

**OFFICIAL PROCEEDINGS
CITY OF COLUMBIA HEIGHTS
CITY COUNCIL MEETING
APRIL 23, 2018**

The following are the minutes for the regular meeting of the City Council held at 7:00 PM on Monday April 23, 2018 the City Council Chambers, City Hall, 590 40th Ave. N.E., Columbia Heights, Minnesota

1. CALL TO ORDER/ROLL CALL

Mayor Schmitt called the meeting to order at 7:33 p.m.

Present: Mayor Schmitt, Councilmember Williams, Councilmember Murzyn, Jr., Councilmember Buesgens, and Councilmember Novitsky

Also Present: Walt Fehst; City Manager, Jim Hoeft; City Attorney, Kelli Bourgeois, Human Resources Director/Assistant to the City Manager, John Larkin; Assistant Fire Chief, Sergeant Matt Markham, Sergeant Justin Pletcher, Keith Dahl; Community Development Manager, and Katie Bruno; City Clerk/Council Secretary

2. INVOCATION

Invocation provided by Bill Hugo, St. Matthew Church

3. PLEDGE OF ALLEGIANCE

4. MISSION STATEMENT, Read by Mayor Schmitt

Our mission is to provide the highest quality public services. Services will be provided in a fair, respectful and professional manner that effectively address changing citizen and community needs in a fiscally-responsible and customer friendly manner.

5. APPROVAL OF AGENDA

Mayor Schmitt announced the following additions to section 6:

- A. Introduction of Ben Sandell, Communication Coordinator
- C. Announcement of Columbia Heights High School musical "The Spitfire Grill"

Motion by Councilmember Buesgens, seconded by Councilmember Williams to approve the agenda as amended. All Ayes, Motion Carried.

6. PROCLAMATIONS, PRESENTATIONS, RECOGNITION, ANNOUNCEMENTS, GUESTS

- A. Introduction of Ben Sandell, Communication Coordinator

Kelli Bourgeois, Human Resources Director/Assistant to the City Manager introduced Communications Coordinator, Ben Sandell.

- B. Recognition of Columbia Heights High School Basketball Team

Mayor Schmitt read a proclamation recognizing the second place finish of the Columbia Heights High School Boys Basketball team. Coach Willie Braziel accepted the proclamation on behalf of the team, and school. Gratitude was expressed to the City and Community for the outpour of support.

- C. Announcement of Columbia Heights High School musical "The Spitfire Grill"

Schoolboard Chairperson John Larkin announced the High School Drama Department will be performing "The Spitfire Grill." Performances run through April 28th, attendance was encouraged.

7. CONSENT AGENDA

(These items are considered to be routine by the City Council and will be enacted as part of the Consent Agenda by one motion. Items removed from consent agenda approval will be taken up as the next order of business.)

A. Approve Minutes of the City Council

MOTION: Move to approve the minutes of the City Council meeting of April 9, 2018

MOTION: Move to approve the minutes of the City Council work session of April 2, 2018

B. Accept Board and Commission Meeting Minutes

MOTION: Move to accept the Charter Commission minutes from January 18, 2018

C. Replacement of data processing and storage system

MOTION: Move to authorize the purchase of two Hewlett Packard Enterprise servers, software, and support and three-year maintenance from Works Computing for the price not to exceed \$68,000.00 plus taxes and shipping, and to amend the original 2018 budget estimate by \$8,000.

D. Final payment To Cool Air Mechanical Company for Library Mechanical Contract, Project No. 1410

MOTION: Move to accept the mechanical work for the new Columbia Heights Public Library, Project No. 1410, and authorize final payment of \$49,317.55 to Cool Air Mechanical Company of Ham Lake, Minnesota

E. Final payment to Cobra Construction Company for Building Construction Contract, Project No. 1609

MOTION: Move to accept the building construction work for the new Circle Terrace Park Building, Project No. 1609, and authorize final payment of \$19,071.15 to Cobra Construction of White Bear Lake, Minnesota

F. Approve Gambling Permit, Immaculate Conception Church

MOTION: Move to direct the City Manager to forward a letter to the State Charitable Gambling Control Board indicating that the City of Columbia Heights has no objection to a gambling permit for Immaculate Conception Church to conduct bingo, pull-tags and a raffle at their Fun Fest event being held August 3-5, 2018 at 4030 Jackson Street NE, Columbia Heights; and furthermore, that the City of Columbia Heights hereby waives the remainder of the thirty-day notice to the local governing body.

MOTION: Move to direct the City Manager to forward a letter to the State Charitable Gambling Control Board indicating that the City of Columbia Heights has no objection to a gambling permit for Immaculate Conception Church to conduct bingo, pull-tabs and a raffle at their Fun Fest event being held August 3-5, 2018 at 4030 Jackson Street NE, Columbia Heights; and furthermore, that the City of Columbia Heights hereby waives the remainder of the thirty-day notice to the local governing body.

G. Public Hearing Request for Issuance of a Revenue Note

Motion: Move to waive the reading of Resolution 2018-24, there being ample copies available to the public.

Motion: Move to approve Resolution No. 2018-24, a resolution calling for a public hearing on the issuance of a revenue note and providing preliminary approval to the issuance thereof.

H. Public Works Seasonal Wage Adjustment

MOTION: Move to waive the reading of Resolution 2018-25, there being ample copies available to the public.

MOTION: Move to adopt Resolution No. 2018-25, being a resolution setting seasonal wages for public works seasonal staff effective May 1, 2018.

I. Annual declaration that the City of Columbia Heights does NOT waive the monetary limits on the Municipal Tort Liability under Minnesota Statutes, Section 466.04.

MOTION: Move to declare that the City of Columbia Heights does NOT waive the monetary limits on municipal tort liability under Minnesota Statutes, section 466.04.

J. Consideration of approval of attached list of Rental Housing Applications

MOTION: Move to approve the items listed for rental housing license applications for April 23, 2018, in that they have met the requirements of the Property Maintenance Code

K. Approve Business License Applications

MOTION: Move to approve the items as listed on the business license agenda for April 23, 2018.

L. Review of Bills

MOTION: Move that in accordance with Minnesota Statute 412.271, subd. 8 the City Council has reviewed the enclosed list of claims paid by check and by electronic funds transfer in the amount of \$842,767.42.

Motion by Councilmember Williams, seconded by Councilmember Buesgens to approve the Consent Agenda as presented. All Ayes, Motion carried.

8. PUBLIC HEARINGS

A. Consideration of revocation of the licenses to operate rental units within the City of Columbia Heights is requested against the rental property at 615 42nd Street NE for failure to meet the requirements of the Residential Maintenance Codes.

John Larkin, Assistant Fire Chief reported the property is currently being rented without a license. Attempts to speak to the owner have been unsuccessful.

Motion by Councilmember Buesgens, seconded by Councilmember Murzyn, Jr. to close the public hearing and to waive the reading of Resolution Number 2018-21, being ample copies available to the public. All Ayes, Motion Carried.

Motion by Councilmember Buesgens, seconded by Councilmember Novitsky to adopt Resolution Number 2018-21 being Resolutions of the City Council of the City of Columbia Heights approving revocation pursuant to City Code, Chapter 5A, Article IV, Section 5A.408(A) of the rental licenses listed. All Ayes, Motion Carried.

9. ITEMS FOR CONSIDERATION

10. CITY COUNCIL AND ADMINISTRATIVE REPORTS

Councilmember Buesgens reported that City Staff has applied for a grant for sidewalk and lighting on Central Ave. from 43rd to 47th Ave NE, and that application was denied. Staff will continue to look for other funding sources. Councilmember Buesgens attended the Columbia Heights School District Conversations meeting, the HeightNEXT hosted movie: Growthbusters, the SACA fundraiser: Empty Bowls, and the Columbia Heights Athletic Booster's dinner. Buesgens attended the Charter Commission meeting; and the proposed revisions to Chapter 2, Sections 10 and 53 of the City Charter will be brought to the Council. She attended the final Comp Plan steering committee meeting, and she thanked Staff for their work through the long process.

Councilmember Murzyn, Jr. assisted with the Columbia Heights Lion's shredding event, and he attended the Columbia Heights Booster Banquet.

Councilmember Murzyn, Jr. suggested naming the Circle Terrace building in honor of Councilmember Bruce Nawrocki, commenting that Bruce always took care of the residents in Columbia Heights. Murzyn, Jr. proposed name *The Bruce Nawrocki City of Peace Park & Recreation Center.* "

City Manager Walt Fehst commented that this would be a great way to honor Nawrocki's 47 years of public service, and he indicated he will forward the information to the Park & Recreation Commission to discuss at their April meeting. Mayor Schmitt requested the council discuss this at their May work session as there may be other options to consider as well.

Councilmember Novitsky attended the Columbia Heights School District Conversations meeting, the SACA fundraiser: Empty Bowls, and the Booster Awards where the Lions were awarded the Ron Wojciak Community Award. 75 people volunteered for the adopt-a-highway cleanup event, and over 3,000 pounds of paper was shredded on April 21st.

Mayor Schmitt visited the fourth graders at Global Academy, and attended a reconstruction meeting for the 39th Ave project. Northeast Bank presented the City with a check for the library. She attended the Columbia Heights School District Conversations meeting, the Salad Luncheon at Community United Methodist Church, and the SACA fundraiser: Empty Bowls. Mayor Schmitt gave a "State of the City" speech at the Twin Cities North Chamber Breakfast, and at the Kiwanis meeting. The Interfaith Prayer Breakfast was announced.

City Manager Walt Fehst clarified that the Park & Recreation commission will be notified of Councilmember Murzyn, Jr's suggestion for Circle Terrace Park, and the Council will make the final decision.

City Manager Walt Fehst commented that the Board of Appeal & Equalization meeting prior to the council meeting was very well attended. Fehst speculated that maybe because the market is favorable in Columbia Heights, resulting in a larger than average increase in value. Mayor Schmitt indicated the City will inform residents about Property Tax Refund filing in the coming weeks.

11. COMMUNITY FORUM

Nelle Bing - 3966 5th St NE announced HeightsNEXT is organizing a second clean up event on May 19th, starting at 8:30 AM.

Sean Broom-4117 5th St NE, representing Heights Citizens for Safer Streets announced the group will be meeting on April 28th at 11:30 AM at the Columbia Heights Library to discuss road improvements to address some next steps related to pedestrian safety.

12. ADJOURNMENT

Motion by Councilmember Buesgens seconded by Councilmember Williams to adjourn. All Ayes, Motion carried.

Meeting adjourned at 8:17 p.m.



Respectfully Submitted,
Katie Bruno, Council Secretary/City Clerk

RESOLUTION NO. 2018-21

Resolution of the City Council for the City of Columbia Heights approving revocation pursuant to City Code, Chapter 5A, Article IV, Section 5A.408(A) of that certain property rental license held by Julio Medina (Hereinafter "License Holder").

Whereas, license holder is the legal owner of the real property located at 615 42nd Avenue N.E., Columbia Heights, Minnesota,

Whereas, pursuant to City Code, Chapter 5A, Article IV, Section 5A.408(B), written notice setting forth the causes and reasons for the proposed Council action contained herein was given to the License Holder on March 19, 2018, of a public hearing to be held on April 23, 2018.

Now, therefore, in accordance with the foregoing, and all ordinances and regulations of the City of Columbia Heights, the City Council of the City of Columbia Heights makes the following:

FINDINGS OF FACT

1. That on or about January 16, 2018, inspection office staff sent a letter requesting the owner of the property to submit a rental license application and schedule a rental inspection for this property. The letter was mailed by regular mail to the owner at the address listed in the property records.
2. That on February 5, 2018, inspection office staff reviewed the property file and noted that the property remained unlicensed. A Statement of Cause was mailed by regular mail to the owner at the address listed in the property records.
3. That based upon said records of the Enforcement Office, the following conditions and violations of the City's Property Maintenance Code were found to exist, to-wit:
 - a. Failure to schedule a rental property inspection.
 - b. Failure to submit a rental license application and fees.
4. That all parties, including the License Holder and any occupants or tenants, have been given the appropriate notice of this hearing according to the provisions of the City Code, Chapter 5A, Article III

5A.306 and 5A.303(A).

ORDER OF COUNCIL

1. The rental license belonging to the License Holder described herein and identified by license number F-UNLIC-615 is hereby revoked;
2. The City will post for the purpose of preventing occupancy a copy of this order on the buildings covered by the license held by License Holder;
3. All tenants shall remove themselves from the premises within 45 days from the first day of posting of this Order revoking the license as held by License Holder.

RESOLUTION NO. 2018-24

RESOLUTION CALLING A PUBLIC HEARING ON THE ISSUANCE OF A REVENUE NOTE AND PROVIDING PRELIMINARY APPROVAL TO THE ISSUANCE THEREOF

BE IT RESOLVED by the City Council (the "City Council") of the City of Columbia Heights, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. Pursuant to the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Act"), the City is authorized to issue revenue obligations to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of a "project," defined in the Act, in part, as any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit.

1.02. Pursuant to Minnesota Statutes, Section 471.656, as amended, a municipality is authorized to issue obligations to finance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the governing body of the municipality in which the property is located consents by resolution to the issuance of such obligations.

1.03. Love To Grow On, a Minnesota nonprofit corporation, or any of its affiliates (the "Borrower"), has proposed that the City issue its revenue note, in one or more series, as a taxable or tax-exempt obligation (the "Note"), in an aggregate principal amount not to exceed \$3,800,000. The Borrower has proposed to apply the proceeds of the Note to (i) finance the acquisition, construction, and equipping of an approximately 13,000 square foot early childhood educational facility located at 6499 Lakota Trail, Lino Lakes, Minnesota (the "Project"); (ii) finance capitalized interest on the Note during construction of the Project, if necessary; (iii) fund required reserves for the Note, if any; and (iv) pay the costs of issuing the Note. The Project will be owned and operated by the Borrower.

1.04. Pursuant to Section 469.154 of the Act, prior to the issuance of the Note by the City, the Commissioner of the Minnesota Department of Employment and Economic Development ("DEED") must approve the costs of the Project on the basis of an application submitted by the City with all required

attachments and exhibits (the "DEED Application").

1.05. Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), prior to the issuance of the Note, the City Council must conduct a public hearing after one publication of notice in a newspaper circulating generally in the City at least fourteen (14) days before the hearing. Under Section 469.154, subdivision 4 of the Act, a public hearing must be held after one publication of notice in the official newspaper of and a newspaper of general circulation in the City at least fourteen (14) days before the hearing.

1.06. The Borrower has requested that the City Council conduct a public hearing on Tuesday, May 29, 2018, to (i) approve the issuance of the Note pursuant to the requirements of Section 147(f) of the Code and the regulations promulgated thereunder; and (ii) approve the Project pursuant to Section 469.154, subdivision 4 of the Act.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the City to date, the City Council hereby makes the following preliminary findings, determinations, and declarations:

(a) The proceeds of the Note will be loaned to the Borrower and the proceeds of the loan will be applied to (i) finance the Project; (ii) finance capitalized interest on the Note during construction of the Project, if necessary; (iii) fund required reserves for the Note, if any; and (iv) pay the costs of issuing the Note. The City will enter into a loan agreement (or other revenue agreement) with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan of the proceeds of the Note when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(b) In preliminarily authorizing the issuance of the Note and the financing of the Project, the City's purpose is to further the policies of the Act.

(c) The Note will be a special, limited obligation of the City payable solely from the revenues pledged to the payment thereof, will not be a general or moral obligation of the City, and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the City.

Section 3. Public Hearing.

3.01. The City Council shall meet at 7:00 p.m. on Tuesday, May 29, 2018, to conduct a public hearing as requested by the Borrower, notice of which hearing (the "Public Notice") will be published as required by Section 469.154, subdivision 4 of the Act and Section 147(f) of the Code.

3.02. Kennedy & Graven, Chartered, as bond counsel to the City ("Bond Counsel"), is hereby authorized and directed to publish the Public Notice, in substantially the form attached hereto as EXHIBIT A, in the Sun-Focus, the official newspaper of and a newspaper of general circulation in the City. The Public Notice shall be published once at least fourteen (14) days prior to the date of the public hearing. At the public hearing, reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the proposed issuance of the Note and the Project.

3.03. In accordance with Section 469.154 of the Act, the City Manager and other City staff are hereby authorized and directed to cause a draft copy of the DEED Application, together with drafts of all required

attachments and exhibits, to be prepared by Bond Counsel. The DEED Application, together with all attachments and exhibits, shall be made available for public inspection in the office of the City Manager during regular business hours of the City. The City Manager and other officers, employees, attorneys, and agents of the City are hereby authorized to provide DEED with any information needed for this purpose, and the City Manager is authorized to initiate and assist in the preparation of such documents as may be deemed appropriate by Bond Counsel.

Section 4. Preliminary Approvals.

4.01. The City Council hereby states its preliminary intention to issue the Note in the maximum aggregate principal amount of \$3,800,000 to (i) finance the Project; (ii) finance capitalized interest on the Note during construction of the Project, if necessary; (iii) fund required reserves for the Note, if any; and (iv) pay the costs of issuing the Note. The issuance of the Note is also subject to the mutual agreement of the City, the Borrower, and the initial purchaser of the Note as to the details of the Note and provisions for its payment.

4.02. The Note shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City except the City's interest in the loan or revenue agreement with respect to the Note and the Project. The Note, when, as, and if issued, shall recite in substance that the Note, including interest thereon, is payable solely from the revenues received from the Project and property pledged to the payment thereof, and shall not constitute a general or moral obligation of the City.

4.03. The law firm of Kennedy & Graven, Chartered, is authorized to act as Bond Counsel and to assist in the preparation and review of necessary documents relating to the Project and the Note issued in connection therewith. The Mayor, the City Manager, and other officers, employees, and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents.

Section 5. Reimbursement of Costs under the Code.

5.01. Treasury Regulations. The United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City or a borrower from the City for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within eighteen (18) months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

5.02. Reimbursement for Expenditures. To the extent any portion of the proceeds of the Note will be applied to expenditures with respect to the Project, the City reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Note after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Note, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act.

Section 6. Costs. The Borrower will pay the administrative fee of the City and pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Note, whether or not the Note is issued.

Section 7. Commitment Conditional. The adoption of this resolution does not constitute a guaranty or firm commitment that the City will issue the Note as requested by the Borrower. The City retains the right in its sole discretion to withdraw from participation and accordingly not to issue the Note, or to issue the Note in an amount less than the amount referred to herein, should the City at any time prior to issuance thereof determine that it is in the best interest of the City not to issue the Note, or to issue the Note in an amount less than the amount referred to herein, or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the transaction.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its passage.

RESOLUTION NO. 2018-25
ADOPTING CHANGES IN WAGE RANGES AND ESTABLISHING WAGES FOR
SEASONAL PUBLIC WORKS POSITIONS,
SEASONAL/TEMPORARY RECREATION POSITIONS,
AND INTERNS

WHEREAS, the City of Columbia Heights adopted a Wage Compensation Program for Non-Unionized City Employees effective January 1, 1980 (Resolution 80-47), which indicated that on an annual basis, changes may be adopted in Wage Ranges; and

WHEREAS, on July 11, 2016 the City Council adopted Resolution 2016-61 establishing seasonal wages for public works positions to be effective August 1, 2016; and

WHEREAS, given the current economy and job market, the Public Works is having difficulty filling seasonal positions.

NOW, THEREFORE, BE IT RESOLVED, that the City of Columbia Heights establishes new wage ranges for non-unionized seasonal/temporary public works positions as indicated on Schedule II, which is attached and on file in the office of the City Manager; and

BE IT FURTHER RESOLVED that such schedule be effective May 1, 2018.