

Meeting of: COLUMBIA HEIGHTS CITY COUNCIL
Date of Meeting: September 3, 2019
Time of Meeting: 7 pm
Location of Meeting: Conference Room #1
Purpose of Meeting: Work Session

CALL TO ORDER/ROLL CALL - The meeting was called to order at 7:00 pm

Present: Mayor Schmitt, Councilmembers Murzyn Jr, Novitsky, and Buesgens

Absent: Councilmember Williams

Staff Present: Kelli Bourgeois-City Manager, Joseph Kloiber-Finance Director, Patty Sweep- Human Resources Manager, Matt Markham- Police Captain, Ben Sandell- Communications Coordinator, Aaron Chirpich- Community Development Director, Mitch Forney- Community Development Coordinator, and Nicole Tingley- City Clerk/Council Secretary.

1. Budget Overview

Finance Director Kloiber provided an overview of the City Manager's Budget Message which includes the proposed 2020 Budget. Kloiber shared highlights of revenues for the proposed budget including an 8.5% tax levy increase, an increase of 6.5% in fiscal disparities funding, and \$1.8 million of Local Government Aid (LGA).

Councilmember Buesgens inquired how the LGA amount compared to the 2003 allotment and if there were proposed amounts for 2021 and forward. Kloiber stated that he would follow-up with information in the next edition of the Green Sheet.

Kloiber continued by sharing the summary of expenditures. Kloiber noted that the proposed operating expenses is a 7% increase from last year with approximately half of the increase due to inflation (maintaining existing services) and half for increased service levels. The increase service level expenses are primarily staffing related with four new positions as recommended in the public safety staffing study, a new special projects and events coordinator, and part-time staffing changes.

Councilmember Novitsky asked what the increase of \$115,000 in inspection fees last year was allocated to noting that he thought it was for public safety staffing. Kloiber explained that the total budget amount did not change rather the tax levy amount allocated to inspections decreased while the inspection fee revenues used to fund inspections increased. This made it so inspections were more funded by fees rather than taxes. Kloiber stated that he would follow-up with more detailed information to explain where the \$115,000 was used and it's relation to the tax levy amount.

Next, Kloiber discussed the utility funds noting that the 5-year rate resolution ends in 2019. Kloiber stated that the recommendation is to increase the average bill for a single family home of 4 people by 4.5% or approximately \$13. Kloiber provided a breakdown of the percentage increase by utility as follows: stormwater increase of 10%, refuse increase of 0.5%, sanitary sewer increase of 5%, and water increase of 5.5%. Kloiber noted that one primary cost driver is infrastructure.

Kloiber then briefly covered the savings for a new city hall. Kloiber stated there would be \$5.5 million saved by the end of 2020 and another \$2.5 million in other areas of the budget that could be used towards a new city hall.

Mayor Schmitt asked for budget numbers for the City's special events including the City Service Expo, 2020 Census, and Truck or Treat.

Kloiber finished by providing an outline of the upcoming budget schedule. The preliminary will be considered at the September 9th City Council meeting, the 5-year rate resolution will be considered at the September 23rd City Council meeting, and during the October and November work sessions, the departments will present their budgets in further detail.

2. Personnel Policy & FMLA Policy

Human Resources Manager Sweep provided background information on the new updated draft of the Personnel Policy. Sweep noted that the policy was drafted using the LMC model policy as a guide. Sweep added that the only change from the previous version was to include lodging on page 44. City Council provided direction to bring both policies for consideration to the September 9th City Council meeting.

3. De-Escalation Video

Captain Markham showed a video example of their de-escalation training being utilized in the field. Throughout the video Markham explained the scenario and techniques used by the officers.

4. FCC Appeal/North Metro Cable Commission Membership

Communications Coordinator Sandell stated that on August 1 the FCC approved changes to the franchise fees collected by cities. Sandell explained that the fair market value of "in-kind" services such as cable and internet access is going to start being calculated in the 5% franchise fee cap. City Manager Bourgeois added that only capital costs associated with public, educational, and governmental (PEG) access facilities are exempt from being classified as a franchise fee subject to the cap.

Bourgeois shared that our cable attorney Mike Bradley sent the City a request to participate in an appeal of this FCC order. It was noted that participating would cost \$5,000.

Next, Bourgeois and Sandell explained details regarding the North Metro Cable Commission. It was noted that there are 7 cities in the commission and that they pool their resources together. Services provided include equipment repair and replacement, scheduling programming, channel availability on Roku and Apple TV, and program production. Additionally, it was noted that the City would have two members on the board and that it would cost \$185,000 per year with \$70,000 being returned to the City.

Councilmember Novitsky asked what the franchise fees are being used for currently. Bourgeois and Sandell answered that it is used for hardware, license fees, and communications along with transfers to I.S. and the Library.

Councilmember Buesgens stated that she was open to joining the appeal.

Mayor Schmitt asked if the City would still be included in the ruling of the appeal if the City is not a part of it. Schmitt also stated that the City could drop one of its two channels. Bourgeois clarified that the City's name would not be included on the appeal itself, but the City would be impacted by the results of the appeal. Bourgeois also stated that at this time there are not any financial impacts for the channels themselves at this

time. Bourgeois stated the City and the Library could share a channel in the future. Schmitt commented that the City could also share a channel with the school district. Communications Coordinator Sandell commented that the school district would benefit if the City joined the North Metro Cable Commission as they cover school board meetings and high school activities. The City would need to have further discussions with the cable commission to clarify exactly what would be covered.

Mayor Schmitt inquired what the approximate \$70,000 being returned to the City could be used for. Bourgeois answered that it would first go towards staff costs. It was clarified this is an allowed use.

The City Council provided direction to not join the FCC appeal and to continue exploring the possibility of joining the North Metro Cable Commission.

5. City Hall/Alatus Development Discussion

Community Development Director Chirpich as the City Council for feedback on the Ironwood Apartments tour (Alatus apartment building in New Hope) and the New Hope City Hall Tour. Councilmember Murzyn Jr. commented that he thought the apartments were gorgeous. Murzyn Jr. also commented that he was under the impression that the City Hall was going to be within another building similar to the Alatus proposal for Columbia Heights making it hard to compare. City Manager Bourgeois asked for feedback on items both city halls would have in common such as council chambers, lobby, and offices. Murzyn Jr. stated that he wanted staff to make those decisions.

Councilmember Novitsky commented that the apartments would be great for Columbia Heights adding that he particularly liked the quiet VFR technology and the move-in and move-out area. Novitsky stated that he had questions regarding the suites included and that he also wanted city staff opinions.

Councilmember Buesgens commented that she was impressed with the technology, layout, and quality of the apartments. In regards to the New Hope City Hall, Buesgens stated that she would like City staff to decide the layout. Additionally, Buesgens shared her concerns regarding safety of the Council Chambers and the front desk area.

The City Council inquired for feedback from the City staff about New Hope City Hall.

City Manager Bourgeois shared she liked the Council Chambers, work session space, and the technology in those two spaces. Bourgeois commented that she did not like the layout of the workspace with all of the division heads in the back and that she would prefer one main reception area as opposed to separate ones for each department like New Hope. Finally, she added that security would need to be discussed.

Community Development Coordinator Forney stated he like the openness of the City Council Chambers and work session space. Forney stated that the workplace layout like New Hope's would be difficult for communication between staff and directors.

Community Development Director Chirpich added he liked the City Council Chambers and its technology. Chirpich noted the importance of the public spaces.

Mayor Schmitt stated she liked the City Council Chambers and how the work session room could be overflow. Schmitt stated that the office layout should be determined by staff, but that she liked the higher partitions.

She also commented that she liked having multiple multi-use rooms in one area. Concerning the Ironwood Apartments, Schmitt liked them noting specifically the mini store, outside space, and gym.

Chirpich stated the City's architect is working on a fit plan for both locations including a single story layout for 3989 Central. It was noted that it was anticipated that there would be a special work session on September 23 with accurate cost comparisons of both City hall location options.

Councilmember Murzyn Jr. asked when Alatus would be buying the building. Chirpich responded that the City would like to sell it as soon as possible and would try to by the end of 2019. Chirpich stated that this would depend on the relocation of the cell antennas and noted there has been positive conversation between them and the City. Chirpich added that Alatus would prefer to complete the land-use process in 2019.

Councilmember Buesgens asked if it would be possible to obtain cost per square foot of all of the city halls that have been toured by staff and council so far. Bourgeois answered that she could consult the architect on projects they have worked on and that this information has been requested of New Hope.

Mayor Schmitt asked what happens to the City's tax base if we do not sell the property in 2019. Chirpich answered that the City would be paying the property tax. He noted that Alatus is prepared to pay for all 2019 taxes.

City resident Sean Broom asked what would happen in the case of an economic downturn. Chirpich stated that there is a risk of economic downturn in which the project would not move forward until the building is sold to Alatus.

Broom asked if there would be an opportunity to put in the purchase agreement that the building has to be taken down to ensure it does not stay vacant. Chirpich responded that it is certainly something that could be contemplated, but it has not been discussed at this point. Chirpich added that the development agreement would establish timelines for a variety of key benchmarks. He noted that it would not be something that the City would not just mandate, but would have to be agreed to by Alatus.

6. Public Safety Site Development Discussion

Community Development Director Chirpich stated that there is a fair amount of interest in the city-owned site by the public safety building. Chirpich stated that the site is zoned R-4 multi-family high density residential and that staff believes this is the best use. Chirpich asked the City Council for their feedback on what they would like developed there so that he could provide base benchmarks to the interested developers.

Councilmember Murzyn Jr. stated that he would want housing on the site, but not apartments.

Councilmember Buesgens shared that she liked the idea of a 2 to 3 story building with studio apartments with shared amenities.

Councilmember Novitsky commented that he would prefer to see townhomes.

Chirpich asked the City Council if they felt if there was urgency to develop this site. Mayor Schmitt stated that she believed development is not urgent, but the City does not have single level town homes and that is a need.

Councilmember Buesgens stated that it is very expensive to build homes and that they would not provide a large tax base. Buesgens commented that tiny homes would work well there. She also asked if the site could possibly change to commercial. Chirpich answered that it would be possible, but it would be difficult as it is not on Central.

Chirpich noted that currently it is an opportunity zone which peaks development interest. Chirpich shared there has been some interest and that a RFP process could be completed if multiple proposals are desired.

Chirpich stated that he could go back to the developers and ask them what the lowest density project possible and convey there is a desire to avoid TIF.

Furthermore Schmitt expressed concern with an apartment building by single family homes in regards to privacy. Chirpich responded one possibility would be to use single family home design ques in a building.

Mayor Schmitt inquired how long the opportunity zone lasts. Chirpich responded that the benefits diminish overtime and ideally projects would be placed in 2019. Resident KT Jacobs added that the census count is as of April 1, 2020.

Councilmember Buesgens asked if the site would lose interest once the opportunity zone expires. Community Development Coordinator Forney stated that it is hard to say and it all depends on if the developers decide to utilize it. Chirpich added that it is an added incentive for developers, but a project needs to be viable without it.

Chirpich is going to gather more information from the interested developers.

7. City Council Handbook

City Manager Bourgeois stated that the handbook was reviewed by City Council last year. Bourgeois highlighted the significant changes in the "Representation by City Council Members" section of Chapter 11: Advisory Boards, Commissions, Committees, and Tasks Forces to clarify the role of a liaison includes other government committees and boards not only city advisory commissions and boards. It was clarified that the role in which one is speaking or attending needs to be identified, council liaison, parent, resident, etc. Bourgeois stated that a council liaison represents the entire council so in the case in which your personal opinion differs from that of the council that distinction of representation should be made.

Resident KT Jacobs asked if the capacity in which a councilmember is attending should be divulged even if not directly asked. City Manager Bourgeois stated that it should be in order to be clear and transparent. Schmitt stated that it only applies if you have a dual role.

Bourgeois also shared that on page 42 based on the suggestion of the Mayor there was a paragraph added on conduit bonds.

The City Council provided direction to put it on the agenda for the September 9th meeting.

8. Joint City Council/School Board Meeting Agenda Review

City Manager Bourgeois asked the City Council if they would like to include a public comment period on the upcoming joint city council/school board meeting agenda noting she was asked by a resident. Councilmember Novitsky stated that he thought there should be one included.

Mayor Schmitt asked if the City would be posting its own agenda for the meeting noting that the draft agenda seems to show the school board running the meeting on city property. Bourgeois responded that the meeting would be jointly run. Bourgeois added that she has asked the school board to add the city logo to the agenda and will provide them with the presenters and the City's mission statement to add. Bourgeois stated that the City could draft a separate agenda, but that it would be preferred to have one agenda.

Buesgens stated that she did not see the place for public comment as it is both entities sharing their activities. Novitsky responded that the meeting was set-up to discuss the liaison role and that the public should have the opportunity to speak.

Mayor Schmitt stated that the language regarding liaisons included in the handbook to be considered at the September 9th City Council meeting should be provided to the school board and included as a part of the city's presentation on the topic.

The City Council provided direction to have a public comment period and discussed details of it. Councilmember Murzyn stated that it should be placed at the end of the agenda. It was clarified that the public comment period should be similar to City Council public comment in which the council listens, but does not answer questions. Furthermore, it was determined that the language from the city council meeting agendas should be used to explain the procedure.

It was clarified both the school board and city council would be taking minutes and that the meeting would be recorded, but not live broadcasted.

9. Councilmember Request to Attend RAM/SWANA Conference and National City Summit

Councilmember Buesgens requested to attend the RAM/SWANA Conference and National City Summit. In regards to the RAM/SWANA Conference Buesgens shared that Refuse Coordinator Jesse Davies suggested that she attend the conference when she asked him some questions regarding the state of recycling.

Mayor Schmitt asked Councilmember Buesgens what sessions/topics she was interested in. Buesgens provided multiple examples including packaging and barriers to compost processing. Buesgens stated that she thought this conference would be beneficial as a councilmember to understand other recycling initiatives when considering additions to the current program.

Mayor Schmitt stated that she was concerned Councilmember Buesgens would have dual loyalty as Buesgens is also a board member of HeightsNEXT. Buesgens responded that she did not understand how it was dual loyalty as she is interested in recycling initiatives for the city. Schmitt inquired if Buesgens would benefit from the conference as a board member of HeightsNEXT. Buesgens stated she would not and that she is not attending on behalf of HeightsNEXT. Schmitt commented that HeightsNEXT should pay for half of the registration. Buesgens responded that HeightsNEXT is not aware of this conference and it is about issues that cannot be addressed by them, but could by the City.

Councilmember Murzyn stated that the City should pay for the entire conference as it was brought to Councilmember Buesgens by city staff.

Councilmember Novitsky stated that he could understand the perception of dual loyalty, but did not see it, and is okay with Buesgens attending.

The City Council discussed Councilmember Buesgens attending the National City Summit in San Antonio, Texas. Councilmember Novitsky commented that he thought Buesgens would get the most out of it and was okay with her attending if she brought back a report of what she learned. Councilmember Murzyn stated that he was fine with Buesgens attending the National City Summit.

Mayor Schmitt expressed concern that all councilmembers are not able to take advantage of these opportunities. Schmitt suggested offering more in-house training. City Clerk Tingley stated that it would also be beneficial to make the City Council more aware of local training sessions.

Mayor Schmitt adjourned the work session at 10:15 pm.

Respectfully Submitted,



Nicole Tingley, City Clerk/Council Secretary