessment (Final Cost)
 - \$11,343
 - Equal to 55% of the total project cost
 - Proposed Assessment
 - \$9,600
 - Equals 47% of the total project cost funded by assessments
- Special Assessments have a recommended 10-year term with 3.15% interest

There are 36 Single Family Lots to be assessed. All lots are adjacent to Delaney Circle and Delaney Court.

Payment of Assessment:

- Assessment Payments:
 - 30 days to pay in full or payments due with 2022 taxes
 - 3.15% Assessment Rate (Proposed per Policy)
 - Interest begins to accrue January 1, 2022 (Resolution)
 - 10-year term proposed per Policy
- Deferred Assessments (Income Based)
 - 65 years of age or older
 - Active Military
 - 100% Disability

Project Schedule: Anticipated for the project:

- Substantial Completion: August 2021
- Assessment Hearing Informational Meeting: September 29, 2021
- Assessment Hearing at the City Council Meeting: 6:00 p.m. on October 11, 2021

Recommendations:

- Open and Hold the Assessment Hearing
- Pass the Resolution adopting the final assessment roll
 - 10-year term at 3.15% interest

Mayor Bartholomew stated before opening the Public Hearing, Staff has asked that questions are listened to, and Staff would take notes. When everyone is done each question would be addressed. If there are follow up questions, those would be discussed at that point. The Public Hearing was opened.

Jeff Dahn, 8341 Delaney Circle, stated he was the one that instigated this project. He said he appreciated the work the Council has put in. He appreciated the work the City Council and Civil

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Engineer Jake Moser provided. He mentioned initially the price tag was pretty high, residents questioned it, went through it, and the bid came down considerably. The final bid came in at \$580,000 for the contractor to do the job. This was subbed out to Kimley Horn for engineering. He asked how they got from \$580,000 to \$742,400 for the total project. He asked what those costs were, how the city was accountable for subbing the work out, and who looks at the work that was subbed out. He asked what the engineering cost was. He said he thought there were other things rolled into the project, for example; sewer repair that the city had been talking about doing for 15 years. He believed those costs were rolled into the street rehab project.

He asked who watches costs when the work is subbed out. He said he felt the cost was excessive considering how small and straightforward the project was. The increase seemed like a lot of administration and engineering costs. He said he asked the Civil Engineer to send him information today, but he did not receive it. He said a couple of residents tried to join the virtual meeting last week and were unable to get in. He asked what was spent on engineering, why the storm sewer project was rolled into the street and assessed when they felt it was the city responsibility for the last 15 years.

Mayor Bartholomew clarified his questions:

- The cost going from \$580,000 to the \$742,000 finish.
- Engineering service costs, who authorizes and approves.
- Sewer costs were rolled into the project when residents felt it should not have been.

Mr. Dahn stated the City Council and Civil Engineer Jake Moser did a great job. He said the job turned out great, everyone is happy with it.

Jack Sabba, 8357 Delaney Circle, stated some of his questions were answered today by Civil Engineer Moser. He said he bought his house four years ago and was assessed four years in with a \$9,600 tax assessment to redo a road that was built 40 years ago. He asked why it falls on the shoulders of the homeowner now to have to come up with that, when someone owned that home for 36 years, enjoyed the road, and didn't pay a dime towards it. He said the Special Benefit Analysis that was done was subjective in nature that someone could put a cap on this. He asked why it was drawn there and not lower. He said they didn't ask for extras in their petition such as sidewalks, sewer drains, or streetlights. A majority of the cost, 47% for just redoing an existing road, falls on their shoulders. He requested someone speak on how that was fair. He said he objects to the assessment, its term, and the interest rate. He handed a copy of his objection to the City Clerk.

Interim Public Works Director Klay Eckles responded to questions as follows:

- The final bid and why.
He said this was a pretty common question. These projects are difficult to finance, design, work with the neighborhood, inspect and oversee that the work is being done correctly, redesign when running into problems in the field, and legal issues that happen over the course of the project. Every project needs certain services: Pay for the Clerk that takes care of the assessments, determine how to finance. There are city staff involved, consultant, and problems on every project. He said 30 years ago a 40% markup was assumed on every project. Since that time Engineers have become more efficient, the markup at the front end of predicting soft costs has gone down. Instead of 40% it may be more like 30% as an average.
- The question of who watches the Engineers that are designing the project.
He responded the city hires consultants that do initial studies, looks at different options. They are experts in their field and do this in other cities. Consultants are hired to design the project with city Staff reviewing the work, giving feedback, getting feedback from residents, and ask

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that changes be made to adapt to specific city needs. He said during construction there is a team: A city Staff person is the project representative on a job. That person watches over the aspects of the project and deals with resident concerns and issues. The consulting firm has a Project Inspector and Project Design Engineer that watches over the project. There are two sets of eyes on a project. City Staff is responsible for watching that the Contractor and Engineer are doing their jobs and doing it efficiently. The city needs to make sure they are getting their monies worth out of the consultants and Staff. Not every project goes smoothly, there are extra costs and challenges that are reflected in the overall price.

He said the city uses general city tax money to pay for a good portion of projects. There are factors that go into the process. Part of that is to help subsidize the initial costs of studying.

- The question why do these costs fall on our shoulders.
The answer goes to just about every project in the city. The city uses assessments to pay for improvements. Assessments are an important tool for cities to pay for infrastructure. This is a city of citizens, the infrastructures serve them, it's their street, it is there to serve them. If people didn't live there, there were no homes, the street wouldn't need to be there. Residents pay for that street when it comes time to fix it. He said in Inver Grove Heights it was decided long ago that they were going to use general taxes to pay for some and use assessments to pay for some. Everyone receives some benefit from using that road. General taxes go to pay for it, everybody pays taxes, everyone gets some benefit from their taxes. It recognizes the improvement is specifically for that neighborhood, that neighborhood pays a specific assessment.
- Special Benefit, where does the cap come from, why was \$9,600 the amount assessed.
He replied if the city is going to use assessments, a property cannot be assessed for more than what the improvement is on the property. The improvement is based on how much benefit the property received. That is measured by how much the property increases in value. When a street is in very poor condition, it almost becomes a blight on the property. When a neighborhood gets a new street, it improves the appearance of the neighborhood and the value of the property. The city uses a specialized Appraiser skilled in analyzing neighborhoods and determining the improvement value. That is where the \$9,600 came from. He said they pick the experts they do because they want a good number, but also want to be able to defend the number in court if someone challenges it. He said a test would be if someone were to sell their home now, after the project, a wary buyer would see a brand-new street and know they wouldn't have to pay a street assessment for a while and may be willing to pay more.
- Fairness. If it was fair to use this approach.
He responded he wasn't sure there was a happy way of spreading these costs. The city is subsidizing over ½ the total project using general tax revenues and other sources. There is over \$20,000 worth of effort being put forth to each lot in the neighborhood, but only asking \$9,600. The city is providing a 10-year period for people to pay it off, if using the city financing approach through assessments and paying it off as a part of their taxes.
- Sewer/sewer costs and if it should/should not be included in assessments.
He said he would refer to Civil Engineer Moser on this but did say that the sewer relates to street such as manholes.
- He said when the question arose of whose street it is, it also raises the question of whose sewer it is. People need to pay for "other" infrastructure as well. For sewer and water, a utility fee is collected to make major improvements. People pay for that through their utility bills.

Mayor Bartholomew mentioned that the number from the total contract was \$580,000 but finished at \$742,000. He said that was a big number, a roughly \$160,000 difference. He said he didn't recall seeing that kind of a difference on many projects and wanted understanding that these were looked

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through thoroughly so they can support the increase of \$160,000. He asked if a copy of the Benefit Analysis was sent to all property owners. If it is policy to make sure they receive it. Interim Public Works Director Eckles responded the Benefit Analysis is available in the office if people want to see it. It is not mailed out. The results are shared. Mayor Bartholomew questioned if they make it clear those are available to them.

Interim Public Works Director Eckles responded about the cost difference stating that is what Staff refers to as "LEAF", Legal, Engineering, Administrative, and Financial costs. The project cost came down as a percentage, the percentage is pretty high now in comparison to what they believed the project would really be. The percentage of that number is not as great. It's not that unusual to see a number like that for these more complicated reconstruction style projects that had design changes along the way.

Mayor Bartholomew stated to clarify, the costs that were fixed were not changed because of the lower cost of the project itself. He said it appears to him that the difference is more than he can recall seeing in the past. He wanted to make sure to look at each one of those costs and make sure dollar for dollar it was appropriate.

Civil Engineer Moser responded to the following question:

- Sewer/Stormwater on the project.

He responded with the Assessment Policy they assess for street and storm sewer costs to the project. Curb streets that have storm sewer. It's a rural section with ditches on either side of the road with some ditches that run between houses to convey stormwater downstream. Part of this project was grading outside of the road corridor. A ditch was done that conveyed stormwater from ditches along the road, and along a lot line between two residences. It was a known issue in the past. The area that was improved had erosion into a ravine. He said stormwater conveyance improvements were made to the project, redefined the ditch, and did rip rap stabilization going down the ravine. That is viewed as part of the stormwater conveyance system that benefits the neighborhood. Water from up the hill was coming down the ditches had been overtopping the street and causing drainage issues for one property owner. To summarize, the stormwater portion of this project included some minor ditch grading, most next to the road. One component was outside the road further down the ravine. That fits within city policy of assessing for street and stormwater improvements. They need to have a stormwater system that gets water off the road and protects the investment.

Mayor Bartholomew asked if the line item was known for stormwater. Civil Engineer Moser responded he didn't have the exact cost but estimated it to be about \$20,000 that was spent on the ditch outside of the road corridor. Mayor Bartholomew asked if this had been discussed in the past and during ongoing meetings with everyone, that stormwater is a part of the cost and will be assessed as a part of the project. Civil Engineer Moser responded that has been stated.

Mr. Dahn said he was disappointed in the answer stating there is a lot of fluff built into soft costs. He said the Mayors question was not answered. He asked how they got to \$160,000 of engineering costs. There were no manholes. It was said the project was difficult, he felt this was the easiest project the city has ever done. Originally, the cost was \$944,000. He said he has built roads his whole career. He raised questions and had line items that he discussed removed. He said someone hasn't been doing a good job to go from \$944,000 down to \$580,000. It's not a good job of putting things together. He said for costs with city Staff, they are already paying taxes to pay those people. He said they speak of soft costs, but he doesn't call them that, they are costs. He asked how they could go from \$944,000 to \$580,000

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and back up to \$742,000 with nobody answering the question about subbing it out, and what the cost was to the city to manage this job. He said it was an easy job to do and finished ahead of schedule. There should not be costs like this built into a simple project. There should not be \$160,000 worth of soft costs. He said he didn't have a problem paying \$9,600, but other people do. He said he didn't need a sermon on selling the house because it has a new road, he wants to know how the city is managing the people that are working for them and who is watching costs. He said if he had not inquired about the costs, it may have been a \$944,000 project. He mentioned he didn't get anything answered here as far as soft costs, engineering, and subbing something this simple out to Kimley Horn. He said he is the one who pushed to get this done, they are not getting answers for the way it is managed. He stated the Civil Engineer did a good job and did everything he could to build the job and get it down. The answers are not coming from anyone here. He agreed with the Mayor that \$160,000 to watch this job/administration cost is pretty high.

Mr. Sabba stated he did not recall anything coming to them as homeowners in regard to the Special Benefit Analysis that was done. He commented to say this assessment would be done, and that they would know the benefit is some sort of realized benefit to increase property value. He said if someone gave them the opportunity to say the road was going to be done, their value may increase by \$9,600 that was why they were capping. It would have been nice to know then or before the project. He said he didn't know it was available to view, otherwise he would have looked at it before this meeting. He said it would have been nice to know it was available and maybe appeal whatever was come up with. He felt the number was arbitrary, based on redoing a road that needed to be redone anyway. He said the \$162,560 in difference for administrative soft costs is money they are already paying taxes for. That should be covered in this. He said subbing it out makes no sense to him either. He requested a list of the accounting to see where the money actually went. He responded about stormwater conveyance stating they pay an annual stormwater fee for their area. There are no drain sewers. They pay annually for ditches and culverts. He asked why they are paying extra now if its normal maintenance. If it was something that needed to be done, they should have just done it anyway. He said when bringing up the cost of something as being an issue, the response that comes back is that the city is paying half, as if they should be grateful. He said he doesn't see it that way, he sees it as residents paying taxes into a system. To be blindsided by something like this is not appropriate. He said he does not appreciate that they should just be ok with it. In his opinion the city should be paying 90%.

Mayor Bartholomew commented Staff can get line by line costs for the soft costs, engineering, legal, and finance. Interim Public Works Director Eckles responded they have a complete breakdown of every penny of the project. He said they have Staff doing what they spend their career on. He said he was surprised that someone in the construction industry was surprised about the costs. They are a part of every project built, part of every construction process. He said Staff is here to present numbers, they don't generate the numbers.

Interim Public Works Director Eckles addressed the comment about city staff costs being subsidized or re-captured through projects. He responded some Staff salaries are partially paid by the revenue brought in from these projects.

Councilmember Piekarski Krech stated that Mr. Dahn had mentioned the original \$900,000 cost. She asked if soft costs were included in that. She said comparing \$900,000 to the \$500,000 isn't quite the same. Normally when viewing project costs, it's the entire project cost, not just the cost of construction.

Mayor Bartholomew said it sounded like soft costs are a fixed number. What the bid is, whatever soft cost they have would be added to it.

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Assistant City Engineer Steve Dodge stated the original feasibility reports that are going out have additional contingencies in them. On a \$1 million dollar project, in his experience, there has been a noticed \$100,000 to \$150,000 savings from feasibility to when they construct. That is because there are built in numbers in order to make sure they don't over run budgets on projects. He said they take a step back and bid the project first, now they can re-evaluate assessments based on bids, not feasibility. When comparing this, Staff needs a chance to answer these questions, review items, and answer questions to Council and residents. He said they do work on making sure they are cost effective throughout the project; they look for cost savings as they go through. The feasibility report gives an idea of project costs and preliminary assessments. He said when he did the numbers, \$160,000, is 22% overall, soft/LEAF costs. Those go into a lot of different areas of the project; its feasibility, preliminary assessments, assessments, construction, and finalizing the project. All areas they are serving and testing, project managing, and inspecting. Working with consultants because they are not staffed enough to handle every project internally. He said from his perspective this project was done very effectively and efficiently. He said Staff could work with Mr. Dahn and Mr. Sabba to explain and show them and the Council that this was a well-done project.

Motion by Gliva, second by Piekarski Krech to close the Public Hearing at 6:55PM

Ayes: 5

Nays: 0 Motion carried.

Mayor Bartholomew asked for information about how to protest assessments and the timeline to get those in. City Administrator Wilson responded residents on the project have until this Public Hearing today to hand in a written objection to the assessment. One of the speakers has done that. She said it was possible that one or more properties have also done that via mail.

City Clerk Rebecca Kiernan stated she has not received any other written objections.

Mayor Bartholomew asked if the mailbox outside of City Hall could be used. City Clerk Kiernan responded yes. Staff checked the box today.

Mayor Bartholomew asked if the opportunity to challenge was at the end of this hearing or the end of this meeting. City Attorney Bridget McCauley Nason responded in order to challenge the assessment further, the individual would need to file a written objection with the City Clerk prior to the closing of this Public Hearing, or with the Mayor at the close of this hearing. If objections are not received by the close of this hearing, that would be the timeframe for taking the first step. She said there were other steps in Statute if an individual who files an objection wishes to pursue further.

Mayor Bartholomew questioned if an individual wishes to go further, if they would get that information from Staff or seek their own legal advice. City Attorney McCauley Nason responded on the hearing notice provided to all residents, all Statutory language was provided that lays out the appeal process. If someone wants to appeal the Special Assessment further, they will need to review the Statute and consult with their own Attorney.

Mayor Bartholomew said follow-up information on the Special Assessment notice and clarification is being requested for Mr. Dahn and Mr. Sabba. Council is looking for line-item costs for LEAF. He said he believes the process has gone well and fast. He drove through the area on Sunday and felt it looks very nice compared to last year at this time. He commended the citizens for the Petition and the follow

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through with Staff. He commends Staff for getting this project done. He said he is in support of the Resolution.

Motion by Murphy, second by Dietrich, to approve Resolution 2021-272 Adopting Final Assessment Roll for the 2021 Pavement Management Program, City Project No. 2020-09D - Delaney Circle and Delaney Court Improvements.

Ayes: 5

Nays: 0 Motion carried.

B. Assessment Hearing to Consider Resolution Adopting Final Assessment Roll for the 2021 Pavement Management Program, City Project No. 2021-09D - Bryant Lane Area Improvements. Resolution 2021-273

Assistant City Engineer Steve Dodge gave the following presentation for the Bryant Lane Area Improvements, 2021-09D.

Project Overview:

- 1997-1998 Majestic Woodland Development
- Urban street section
- September 2020 authorized feasibility
- February 2021 Improvement Hearing
- Summer 2021 construction
- Blackberry Trail eliminated from the project

Project Cost Summary:

- Total Project Cost: \$1,421,198
- Storm Sewer Improvements: \$247,567
- Sanitary Sewer: \$25,932
- Watermain: \$86,906
- Contingency Items: \$43,438
- Total Project: \$1,825,041

Funding and Assessment Policy:

- Project funding through a combination of Pavement Management Program (PMP) Funds, utility funds, and Assessments.
 - Total Proposed Assessments: \$577,415.90
- City Assessment Policy is based on single family lots assessed per parcel (combined street and storm sewer improvements)
- Reconstruction Assessment Policy is 35% of Street and Storm improvements (34.6% actual)

Final Assessment Amount

- Final City Policy Assessment Amount: \$9,310.12 (\$9,491 Preliminary Assessment)
 - There were cost savings throughout the project. Able to implement those in the total project costs, reducing the cost for the city and for assessments.
 - 14 properties entered into the Driveway Program. (City started the program in 2008).
 - Parcels decided to replace their own driveway from curb all the way to the garage. Homeowners didn't want a seam in their driveways that they would have to shovel past.
 - Worked through this with the Attorney's. Resulted in a \$475.16 driveway credit.
 - 14 properties received a \$8,834.96 Assessment due to the credit and chose to do their own driveways themselves.

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- Single Family Parcel Preliminary Special Benefit Assessment Cap Amount.
 - Done by an Independent Appraiser.
 - Is a test to see if the city Policy is low or high.
 - The benefit that could have been received for Assessments is \$14,000.
 - Being this is a reconstruction project, the proposed \$9,310 is much lower. Always use the lower of the two.
 - 10-year term.
 - 3.15% interest.
 - Have 30 days to pay in full once Council levies the Assessment.

Payment of Assessment:

- Assessment Payments
 - If not paying within 30 days after tonight, the city will certify the assessments with the County.
 - Would then begin payments in May 2022 twice per year with their taxes from the County.
 - Can pay in full anytime.
 - Interest begins to accrue January 1, 2022 (Resolution).
- Deferred Assessments (Income Based)
 - 65 years or older
 - Active Military
 - 100% Disabled

Project Schedule:

- Held a virtual information meeting with residents. 13 residents were at the meeting. Questions that arose were addressed.

Recommendations:

- Hold the Public Hearing
- Pass the Resolution Adopting the Final Assessment

Councilmember Dietrich referenced when it is deferred and its income based, for example, Active Military, she asked if the income threshold still has to be met. Assistant City Engineer Dodge responded there is always an income threshold at an administrative level. It goes through the Public Works Specialist in the Public Works Division. There are more details on what that threshold is but has to do with what is considered low income, there is a multiplier.

Mayor Bartholomew asked about the Virtual Meeting and wanted to make sure everyone was addressed, and their concerns were answered. He asked if there were any open questions at this time. Assistant City Engineer Dodge responded there were standard questions about terms, payment, and how that works. Those were answered when meeting with residents. He said for one property, 5955, the Roggenbucks, he has been working with them on an Agreement due to a drainage issue with their driveway. He said there was one issue where a contractor had an accident and dropped a piece of concrete on a wooden sign that was at the entrance to the development. The contractor has said they would dedicate the replacement of that sign. Staff will not submit final payment until that item has been achieved.

Motion by Piekarski Krech, second by Dietrich, to close the Public Hearing at 7:11PM

Ayes: 5

Nays: 0 Motion carried.

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Motion by Piekarski Krech, second by Gliva, to approve Resolution 2021-273 Adopting Final Assessment Roll for the 2021 Pavement Management Program, City Project No. 2021-09D - Bryant Lane Area Improvements.

Ayes: 5

Nays: 0 Motion carried.

Mayor Bartholomew thanked Staff and all residents on Bryant Lane for their input. It was a good project that was well done by everyone.

6. REGULAR AGENDA:

Administration & Finance:

A. First Reading Ordinance Amending Development Fees and Calling a Public Hearing on Development Fees.

Finance Director Amy Hove stated she is requesting the following two action items:

1. To consider a First Reading of an Ordinance to amend the current City Code to adjust fees and charges associated with development activities as they pertain to the city's utility connections.
2. Requesting the City Council schedule, a Public Hearing in conjunction with those changes.

She stated the City Code currently requires Three Readings for an Ordinance change. Those dates are:

- October 11, 2021
- November 8, 2021
- December 13, 2021

According to State Statutes required to hold a Public Hearing, Staff suggests holding a Public Hearing in conjunction with the Second Reading taking place on November 8, 2021.

Projections and recommendations:

- In 2016 Ehlers and Associates performed financial projections for utility funds in the northwest area and other areas of the city.
- Recommendations were made at the time between 3.5% and 5% increases.
- Currently going through the review with Ehlers and HKGi.
 - There are no new recommendations at this time.
 - Do not want to hold up a possible increase for next year as these need to be passed by the end of this year.
- Currently the increases recommended are:
 - Water: 3.5%
 - Water in the northwest area: 4%
 - Sewer: 3.5%
 - Sewer in the northwest area: 5%
 - Stormwater in the northwest area: 5%
 - No changes recommended to the Land Use Approval fees at this time

Mayor Bartholomew asked for further information on the process, how the information would be getting out to residents and property owners, and where they could find information. Finance Director Hove responded a Public Notice would be published and posted for the November 8th Public Hearing.

Mayor Bartholomew asked if information would be on the Website or email list. Finance Director Hove responded there is an email list associated with proposed Ordinance changes.

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Mayor Bartholomew said he wanted to be certain this information gets to businesses and the Chamber. Finance Director Hove responded she would make sure it would.

Councilmember Murphy asked what the thought process was with segregating the northwest area. He said the tax base generated in the northwest area does not benefit the northwest area. He asked why it wasn't the same across Inver Grove Heights. Finance Director Hove responded they are following the recommendation from Ehlers from 2016. Part of the reason they separated out the northwest area was due to the expense in the area. The connections are meant to help pay for development that occurs. She said they are currently undergoing research from Ehlers and HKGi to see if these should be adjusted for future years; 2023 and beyond.

Commissioner Murphy asked if this would be up for further discussion at the Second Reading. Finance Director Hove responded yes.

Commissioner Murphy asked if he wanted to encourage Council to have a discussion around making this the same across the city, if there was an opportunity to do it now, or at the Second Reading. Mayor Bartholomew responded it could be discussed now or at the Second Reading. He said the Finance Director has said more information from the review by Ehlers would be coming before November 8th. He said this is just the First Reading, the numbers can change, further debate can be had at the Second and Third Reading.

Councilmember Gliva asked if these increases were already anticipated in the budget for next year. Finance Director Hove responded as they craft the budget for next year, these would be included in the assumptions. These are utility related funds. It's not a balanced budget like the General Fund, expenses and revenues don't have to be net. She said the connection fees are associated with projects, more of a capital type expense.

Motion by Gliva,

City Attorney McCauley Nason said this was the First Reading. If the Motion on the table dies for lack of a second, the Motion doesn't pass. One option would be to make a second Motion to continue the First Reading to the November 8th Council meeting with a request to Staff to bring back information requested at that time. A Public Hearing would have to be held at the second meeting in November. From a timing perspective, that would still permit enough time for the Council to have Three Readings and adoption of any proposed fee Ordinance revisions before the end of the year. They would need to be adopted by the end of the year in order to become effective January 1, 2022.

Councilmember Piekarski Krech seconded, to approve the First Reading Ordinance Amending Development Fees and Calling a Public Hearing on Development Fees.

Ayes: 3

Nays: 2 (Dietrich, Murphy) Motion carried.

Motion by Piekarski Krech, second by Gliva, to hold the Public Hearing on November 8, 2021.

Ayes: 5

Nays: 0 Motion carried.

B. Consider Resolution approving State Bonding Requests. Resolution 2021-274

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City Administrator Kris Wilson stated this item is a follow up from last week's Work Session where the process for having projects in Inver Grove Heights be potentially included in the State Bonding Bill was discussed. She said there is one option to ask the Governor's Office to include a project in the Governor's Proposed Bill. The deadline to submit a Resolution is by October 15th. She said at the Work Session the Council discussed Legislative and funding priorities from the last Legislative Session which included the 117th Street Reconstruction and Heritage Village Park. She said the direction she received after the Work Session was that Council wished to submit the Number 1 priority, the 117th Street Reconstruction. This Resolution puts that in motion. It does not guarantee funding would be obtained. She said they would be talking to the Legislative Delegation in both the House and Senate. There would be opportunities to ask the House and Senate for other forms of funding as the Legislative Session gets closer. She said this was just to take advantage of that avenue of possible inclusion in the Governor's Bonding Bill.

Mayor Bartholomew asked if they say this is their Bonding request, do they have opportunity in the future to revisit it if something comes up and there is another project the Legislature wants to carry. He asked if there would be an opportunity to visit that as a Council and add it to the Bonding request. City Administrator Wilson responded they have the opportunity to add it to the Bonding request at that point, it wouldn't be considered in the Governor's Bonding Bill. She said there are projects that get funded that did not come through the Governor's Bonding Bill that got brought by a House or Senate Member or both.

Motion by Piekarski Krech, second by Dietrich, to approve Resolution 2021-274 approving the State Bonding Request of the 117th Street Reconstruction Project.

Ayes: 5

Nays: 0 Motion carried.

7. PUBLIC COMMENT:

Tamara Martin, 6215 Carleda Way, stated she is present as the Representative for the residents of Carleda Way to express their objection to the development of three lots on the north end of their street. She said they were frustrated with the inconsistent information provided regarding the development. She said they were all extremely distraught at the city leveling a wooded lot on their street, destroying potential 150-year-old trees, and demolishing the existing natural area the community uses frequently. She said it was clearly expressed by the Community Development Department that the opportunity for residents to convey their objection had long passed and the city would be moving forward with the sale of the lots and development of the spaces. She said the information was provided in the 2040 Comprehensive Plan. After reviewing the Comprehensive Plan, information provided on Page 2-26 on Future Land Use Figure 2-2, the three empty lots are actually listed as public open spaces, not single-family homes. She stated that City Planner Allan Hunting confirmed the information in an email from Friday, October 8, 2021 at 4:31 p.m.

She said conversations with city representatives about the street reconstruction indicates that the development was not scheduled until Spring 2021. She said the information provided to residents appears to be inconsistent. The residents of Carleda Way would never have known about the sale of the lots. She asked how tax paying residents of Inver Grove Heights were supposed to be able to voice their concerns about a development that was never clearly communicated to residents. She said because of the discrepancies, the City Planner has determined, of which she quoted "Further research and discussion will occur once the city Parks and Recreation Director is in place, sometime this winter".

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She said the community cherishes those lots, it's public space they use daily. She stated the residents of Carleda Way are asking to be informed and have an opportunity to influence what the city decides to do in their neighborhood.

Mayor Bartholomew stated there was an email from Ms. Martin that would be received into the record. He said they would get those questions answered.

Motion by Piekarski Krech, second by Gliva, to accept the email from Ms. Martin into the record.

Ayes: 5

Nays: 0 Motion carried.

Benjamin Stone, 1378 66th Street West, requested clarification on what the qualification is for R-3C Zoning. He said his understanding is that the City Code, there is one qualification, the lot being requested for must have a minimum density exceeding 12 units per acre. Mayor Bartholomew responded they are taking Mr. Stone's question into the record and will get clarity via email or other means.

Mr. Stone stated if that is the case, with a density limit of 12 units per acre, a lot that is designated for Medium Density Residential use does not qualify for R-3C Zoning. He asked what would need to happen for that lot to qualify for R-3C Zoning.

Mayor Bartholomew stated if Mr. Stone has that information in writing he could give it to the City Clerk.

Councilmember Dietrich asked that whoever answers Mr. Stone's questions, if all Council can be copied on the response.

8. MAYOR AND COUNCIL COMMENTS:

9. EXECUTIVE SESSION:

Closed meeting pursuant to Minnesota Statute Sec. 13D.05, Subd. 2 to consider allegations or charges against individual subject to Council authority in the Police Department (non-disciplinary).

City Attorney McCauley Nason stated the Council is being asked to move into a Closed Session Pursuant to Minnesota Statute Sec. 13D.05 Subd. 2b for preliminary consideration of allegations or charges against an individual subject to its authority (non-disciplinary). This Closed Session must also be opened at the request of the individual who is the subject of the meeting if requested by the subject. The meeting must be recorded. The closed meeting will be held in Council Chambers and will commence immediately upon vote to move into Closed Session. Once the closed meeting is completed, the City Council will reconvene the open meeting portion of tonight's City Council meeting where action may be taken by the Council regarding this item. She requested a Motion, a second, and a vote by the majority of the Council to move into Closed Session for these reasons.

Motion by Murphy, second by Piekarski Krech, to move into a Closed Session Pursuant to Minnesota Statute Sec. 13D.05 Subd. 2b for preliminary consideration of allegations or charges against an individual subject to its authority (non-disciplinary).

Ayes: 5

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Nays: 0 Motion carried.

A five-minute recess was taken at 7:32 p.m.

Mayor Bartholomew called the meeting back in session at 7:44 p.m.

Mayor Bartholomew stated there is a Resolution in front of the Council to approve termination of employment.

Motion by Dietrich, second by Murphy, to approve termination of employment.

Ayes: 5

Nays: 0 Motion carried.

10. ADJOURN:

Motion by Piekarski Krech, second by Gliva, to adjourn the meeting at 7:45 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek