

**CITY COUNCIL MEETING
CITY OF FRIDLEY
SEPTEMBER 10, 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 Bolkom

OTHERS PRESENT: Wally Wysopal, City Manager
Scott Hickok, Community Development Director
James Kosluchar, Public Works Director
Dan Tienter, Finance Director

PROCLAMATION:

Constitution Week: September 17-23, 2018

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

1. City Council Meeting of August 27, 2018.

APPROVED.

NEW BUSINESS:

2. Receive the Minutes from the Planning Commission Meeting of August 15, 2018.

RECEIVED.

3. Special Use Permit Request, SP #18-03 by Watermark Enhanced Care Suites of Fridley, LLC, to Allow for the Construction of an Addition to the Existing Watermark Assisted Living and Transitional Care Facility at 5300 Fourth Street N.E. This Addition will Expand the Existing Building and will Occupy the Properties Located at 5320 and 5326 Fourth Street N.E. A Total of 18 Additional Care Units is Proposed;

and

Resolution Approving Special Use Permit, SP #18-03 for Watermark Enhanced Care Suites of Fridley, LLC, to Allow the Construction of an Addition to the Existing Assisted Living and Transitional Care Facility to be Located on the Parcels at 5320 and 5326 Fourth Street N.E. (Ward 1).

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

4. Resolution Approving the City of Fridley Procurement Policy for the City and the Fridley Housing and Redevelopment Authority.

ADOPT RESOLUTION NO. 2018-43.

5. Claims (182146 - 182307).

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

ADOPTION OF PROPOSED CONSENT AGENDA:

MOTION by Councilmember Barnette to adopt the proposed consent agenda with the removal of Item Nos. 3 and 5. 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.3 and 5. Seconded by Councilmember Saefke.

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

PUBLIC HEARINGS/NEW BUSINESS:

6. Consider Approving a Housing Program to finance a Multifamily Housing Project;

and

Resolution Approving a Housing Program to Finance a Multifamily Housing Project and Approving Issuance and Sale of Multifamily Housing Revenue Bonds (Village Green Apartments Project), Series 2018, Pursuant to Minnesota Statutes, Chapter 462C (Ward 1).

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

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING OPENED AT 7:06 P.M.

Dan Tienter, Finance Director, stated in March, the City received a proposal from Fridley Lease Housing Associates I, LLLP (FLHA), in partnership with Fridley Leased Housing Associates I, LLC (Dominium), for assistance in the acquisition and rehabilitation of Village Green Apartments located at 460 Mississippi Street Northeast. Specifically, FLHA requested the issuance of a \$22,500,000 Housing Facility Revenue Bond by the City to support various improvements to Village Green. These revenue bonds would be issued as Private Activity Bonds, also known as Conduit Bonds or Debt.

Mr. Tienter said this type of debt obligation, issued through the City as a revenue note, benefits the activities of private entities. In exchange for the favorable tax treatment typical to municipal bonds, the private entity agrees to 1) construct a project of public benefit and 2) service the debt by pledging revenues generated by the project; in this case, rental housing facility. As such, these types of bonds do not constitute a debt of the City. The City has little to no involvement with the debt service following issuance. These activities are typically handled by a third-party, known as a Bond Trustee.

Mr. Tienter noted that typically, the City receives similar requests from non-profit organizations, or for-profit corporations for housing projects. As a general rule, Conduit Debt issues are limited to \$10,000,000 per year with limited exceptions, such as qualified affordable housing projects. Since the project proposed by FLHA meets the requirements for this exception, the limit does not apply. Apart from the financial instrument and associated documents, staff also reviewed the preliminary renovation plans and schedule for Village Green, including recommendations to correct site drainage and other storm water issues, which Dominium remains open to addressing as part of the improvements.

Mr. Tienter said on April 9, 2018, Council provided preliminary approval for the project by indicating the intent of the City to provide Conduit Bond and calling for a public hearing (Resolution No. 2018-16). On July 31, 2018, Dominium requested an increase in the Bond to an

amount not to exceed \$27,000,000 based on changes in the project, including collateral from the Federal National Mortgage Association (Fannie Mae). In response to this request, the Council rescinded the previous resolution and provided preliminary approval for the revised Bond amount (Resolution No. 2018–40). Consistent with this action, staff published a notice of a public hearing to be held on September 10, 2018. The resolution, as prepared by Bond Counsel, provides for the approval of the Multifamily Rental Housing Program as well as the various Bond documents, which are available upon request, and authorizes the issuance of the Bond in an amount not to exceed \$27,000,000. At present, the Preliminary Official Statement calls for a total of \$26,077,000 of Conduit Bonds.

Mr. Tienter said the Conduit Debt does not constitute a debt of the City. Therefore, it does not create any immediate or long-term financial obligations for the City. Dominion and its partners will reimburse the City for any costs associated with the issuance process and pay an administrative fee of 50 basis points against the value of the Bond. For this Bond issue, the fee will be up to \$135,000. Following the public hearing, staff recommends Council adopt a resolution approving a housing program to finance a multifamily housing project and approving the issuance and sale of multifamily housing revenue bonds for the Village Green Project.

Councilmember Saefke asked if the holding pond improvement was part of this.

Mr. Tienter replied yes, Public Works staff will work with Dominion and its partners to address drainage concerns as part of the sale of conduit bonds.

Mayor Lund asked if there was a resolution to satisfy or better take care of the drainage problems there.

Jim Kosluchar, Public Works Director, replied that is a work in progress. Dominion continues to work with staff to find a solution.

Delvon Quist, Dominion Project Associate, said they are working with the City regarding the retaining pond. Several years ago, an application was submitted to the watershed for financing and it was approved but has expired. They are working with the City on subsequent applications to the watershed districts to get another award letter for funding the improvements. They are also working closely with civil engineers and have a plan of action to get the work done. They are willing to help take care of this and understand it is an investment objective of the City.

Mayor Lund recalled that the proposed solution was expensive. He asked if there were any other solutions.

Mr. Quist replied they are working with the City, and civil engineers have been working to determine what improvement is needed and what it would cost. They have a plan together to take care of the issue.

Councilmember Bolkom asked if there was a guarantee that the funds would be available again, and what was the plan if they were not.

Mr. Kosluchar said there is not a guarantee the funds would be granted, but there is an indication from the Watershed District that they are willing to fund the project. Resources are available, and the developer is willing to invest in the property. They want to work with the City to improve the situation and be a partner in the improvements.

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

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING CLOSED AT 7:21 P.M.

MOTION by Councilmember Saefke to adopt Resolution No. 2018-44. Seconded by Councilmember Bolkcom.

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

7. Consider the Revocation of Special Use Permit, SP #07-01, for Sam’s Auto Parts, to Allow an Industrial Zoning District, Generally Located at 1203 – 73rd Avenue N.E., 1240 – 73 ½ Avenue N.E., and 7340 Central Avenue N.E. (Continued July 23, 2018);

and

Resolution Revoking SP #07-01, Permitting an Auto Recycling Center Use at Sam’s Auto Parts, Generally Located at 1230 – 73rd Avenue N.E., 1240 – 73 ½ Avenue N.E. and 7340 Central Avenue N.E. (Ward 2)

MOTION by Councilmember Bolkcom to remove this item from the table. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE ITEM WAS REMOVED FROM THE TABLE AT 7:23 P.M.

Scott Hickok, Community Development Director, said this is the third continuance of the public hearing that originated on June 11, 2018, regarding a special use permit issued in 2007 to Sam’s Auto Parts. The special use permit (SUP) was to allow an automobile recycling/auto salvage use on four lots at the corner of Central Avenue and 73rd Avenue. In 2007, the business was given four years to complete several stipulations in order to be in compliance with zoning code requirements. After numerous negotiations and extensions, staff brought the unresolved situation before Council, recommending revocation of the special use permit. At the time of the July 23, 2018, City Council meeting, the business owner did not have the storm water pond or parking area on the site completed. The owner had hired the engineering firm of Carlson McCain, to help them navigate the storm water pond lining process. The firm had begun their design work to be able to update their permit. The design work and two acceptable options were completed by the

engineering firm. To date, not all is known regarding the final sign-offs, or even the disposition of the watershed permit. In light of the fact that all the necessary permit sign-offs still may not be in place, staff cannot be certain all improvements will be fully completed by the prescribed deadline.

Mr. Hickok noted that Pat Hoosline has been the spokesman for Barry Hoosline, his brother, who has been seriously ill and is the owner of Sam's Auto Recycling. As such, Pat has assured us the liner has been installed in accordance with Carlson McCain's prescribed engineering. He indicated that they video-taped every aspect of the installation and indicated that by necessity, they installed the pond liner while they had access to the necessary excavation equipment, which was available to them for a short term. They knew that in the presence of the available excavation equipment, but absence of an on-site inspector, a detailed video would be essential to prove the work was done in accordance with the prescribed engineering plan. Carlson McCain has agreed to watch the videos and provide staff the feedback they can from that viewing.

Mr. Hickok stated to be in compliance with all stipulations of the permit, the new customer entrance off of 73rd Avenue also was to be completed and ready for use. This parking was designed and will serve to satisfy their off-street employee and customer parking needs, if striped and used as intended. Pat Hoosline indicated that a new screening/privacy fence, inside the privacy fence is being constructed and will be completed by September 10, 2018. This installation is intended to block view of any parts storage or vehicle recycling operations, from 73rd Avenue. He also indicated that the parking lot will be ready to use as intended by the time of tonight's meeting.

Mr. Hickok said staff recommends the City Council open the continued public hearing to allow the business and land owners an opportunity to explain their position and progress and hopefully their description of the completed project. This will also allow time for additional public input and Council deliberation. Further, staff recommends not granting any further extensions if any required work as described herein has been left incomplete by the time of the hearing. Finally, staff recommends proceeding with revocation at this time if all work has not proven to be done to a satisfactory standard. By approving the attached resolution Council would thereby be revoking SP#07-01 and also setting in motion a prescribed timeline for vacation of said use on the property.

Councilmember Bolkcom asked when the inspection was done.

Mr. Hickok replied early last week.

Councilmember Bolkcom asked if there had been any communication between Mr. Hoosline and City staff that they were working on this or that there had been delays.

Mr. Hickok replied that staff did request to go out last Friday but there has not been any communication from the property owner after the inspection other than to request to take photographs.

Councilmember Bolkcom asked if there was any communication when the photos were taken.

Mr. Hickok replied Mr. Hoosline was there. The site was inspected, and staff asked that the work be completed by Monday. A discussion took place that staff's recommendation would be to recommend revocation but if the work was completed that would not happen.

Councilmember Bolkcom asked if there was any other discussion after that.

Mr. Hickok said he went out there today and the gates were closed, and the driveway was not striped, and the fence was not constructed. A lot of cars had been moved. The site is not that big, and cars have to be moved to work on the pond, parking lot etc.

Pat Hoosline, Property Representative, said he had pictures of the finished parking lot and fence on his phone. He said the product was there to complete the pond. He said there was no reason to revoke the license at this time as the work is completed.

Mayor Lund noted that this is a viable business and they have invested a lot of money into it. It is very frustrating for staff and Council to give these many extensions.

Mr. Hoosline said that they do not need an extension, the work is done.

Mayor Lund looked at the photos on the phone and saw that there is a parking that shows striping and a newly erected fence. He said he did not see any materials and lining for completion of the holding pond.

Councilmember Bolkcom asked why he did not contact staff to let them take a look at it and take pictures to present to Council.

Mr. Hoosline replied that when they came out they were working on building the fence. They have talked to staff several times. A lot of money has been invested to get this to where it is at today.

Mr. Hickok said he was there at 10:00 a.m. and everything was locked up.

Mr. Hoosline replied it was locked up to complete the project.

Mr. Hickok said he returned back at 4:00pm and could not see if anything was done. From the photos, it looks like 50% of the pond is complete.

Mayor Lund agreed that a lot of time and money has been spent to complete this. He asked what Mr. Hoosline was asking for now, as it is not completed.

Mr. Hoosline replied that he would like his license. They could have the pond done by the end of next week.

Councilmember Bolkcom asked what date would be needed for continuance to be certain everything is done, and for staff take photographs to present to Council. Right now, it is not done because the stipulations have not been met.

Mr. Hoosline replied that the product is there. It just has to be put in the pond. Everything else is done.

Councilmember Bolkcom asked if it could be completed and inspected within two weeks.

Mr. Hoosline did not see a problem with that.

Wally Wysopal, City Manager, noted the City has invested a lot of time, money and effort to make this work. To continue this hearing, Council needs to have a date certain from the owner as to a specific date and time this will be completed. It is not fair to staff for the owner to come with photos on a phone saying they are in compliance. Once a certain date is chosen, if the work is not completed it is over.

Mayor Lund suggested next Monday or Tuesday so if something is not correct there would still be time to fix it. There will be no further extensions on this after tonight.

Mr. Hickok noted that the staff report needs to be done by the 19th, he suggested 10am Wednesday morning. Staff will review, inspect and complete a staff report for the next meeting.

Mr. Hoosline agreed that date would work.

MOTION by Councilmember Varichak to continue the public hearing to September 24, 2018. Seconded by Councilmember Barnette.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CONTINUED TO SEPTEMBER 24.

3. Special Use Permit Request, SP #18-03 by Watermark Enhanced Care Suites of Fridley, LLC, to Allow for the Construction of an Addition to the Existing Watermark Assisted Living and Transitional Care Facility at 5300 Fourth Street N.E. This Addition will Expand the Existing Building and will Occupy the Properties Located at 5320 and 5326 Fourth Street N.E. A Total of 18 Additional Care Units is Proposed;

and

Resolution Approving Special Use Permit, SP #18-03 for Watermark Enhanced Care Suites of Fridley, LLC, to Allow the Construction of an Addition to the Existing Assisted Living and Transitional Care Facility to be Located on the Parcels at 5320 and 5326 Fourth Street N.E. (Ward 1)

Councilmember Bolkcom said she thought that everyone who works there should park in the parking lot. She thought Stipulation No. 8 needed stronger language.

Scott Hickok, Community Development Director, replied said he would look at that. Part of problem is they can control employees and they have not. Employees will be good for a while

and park in the parking lot but now they are parking on the street again. If this continues to be an issue, the SUP could be revoked. It is more difficult to control a guest who chooses to park on the street. The 12 parking spaces below should take care of the employee parking.

Councilmember Bolkcom thought there was adequate visitor parking. She wanted to make sure the language for Stipulations 8 and 9 was strong enough.

Mr. Hickok said if it were evident parking was spilling onto the street, Council could request additional parking at the owner's expense. This would have an impact on their second project.

Councilmember Barnette said he drove by today and there were four cars parked on street and in the winter, snowplows have to go around them.

Mr. Hickok said that there is adequate parking and when it is properly maintained, it is a good set up.

Todd Ofsthun, TCO Design, stated the employees' card key has access to that entry and not allowing the key card to work at that entry will help. The parking lot is not being used properly. The new parking lot will be open and more convenient. This will allow more guest parking in the front of the building.

Councilmember Bolkcom suggested they encourage all vehicles to park in the parking lot.

Mayor Lund asked Mr. Ofsthun to make a conscious effort to install signage or other methods to utilize parking as it is intended as there is limited on-street parking available.

Mr. Hickok recommended the language in Stipulation 8 to read "If on-street parking is evident, it is within Council's discretion, and pursuant to City Code Section 205.09.5.B Council may request additional onsite parking."

MOTION by Councilmember Saefke to approve Special Use Permit Request, SP #18-03 and adopt Resolution No. 2018-42, with the change in Stipulation No.8 as noted above. Seconded by Councilmember Barnette.

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

5. Claims (182146 - 182307)

Pam Reynolds 1241 Norton Avenue, asked about the expenditure on page 54 of the agenda for Fluid Interiors for \$320,000.

Scott Hickok, Community Development Director, replied that is for the new cubicles/furniture in the new complex.

Ms. Reynolds noted that it is listed under Building CIP under Machinery. Also, there is a phone expense for \$22,800 that was listed under Machinery. She asked where this money came from.

Dan Tienter, Finance Director, replied that the phones will also be for the new City Hall. The money is from the bonds for the municipal center that were issued and authorized to build the building.

Ms. Reynolds thought the bonds were to cover brick and mortar only, not to purchase furniture and phones.

Mr. Tienter replied that the bonds can be used to purchase anything related to construction and equipment.

Jim Kosluchar, Public Works Director, added the entire category for Machinery is Machinery and Capital Outlay. Equipment fits into that code.

Ms. Reynolds recalled that certain things like the plaza were not included in the bonding.

Mayor Lund stated that the bridge was not included but the plaza was. The bridge is there for a future project.

MOTION by Councilmember Bolkcom to approve the Claims as presented. Seconded by Councilmember Saefke.

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

OLD BUSINESS:

8. Second Reading of an Ordinance Amending Fridley City Charter, Chapter 8. Public Improvements and Special Assessments;

And

Adopt Official Title and Summary Ordinance

Annie Leibel, City Manager's Intern, said the Charter Commission reviewed and discussed Chapter 8 entitled "Public Improvements and Special Assessments" in 2018 and recommended an amendment by ordinance. Minnesota Statute, Section 410.12, Subd. 7., allows for an amendment by ordinance upon recommendation of the Charter Commission. Within one month of receiving a recommendation to amend the charter by ordinance, the City must publish notice of a public hearing on the proposed ordinance. The public hearing must be held at least two weeks but not more than one month after the notice is published. The City Council received this information in May and the public hearing was held on June 25, 2018. Notice of the public hearing was published in the Fridley Sun Focus on June 8, fulfilling the publication requirement.

Ms. Leibel noted that the first reading of the ordinance was held on July 9. Staff provided information regarding the number of days the public hearing notice should be published before the hearing. Section 8.01 of the Charter appears to be in conflict with the City Code. The Code was changed from fourteen to ten days after the State Legislature adopted new language in M.S. 15.99 requiring zoning applications to be completed within sixty days. After the first reading, the City Council recommended returning the ordinance to the Charter Commission for their review and recommendation of this section. The Charter Commission met on September 4, 2018 to review this section. The Charter Commission concurred with the City Council's recommendation and recommended the following change to Section 8.01 for the second reading:

Section 8.01. THE CITY PLAN.

The present zoning and comprehensive plans shall be the plans for future physical development of the City. Plans may be altered from time to time. To alter a zoning plan, the City Council shall hold a public hearing with notice published at least ten (10) days, but not more than thirty (30) days prior to the date of the hearing with notices sent to affected property owners. The comprehensive plan may be altered in accordance with Minnesota state law. It The plans may include provisions for:

Ms. Leibel said staff recommends the following actions if they concur with the Charter Commission's recommendation:

1. A motion to waive the reading and hold the second reading of an Ordinance Amending Fridley City Charter Chapter 8 Entitled Public Improvements and Special Assessments as shown in Attachment 1.
2. A motion adopting the Summary Ordinance Amending Fridley City Charter Chapter 8 Entitled Public Improvements and Special Assessments as shown in Attachment 2

MOTION by Councilmember Saefke to waive the reading of the ordinance and hold the second reading of Ordinance No. 1357. Seconded by Councilmember Bolkcom.

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

MOTION by Councilmember Saefke to adopt the Summary Ordinance Amending Fridley City Charter Chapter 8 Entitled Public Improvements and Special Assessments. Seconded by Councilmember Bolkcom.

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

NEW BUSINESS:

9. **Resolution Consenting to the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, Adopting a 2018 Tax Levy Collectible in 2019**

Dan Tienter, Finance Director, stated that since 1996, the Fridley Housing and Redevelopment Authority (HRA) has utilized a tax levy to help support its housing rehabilitation programs. The levy is equal to .0185% of the taxable market value of all real estate and personal property. The tax levy will allow the HRA to collect approximately \$517,805 based on a city-wide estimated market value of \$2,798,947,120. In terms of the impact on taxpayers, the levy would cost approximately \$27.75 per year for a home valued at \$150,000 and \$185.00 per year for a commercial property valued at \$1,000,000. The revenues raised by the levy are directed towards ongoing and future redevelopment priorities.

Mr. Tienter said the HRA approved the levy at their September 6, 2018, meeting. State Statutes also require the consent of the City Council, prior to the tax levy becoming effective. As a final note, the HRA tax levy must be certified to Anoka County by September 15, 2018. Staff recommends the City Council adopt the attached resolution.

Councilmember Saefke asked how this would affect property owners.

Mr. Tienter said the .0185% levy function is a total of the estimated market value of a given property.

MOTION by Councilmember Bolkom to adopt Resolution No. 2018-45. Seconded by Councilmember Saefke.

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

10. Approve Change Order No. 1 for Stonybrook Trunk Storm Sewer Improvement Project No. 18-422.

Jim Kosluchar, Public Works Director, stated this is Change Order No. 1 for the Stonybrook Trunk Storm Sewer Improvement Project No. 18-422. This project provides a 60" storm interceptor pipe to convey heavy flows across East River Road to the Mississippi River and mitigate the frequency of flooding conditions upstream. This project is being performed under a contract with Peterson Companies, of Chisago City, Minnesota. The amount of this change order is \$162,024.09. There is no change to the contract completion date for the project as a result of this change order. Total work included in Change Order No. 1 for this project would increase the original contract by 19.0%. This amount of additional work was required due to the following:

- C1-1. The first work directive included installing temporary water to the 9 properties on the north side of Craigbrook Way during the construction of the sewer main, water and sewer services and the 60" storm sewer pipe. Temporary water was installed to provide water to the homes while the contractor was working on the main lines and services so that home owners were never out of water. This cost was split 50/50 with the contractor. The cost of this item to the City was \$5,010.50.

- C1-2/C1-5. While constructing the outlet into the Mississippi River, it was determined the outlet needed structural and erosion upgrades to help solidify the outlet on the steep slope bank. The cost of this additional work was \$3,528.40 (C1-2) and \$1,550.64 (C1-5).
- C1-3. During tree removal the contractor encountered three additional trees by the outlet into the Mississippi River that needed to be removed within the project limits that were not called out in the plans. The cost of this item was \$945.00.
- C1-4. During construction there were discussions with the Concrete Mat producer and the engineer to substitute for a different mat than that is called out in the specifications. The substitution met the standards of specifications at a lower price. The cost of this item was a deduction of \$1,402.20.
- C1-6. While constructing the 60" storm sewer pipe on Craigbrook Way and East River
- C1-7. Road, the unanticipated poor soils were not up to the standards needed for the
- C1-8. pipe bedding and for the roadway subgrade. The contractor needed to import
- C1-9. granular material for pipe bedding and roadway subgrade to meet the specifications and exported the poor soils. The decisions for soil corrections, pipe bedding and subgrade stabilization were to help get the construction done in a timely fashion. The cost of this item for the pipe bedding, soils correction on East River Road and Craigbrook Way, and subgrade stabilization on Craigbrook Way was \$42,124.62 (C1-6), \$17,300.65 (C1-7), \$25,259.83 (C1-8) and \$10,946.09 (C1-9).
- C1-10. An added quantity of 250 tons of bituminous base was needed to pave the first lift of asphalt. The cost of this item for the additional bituminous base was \$17,237.50.
- C1-11. The contractor's bid for sanitary services included extending 9 services on the north side of Craigbrook Way. After discussions between the Engineering Division and Public Works Sewer Division it was determined that since the project included extending the north properties services from the main to the connection point in the boulevard, that the project should also include extending the sanitary service to the 8 services on the south side as well. By doing this all of the properties services for sanitary will be outside of the new roadway. The cost of this item to extend the 8 sanitary services on the south side of Craigbrook Way was \$35,430.06.
- C1-12. Per request from our Public Works Water Division a 10" Gate Valve at the East River Road and Craigbrook Way intersection was installed and was not included in the bid. The valve was installed to allow our Water Department more abilities to control during times of water shut offs. The cost of the directive for the 10" Gate Valve was \$4,093.00.

Mr. Kosluchar said that Staff is recommending that the City Council move to approve Change Order No. 1 for the Stonybrook Trunk Storm Sewer Improvement Project No. 18-422 in the amount of \$162,024.09 to Peterson Companies. If approved, the contract amount would be increased from \$850,858.26 to \$1,012,882.35.

Councilmember Bolkcom asked if seed or sod would be used.

Mr. Kosluchar replied sod.

MOTION by Councilmember Bolkcom to approve the Change Order No. 1 for Stonybrook Trunk Storm Sewer Improvement Project No. 18-422. Seconded by Councilmember Saefke.

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

11. Informal Status Reports.

Councilmember Bolkcom said Art at Rice Creek was a success, and thanked all who participated. There was a shuttle bus so there were less traffic issues.

Jim Kosluchar, Public Works Director, said staff received calls over this last week about the railroad and train horns sounding in the northern half of Fridley. Quiet Zones were installed about 10 years ago where they do not have to sound horns when going through those areas. BNSF Railroad said there has been interference with electrical overhead powerlines and they are working to mitigate the interference. The train horns will sound until this has been taken care of. Staff is working on a long-term resolution.

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 8:48 PM.

Respectfully submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor