

**CITY COUNCIL MEETING
CITY OF FRIDLEY
APRIL 23, 2018**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:00 p.m.

ROLL CALL:

MEMBERS PRESENT: Mayor Lund
Councilmember Barnette
Councilmember Saefke
Councilmember Varichak
Councilmember Bolkcom

OTHERS PRESENT: Wally Wysopal, City Manager
Scott Hickok, Community Development Manager
James Kosluchar, Public Works Director
Jay Karlovich, City Attorney

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

1. City Council Meeting of April 9, 2018.

APPROVED.

OLD BUSINESS:

2. Second Reading of an Ordinance Amending Fridley City Code, chapter 11, to Allow for Collection of Fee for Day Care and Foster Care Fire Inspections per Minnesota State Fire Code 299F.011, and Minnesota Statutes 245A.151.

WAIVED THE READING OF THE ORDINANCE AND ADOPTED ORDINANCE NO. 1355 ON SECOND READING AND ORDERED PUBLICATION.

NEW BUSINESS:

3. Resolution Authorizing Final changes in Appropriations for Special Revenue Funds for the Year Ended 2017

ADOPTED RESOLUTION NO. 2018-18.

- 4. Resolution in Support of an Application for a Minnesota Lawful Gambling Premise Permit for Totino-Grace High School and Shortstop Fridley Located at 1298 East Moore Lake Drive (Ward 2)**

THIS ITEM WAS REMOVED FROM THE AGENDA.

- 5. Approve Agreement for Professional Services between the City of Fridley and Dunham Associates, Inc., for Commissioning of the Fridley Civic Campus Buildings (Ward 1).**

THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.

- 6. Approve Lease Agreement No. 18I008 between the City of Fridley and the Metropolitan Council for Offsite Uses (Ward 3).**

THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.

- 7. Approve 2018 Agreement for Residential Recycling Program between the City of Fridley and the County of Anoka.**

APPROVED.

- 8. Claims (ACH 180438 - 180602).**

APPROVED.

ADOPTION OF PROPOSED CONSENT AGENDA:

MOTION by Councilmember Barnette to adopt the proposed consent agenda with the removal of Item Nos. 4, 5 and 6. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM, VISITORS:

No one from the audience spoke.

ADOPTION OF AGENDA:

MOTION by Councilmember Bolkom to adopt the agenda with the addition of Item Nos. 5 and 6. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING/NEW BUSINESS:

9. Consider the Issuance of Revenue Bonds by the City of St. Paul Park for the Benefit of PHS WestHealth, Inc, and Interlude Fridley LLC;

and

Resolution Consenting to and Providing Host Approval to the Issuance by the City of St. Paul Park of its Revenue Bonds (Ward 1).

MOTION by Councilmember Saefke to open the public hearing. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING OPENED AT 7:09 PM.

Shelly Peterson, Finance Director, stated PHS WestHealth, Inc., a non-profit corporation, is requesting a \$26,000,000 conduit issuance to refinance a 50-bed transitional care facility located at 520 Osborne Road NE on the Unity Hospital/Allina campus. In addition, part of the proceeds will be used to refinance a 55-unit transitional care facility located in Plymouth. The City of Fridley is considered the host City. This conduit issuance is subject to the annual bank-qualified debt issuance limit. The City is scheduled to issue bank qualified debt in 2018, scheduled in Water & Sewer funds as part of the 2018 budget. The City is not able to provide conduit debt for the amount the purchaser requires.

Ms. Peterson said St. Paul Park, Minnesota, is able to provide the full conduit issuance amount. Fridley is considered the host city. Fridley is required to hold a public hearing to consider the proposal and also required to adopt a resolution approving of the issuance by St. Paul Park. This debt is a revenue note issued by St. Paul Park that is paid based on a pledged revenue stream which is solely the obligation of PHS WestHealth, Inc., and PHS Interlude Fridley LLC. The borrower/holder of the bonds will have no taxing power over the City of Fridley to pay bonds or enforce payment against any property in the City.

Ms. Peterson said staff recommends Council hold the public hearing to consider the issuance of revenue bonds by the City of St. Paul Park for the Benefit of PHS WestHealth, Inc., and Interlude Fridley, LLC.

Councilmember Bolkcom asked why the Plymouth location was not involved.

Julie Eddington, Kennedy & Graven, said something similar was presented for the North Suburban Hospital District and Fridley because the hospital district could not issue bonds due to a tax issue. In 2013, Fridley and Mounds View presented bonds for that project. St. Paul Park is not doing any bonds this year and there was an issue with all four locations to do bonds for this project so that is why this is coming forward tonight. In this type of situation, they always go to the host city first and if they cannot help they will go outside of those cities.

Ms. Eddington said on May 9, Plymouth has a public hearing and resolution which is required by code and state statute.

Ms. Peterson said it will not affect the City's credit rating and no one will ask the City for payment. The market understands this is a pass through and would not look for reimbursement from the City.

Councilmember Bolkcom asked if another entity came forward if this would prohibit another request to happen.

Ms. Peterson replied that both requests would be outside of the bank-qualified limit and it would not fall into that criteria.

MOTION by Councilmember Barnette to close the public hearing. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CLOSED AT 7:17 P.M.

MOTION by Councilmember Saefke to adopt Resolution No. 2018-19. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS:

- 10. First Reading of an Ordinance to Amend the City Code of the City of Fridley, Minnesota, by Making a Change in Zoning Districts (Rezoning Request, ZOA #18-02, by Pulte Homes and the Fridley Housing and Redevelopment Authority, to have Five Parcels of Land Around the New Civic Campus Rezoned from P, Public Facilities, to S-2, Redevelopment District to Ready the Land for Private Redevelopment. Pulte Homes is also Requesting to Replat the Properties at 6911 University Avenue and the Property to the East to Allow for the Construction of the Villa Homes Project) (Ward 1).**

Scott Hickok, Community Development Director, stated the City's HRA and Pulte Homes is requesting to have five parcels of land around the new Civic Campus rezoned from P, Public Facilities, to S-2, Redevelopment District, to get the land ready for private development. Those five parcels of land include Outlots A, C, D, E and F. Future development on Outlots A and C has yet to be determined; however, rezoning all the parcels at one time is more efficient. Once a development for those parcels has been determined, a S-2, Master Plan, will need to be reviewed and approved by the Planning Commission and Council.

Mr. Hickok said at the March 21, 2018, Planning Commission meeting a public hearing was held for ZOA #18-02. After hearing from the petitioner and neighboring property owners, the

Planning Commission unanimously recommended approval. The City Council held a public hearing for this rezoning request on April 9, 2018. Staff recommends Council hold the first reading for ZOA #18-02. The second reading is scheduled for May 14, 2018, unless otherwise directed by Council.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

11. First Reading of an Ordinance Amending Fridley City Code, Chapter 104, Pertaining to Tree Management.

Rachel Workin, Environmental Planner, stated the goals for this amendment are to:

1. Clarify the goals of the City's Tree Management program. Expand from pest management to resilient urban forest and explicitly state the right to manage trees on land such as parks and right-of-ways (Tree City USA requirement).
2. Clarify the definition of a public tree nuisance. Shift from specific disease (Dutch Elm, oak wilt) to the characteristics of a nuisance tree.
3. Clarify the City's response to public tree nuisances. Align with standard methods of field diagnosis, notification and tree replacement. Clarify management of right-of-way trees and removal of items outside of City jurisdiction (transportation of firewood-MDA).
4. Update licensing requirements and referenced statutes.

Staff recommends that the City Council hold the first reading of the ordinance.

Councilmember Bolkcom asked how it is decided if the damage is from pests or diseases.

Ms. Workin replied that there are a variety of items that cause damage. Disease commonly refers to fungal infection and does not include insects and pests. The word pest is broader in scope than disease.

Jim Kosluchar, Public Works Director, added that it is pretty technical and makes sense to be consistent. All-encompassing is better for common understanding.

Councilmember Bolkcom asked for that to be corrected for the second reading. She also asked under Section 104.03 if that meant they could go on the homeowner's property.

Ms. Workin replied that later in the section it states that inspections give the city forester the right to go on private property. This section limits access to city-controlled property, not private land.

Councilmember Bolkcom asked if this meant that the program was not just for trees on public property but for all trees.

Ms. Workin said the purpose of the program was to create an urban forest on public and private land. The City would take different action for private or public trees. Section 104.03 is intended to enhance the intent of the program away from elimination of tree pests to include other forestry activities to maintain a healthy urban forest, like pruning and planting. This not only focuses on diseased trees, but healthy trees too. This would be for public land, not private land.

Councilmember Bolkcom asked why “dead tree” was deleted from Section 104.04(1)..

Ms. Workin replied that a dead tree would be categorized as a hazardous tree, so it is in a different category.

Mr. Kosluchar added that dead trees are used for habitat and left in certain locations by design. Dead trees are okay if they are not hazardous.

Councilmember Bolkcom asked how a “target” was chosen.

Mr. Kosluchar replied if a tree hazard or risk is identified by the forester, then it is a target. If the tree has no sign of structural distress, the tree is acceptable. The forester is required to make the call on a regular basis.

Councilmember Bolkcom asked what a generally accepted field diagnosis was.

Mr. Kosluchar said the Minnesota Department of Agriculture provides tree inspectors with that information and it is an accepted field diagnosis that foresters abide by.

Councilmember Bolkcom noted that in Section 104.08, on removing infected trees or woods, in one place it says in writing and another it says notification. She asked if “in writing” meant by a letter or email.

Mr. Kosluchar replied that it could be any written notice--hung on a door or by mail or email.

Councilmember Bolkcom asked what would happen if a notice was hung on a door and it blew away.

Mr. Kosluchar replied they would also receive a notification by mail. If the conversation was started by email, there would be no reason to send another notice by mail.

Councilmember Bolkcom asked what it meant when it indicated an assessment could change.

Mr. Kosluchar replied that a 5-year plan would be in a standard agreement. Council sets the term of the assessment and that could change, for example, to 2 years, or 10 years for an expensive assessment.

Councilmember Bolkcom asked what a “prescription” meant.

Ms. Workin replied that prescription was referred to by the City Forester on how to abate the tree.

Councilmember Bolkcom asked in Section 104.12(3) the insurance amounts were changed. She thought the numbers should be related to state statute and asked if these numbers would have to be updated in the future.

Ms. Workin replied staff looked at the League of Minnesota Cities’ current licensees and those numbers are in line with what staff is recommending. This code has not been updated for over 20 years, so staff does not anticipate the amounts will change.

Mayor Lund asked if a homeowner needed a neighbor’s permission to trim half a tree that is infringing on their property.

Mr. Kosluchar said he will get back to Council with an answer. He said he though you could trim the tree but should notify the neighbor.

Councilmember Bolkcom asked if a big branch hanging over someone’s garage would be cut.

Mr. Kosluchar replied that it would be trimmed if it was a hazard and a risk.

Mayor Lund asked if the amounts listed for liability insurance were high enough.

Mr. Kosluchar replied staff will look at that before the second reading and verified that current licensed contractors have this level of insurance.

Councilmember Bolkcom asked if a tree trimmer had to show proof of insurance.

Ms. Workin replied they need to submit proof of insurance to receive their license.

MOTION by Councilmember Bolkcom to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

12. Resolution Approving Termination Agreement for the Termination of the Amended and Restated Fridley Community Center Cooperative Agreement.

Deborah Dahl, Director of Community Services & Employee Resources, stated staff is requesting the City Council to adopt the Termination Agreement reached between the City of Fridley and the Fridley School District ISD #14.

Ms. Dahl said the City of Fridley and the Fridley School District have benefited from a long and successful collaboration and co-sponsorship of activities and events offered to the community for many years. Both groups share the use of public spaces, fields, facilities, buildings and grounds which are of mutual interest and maximize the spaces. In 1996, the City of Fridley entered into Cooperative Agreement with the Fridley School District for the specific use the Fridley Community Center, a district-owned facility. The City has consistently utilized the FCC for senior programs, youth recreation programming, after-school activities, the Summer ROCKS program, the Zone (teen center), as well as common rooms, gym and kitchen for city-wide events, occasional public meetings, and employee events.

Ms. Dahl said in July of 2017, the City was notified that the Fridley School District would be making major improvements to the building as a part of the final phase of their referendum projects (\$1.5 million). The City learned the improvements would not only reduce the space currently used by the City, it would require the City to contribute toward the costs of the renovation in addition to the current \$105,000 paid annually for general operations. Construction would begin approximately June 11, 2018, and continue through the summer.

Ms. Dahl said the City did not anticipate any major renovations and had not budgeted for any capital improvements. No reserves were in place to handle the \$1.5 million. The City conducted a financial analysis to determine the current value and any depreciation. We also looked at programs and participation. Following the retirement of the Senior Program Supervisor, the City agreed to transfer the senior programs to Fridley Community Education Program. It seemed logical since the offices and administration were already in place at the FCC and the participants would not need to change locations. After transferring the senior programs to the school district, the City would use 10% of the FCC side—significantly reducing the City's share. Summer ROCKS program, the Zone (teen center) and after-school programs would be impacted.

Ms. Dahl stated after thorough review, staff was faced with a very difficult decision. It was clear that given the reduction in use and need of the FCC, the City would not be able to accept the costs or afford any improvements under the current arrangement. The City and School District met on March 26, 2018, to discuss the termination of the current FCC Cooperative Agreement and developed a termination agreement, which has been reviewed by legal counsel. The Fridley School District adopted a resolution approving the agreement at their school board meeting on April 17, 2018. If approved by the City, the Agreement will become effective June 1, 2018.

Ms. Dahl said agreement does not affect the Hayes Cooperative Agreement or other routine maintenance agreements that are currently in place. Going forward, if the City wants to use the FCC, we would simply pay the rental fees according to the school district's pricing policies. The Summer ROCKS program is still offered and will be held at Hayes Elementary School.

Ms. Dahl said the City and Fridley School District have and will continue to maintain a collaborative and positive relationship. With the changes in available space, the changing demographics in our community, and the recent retirements and reorganization, the City is taking this opportunity to look at our programs and the needs and interests of the community. It is clear

that the delivery model for recreation programs is ever-changing. We also recognize there is competition for programs and services, and we need to stay competitive, effective and relevant. With change comes opportunity and potential. The City is committed to offering quality programs and services. These changes afford us the opportunity to reimagine what we do and to offer programs and services that add value and growth.

Mayor Lund asked what happens to the senior program in the interim with the renovation taking place.

Ms. Dahl replied the senior program takes a hiatus over the summer, so it will have little impact.

Mayor Lund said it looks like they would take over a lot of teen programs.

Ms. Dahl replied that they would provide more programs for targeted services and strengthening programs for teens. The needs for the programs will also be reevaluated.

Mayor Lund said he thought Springbrook Nature Center could be utilized for similar programming.

Ms. Dahl said there are many alternatives to offer programs—even for commercial locations (like dance studios) to offer services within their businesses.

Councilmember Bolkcom said she thought that staff should look at all of the City's school districts and not only one. Transportation to Springbrook may be an issue. The school district can apply for grants the City does not have access to.

Ms. Dahl said there are still a lot of programs that could be offered at no cost or low cost.

Councilmember Bolkcom suggested going out to different communities where transportation is an issue to get some ideas and try to do programs in different sections of the community.

Ms. Dahl agreed and said reaching out to multiple housing developments or apartment areas to do activities is a great idea.

Councilmember Bolkcom asked what would be removed from the Community Center.

Ms. Dahl replied that we would remove computers, televisions, pool tables, etc. Inventory will be taken over the next week.

Councilmember Bolkcom asked how staff would get the word out.

Ms. Dahl replied that she would work with staff to get the word out.

MOTION by Councilmember Saefke to adopt Resolution No. 2018-20. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

13. Resolution Supporting the Master Plan Boundary Amendment for Locke Park and Lock Parkway (Ward 1).

Wally Wysopal, City Manager, stated the Fridley Civic Campus Project includes a new roadway which will be known as Locke Parkway which is currently being designed. As a part of the development of the overall project, it was determined that a portion of Locke Parkway would need to be located within the boundaries of Locke Park due to size constraints of the Civic Campus site. In addition, the existing regional trail located on the Civic Campus site will be relocated as part of the Locke Parkway construction. Anoka County Parks was contacted, and an agreement was reached on a revision of the park boundaries as a part of the Civic Campus Project and the relocation of the trail. This agreement allows for Locke Parkway to be constructed within the current Locke Park boundaries in exchange for a portion of the Civic Campus property to become part of Locke Park.

Mr. Wysopal said Anoka County Parks will request a Master Plan Boundary Amendment from the Metropolitan Council. As a part of that request, Anoka County Parks has asked the City for a resolution supporting the Master Plan Boundary Amendment. Staff recommends the City Council approve a resolution that supports the request to Metropolitan Council for a Master Plan Boundary Amendment for Locke Park.

Councilmember Bolkcom said the City still has control over the new green area even though it is a county park. She asked if there was any plan right now for the park.

Mr. Wysopal replied staff is working with Anoka County Parks. The resolution needs to be approved before staff can move forward. There are a lot of expectations and plans for development of the ponding area to engage with recreation services. There is a push for development of other programs and services at Locke Pointe Regional Park, so more activities can be held there.

MOTION by Councilmember Barnette to adopt Resolution No. 2018-21. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

5. Approve Agreement for Professional Services between the City of Fridley and Dunham Associates, Inc., for Commissioning of the Fridley Civic Campus Buildings (Ward 1).

Councilmember Bolkcom asked what “CX meetings” meant.

Jim Kosluchar, Public Works Director, replied construction site meetings and testing.

Councilmember Bolkcom asked what “OM material” was.

Mr. Kosluchar replied operation and maintenance materials.

Councilmember Bolkcom asked what “PS” meant.

Mr. Kosluchar replied public safety.

Councilmember Bolkcom asked what the total cost was.

Mr. Kosluchar replied \$49,800.

Councilmember Bolkcom asked if it could be higher because of No. 7.

Mr. Kosluchar replied yes, but he does not anticipate it will be higher. It would be worked out with the contractor.

MOTION by Councilmember Bolkcom to approve the Agreement for Professional Services between the City of Fridley and Dunham Associates, Inc., for Commissioning of the Fridley Civic Campus Buildings. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

6. Approve Lease Agreement No. 18I008 between the City of Fridley and the Metropolitan Council for Offsite Uses.

Councilmember Bolkcom asked what a leachate dump pad was.

Jim Kosluchar, Public Works Director, replied that Met Council would accept the liquid waste and would need to empty it outside. The liquid could be pumped into the Met Council interceptor. He said this could be incorporated into the construction plan at a cost of \$5,000-10,000.

Councilmember Bolkcom asked what would be built there.

Mr. Kosluchar replied two buildings. The police impound area that would be more open than the prior impound lot. It would be a large slab building with a roof and security to secure the impound vehicles. Also, additional storage would be available for evidence. The other building is storage for Public Works equipment.

Councilmember Bolkcom asked if extra salt or sand would be in the area.

Mr. Kosluchar replied no, salt would still be stored at the main garage storage. The Police Department may use the area for K9 training too.

Councilmember Bolkcom asked if Met Council could ask us to move out because it is a leased building.

Mr. Wysopal replied possibly, but the agreement is tied up pretty tight. The relationship between what we provide onsite and what Met Council needs provides a solution in many ways and is a good opportunity.

Councilmember Bolkcom said under Maintenance Responsibilities it mentions snow plowing within two hours or one inch of snowfall and weekly mowing of all lawn areas. She asked if that would have an impact on anything else that may be going on in the City at that time.

Mr. Kosluchar replied that the front of the building would need to be mowed and the site would need to be maintained to keep it clean. If Council approved the resolution staff would ask them to relax the snow plowing requirements.

MOTION by Councilmember Bolkcom to approve Lease Agreement No. 18I008 between the City of Fridley and the Metropolitan Council for Offsite Uses. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

14. Informational Status Reports

Mayor Lund said that there will be a Town Hall Meeting Saturday at 10 a.m.

Councilmember Saefke noted that Highway 65 is closed on the west side.

Jim Kosluchar, Public Works Director, said this week West Moore Lake Drive on the west side of Highway 65 will be closed through May because of utility work. MnDOT will come back in July/August to install drainage. Highway 47/University Avenue will close next Monday from 27th Avenue to 40th Avenue both ways for 8 weeks. From 37th Avenue to Highway 10 on University MnDOT will be working on a signal project from April through August along the shoulder of the road, so it should not have a huge impact on traffic. Anoka County will resurfacing East River Road from Island Park Drive to Rice Creek this summer. Details of the construction projects will be posted on the website.

Councilmember Bolkcom noted that Riverfront Park will not be open until July and the bike trail will not be open all summer.

Mr. Kosluchar said the City of Minneapolis is replacing the tracks crossing East River Road, but he understood that the trails would remain open. He said he would check and report back to Council.

Wally Wysopal, City Manager, announced that Shelly Peterson, Finance Director, is moving to pursue a professional development opportunity. We will miss her. Her last day is May 4.

Shelly Peterson, Finance Director, said that she has worked for Fridley for a few years and this was a difficult decision to make. The Fridley City Council is passionate about the city and its citizens and has great trust in staff. The relationships are amazing. They all strive to do what is best for the City.

Rachel Workin announced there will be an Environmental Fun Fair at Springbrook May 5 from 10 a.m. to 2 p.m. Bring in in broken electronic items to fix. The next recycling event will be on Saturday, May 12.

ADJOURN:

MOTION by Councilmember Barnette to adjourn. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:36.

Respectfully submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor