

**CITY OF FALCON HEIGHTS**  
Regular Meeting of the City Council  
City Hall  
2077 West Larpenteur Avenue

**MINUTES**

December 13, 2023 at 7:00 P.M.

A. CALL TO ORDER: 7:02 PM

B. ROLL CALL: GUSTAFSON\_X\_ LEEHY\_X\_ MEYER\_X\_

WASSENBERG\_X\_ WEHYEE\_X\_

STAFF PRESENT: LINEHAN\_X\_ LYNCH\_X\_ VAN DER WERFF\_X\_

C. APPROVAL OF AGENDA

Linehan states G7 will be added to the next CC meeting on December 27.

Councilmember Leehy motions to approve the agenda; approved 5-0

D. PRESENTATION

E. APPROVAL OF MINUTES:

1. **November 15, 2023 City Council Regular Meeting Minutes**

Councilmember Leehy motions to approve the meeting minutes; approved 5-0

F. PUBLIC HEARINGS:

1. 2024 Truth in Taxation and Budget Presentation

Administrator Linehan explains the Truth in Taxation hearing is a statutory requirement by the state of MN. Factors that affect property taxes:

- Changes in tax levy made by the city, county, school, or special taxing authority
- Changes in market value of property
- Legislative changes (no major changes for 2024)
- New taxes approved by referendum are applied to market value

Residents receive their proposed property tax notice in the mail that serves as official notice of various tax meetings. Linehan explains there are upcoming changes in the Market Value Exclusion. The Market Value Exclusion reduces the taxable market value for property classified as homestead if it is valued below \$413,800. By decreasing the taxable market value, net property taxes are also decreased. The taxable market value is what is used to calculate your taxes. The benefit to properties decreases as values rise. Changes to market value exclusion will take place in 2025. The cap will rise to \$517,200. A lot of the median valued homes will start to benefit from this cap increase.

There was a huge jump in recent years in the median home value in Ramsey County. In 2023 a median value home in Falcon Heights was \$362,150 and it increased by 3.26% to \$373,950 in 2024.

Looking at the 2024 property tax allocation, the City is a small portion of it. Falcon Heights represents 26.12% of the property tax bill. Included are also the county, school district and special district. Falcon Heights is in the middle compared to other municipalities within Ramsey County when it comes to tax rates and it has increased gradually over time. The City prides itself in not having to transfer from reserves to the general fund for general city operations. The property tax levy increases \$225,774 for 2024, largely due to the increase in police service costs. No transfers from reserves to the general fund are needed for city operations. The median valued home in Falcon Heights will see a \$117 increase on their annual property tax bill in 2024. A challenge in Falcon Heights is that the Fairgrounds and University of Minnesota properties do not pay property taxes to the City.

Administrator Linehan notes that Falcon Heights received sales tax exemption effective for the last 10 years allowing for some savings.

Administrator Linehan continues with 2024 expenditures, which consist of the Enterprise Fund, Capital Projects Fund, General Fund, Special Revenue Fund and Debt Service Fund. 2024 will be the largest capital program in City history due to the Community Park renovation. He notes that the City's general fund and tax levy are not dedicated to the Community Park renovation. The biggest expense of the general fund is police services, followed by the cost of general government operations; third, is public works, and finally, the fire contract. Administrator Linehan provides a general breakdown of costs of the general fund.

Administrator Linehan explains the City's debt levy has been very consistent and is decreasing over time as the City is able to fund operations without taking on debt. For 2024, the proposed tax levy is 9.12%. Administrator Linehan provides a 2024 Proposed General Fund Summary. Overall, there is a 13% increase in General Fund Revenues because of increases in fiscal disparities, Local Government Aid and taxes. General Fund Expenditures are increasing 13%, mostly because of an increase in the police services contract, but the City has the ability to use one-time Public Safety Aid, which all municipalities received. Other contracts that are seeing an increase are the fire contract, MetroINET (IT) and COLA increase for staff. The City is decreasing expenses by strategic, organization-wide spending cuts, reducing transfers of funds and staffing turnover savings. Administrator Linehan ends his presentation by providing property tax refund programs available through the state and how residents can contest their property valuation. Residents can contact City Hall with questions or to view the budget.

Councilmember Meyer is curious about decreases in general fund expenditures and examples.

Administrator Linehan explains that snow removal is budgeted higher than actual cost. For example, it has been budgeted at \$30,000, but it's being lowered to \$15,000.

Mayor Gustafson appreciates the conscious effort of the City not taking on debt.

Councilmember Wassenberg comments that the increase in expenditures is mainly due to the increase in cost of the law enforcement contract.

Administrator Linehan agrees that with the increase in the policing contract the City cannot decrease the tax levy, which was planned for during previous budget meetings as they were discussing police contracts with different agencies. A large portion of it can be funded through the local government aid the City received.

- Steven Sunderland - 1606 Prior Ave N.  
Steven appreciates the fiscal responsibility of the City. With the increase in community policing over the last 5 years, he wonders what the thoughts of other options for law enforcement providers are, such as hybrid-policing. Steven feels like we are a pretty safe community. What concerns would the City have on future expenditures (i.e. the Community Park renovation)?

Mayor Gustafson states the City brought in a consultant and has been in discussion with other law enforcement providers knowing there was an increase in the policing contract with Ramsey County. They continue to have these discussions. The Sherriff's office is also in favor of Falcon Heights finding another policing provider.

Councilmember Wassenberg comments there was a lot of conversations with creative policing solutions and models. For example, using an overtime model. These were presented to other law enforcement agencies, but the City was not able to land a contract. Falcon Heights was in discussion with St. Paul Police, but ended up not finding an agreement on liability.

Councilmember Leehy adds Falcon Heights is not alone as many other municipalities have been searching for police models that are more in line with community needs and appreciates the comment.

Mayor Gustafson explains that the park renovation is budgeted for. Final designs are being prepared and the City hopes to break ground in 2024. This renovation should serve the community for many decades and Falcon Heights has been planning ahead for this renovation.

Councilmember Leehy adds that it was needed as the building is currently not in use due to safety issues.

Mayor Gustafson thanks Finance Director Roland for the work put into the budget throughout the year.

Councilmember Wassenberg adds a comment on the park funding. The City is searching for the most economical options that the architect provides. For example, by not moving the basketball court and finding economically and environmentally friendly ways to heat and cool the building.

Councilmembers Wehyee and Meyer motion to approve Resolution 23-76 Approving 2024 Tax Levy; Approved 5-0

Councilmember Wassenberg motions to approve Resolution 23-77 Adopting the 2024 Budget; Approved 5-0

G. CONSENT AGENDA:

1. General Disbursements through: 12/08/23 \$120,596.31  
Payroll through: 11/30/23 \$21,851.12  
Wire Payments through: 11/30/23 \$14,391.96
2. Approval of City License(s)
3. Appointment of City Attorney
4. Appointment of City Prosecutor
5. Appointment of City Auditor
6. Appointment of City Engineer
- ~~7. Designation of Official Newspaper~~
7. 2024 Cost of Living Adjustment (COLA)
8. Statutory Tort Limits Liability Coverage for the City in 2024
9. Northeast Youth and Family Services Cooperative Service Agreement for 2024
10. Tubman Legal Services Cooperative Agreement
11. Personnel Policy Updates
12. Larpenteur Avenue Streetlights Bid Award
13. Larpenteur Avenue Streetlights - Professional Services Award for Electrical Engineering
14. Award of Printing Services Contract to Johnson Litho Graphics
15. Appointment of Dean Pope as Senior Maintenance Worker

Councilmember Leehy motions to approve the Consent Agenda; Approved 5-0

Administrator Linehan congratulates Stephanie Smith for becoming the City Engineer. NYFSC will present at the City Council meeting in January as well as Tubman Legal Services. The personnel policy update includes the safe and sick time change required by the state. The City has lights on Larpenteur Ave with banners, however, most are not working and in need of full replacement. With the streetlight bid they will be completely replaced. The bid was awarded to Forest Lake contracting, who has a lot of experience, they just completed the lighting project on Cleveland Avenue for Ramsey County. Administrator Linehan states priority of the new lights will be on preventing copper wire theft. There is also a new printing contract; the firm selected came in with very competitive pricing. Lastly, he wants to welcome Dean Pope, the new senior maintenance worker. He has valuable experience in Public Works departments in other surrounding municipalities.

Dean Pope thanks City Council and explains he has 5 years in Public Works experience and he is excited to work for Falcon Heights.

H: POLICY ITEMS:

1. Amber Flats PUD

Community Development Coordinator Lynch introduced the topic by stating the City Council has met various times in the last couple of months. The developer has revised the proposal, specifically regarding parking.

Harrison Mohagan, from Buhl Investors, presents the proposed changes to the PUD. Units are lowered to 96 units. They removed 4 units. There will be no change to impervious surface, but instead they will add 7 stalls through restriping the parking lines to compact stalls. This increases the parking ratio. With the addition of 7 stalls, the total number of stalls come to 121. The parking ratio will be 1.26, which is 17% higher than the parking ratio at Amber Union. The parking at Amber Unions has proven

adequate with 90% utilized at full capacity. Statistics show that usage of Metro transit has also increased over time and Amber Flats will be directly on bus lines. They are also proposing additional safety upgrades to the existing Amber Union property by installing a stop sign, installing speed bumps and pulling back the existing fence to increase visibility. These are implemented based on resident concerns.

Councilmember Wassenberg feels business and restaurants in the Snelling and Larpenteur corridor will benefit from more patrons in that area. Studies show there is a need for affordable housing.

Councilmember Meyer agrees and is in support of the proposal. More affordable housing is needed and it would benefit existing businesses on that intersection. He also feels there is a growing demand for rental units with the large increase in interest rates and the cost of buying a house.

- Judy Baldwin 1603 Hollywood Ct.  
How much will the charge be for a parking permit? There is an overflow of cars parking on Hollywood Ct. These include stolen cars. People fly through stop signs. She does not feel adding a stop sign will be recognized. The density of adding 96 units would bring in more cars to Hollywood Ct.

Mohagan answers, they are not charging for parking at Amber Union.

- Val Gyurci 1607 Hollywood Ct.  
When she walks through the Amber Union area, she is appalled by trash found in the area. If more units are added, she wonders if there will be measures to take care of the outside trash.
- Farook Meah 1597 Hollywood Ct.  
He wonders if the additional safety measures will be done before the construction of the proposed development or after. They need the safety measures to be implemented quickly.
- John Duncan 1753 Albert St. N.  
He thinks it's a lot of density in the area. He was shocked to see the number of units in a small area. He thought it was difficult to change the City Code to allow for the proposal.
- Gary Kwong 1700 Fry ST.  
In support of the changes and density. Other large cities have no parking requirements as they welcome more density. Met Council wants to approve more affordable housing. He states that if the City is trying to maintain business and school, more patrons are needed. Most homes in Falcon Heights are small for larger families. There is a huge need for affordable housing. It is understandable that people of different cultures don't always agree with each other... this has happened historically. He suggests CC meeting people at Amber Union and the proposed development to make them feel like they are a part of the community.

Mayor Gustafson clarifies that any additional safety upgrades do not relate to the Amber Flats PUD. He believes it would be best for the Amber Union management to implement these upgrades sooner rather than later. Any traffic concerns or trash

disposal amenities are not part of the PUD. He provides a summary of the three deviations of City Code that are requested in this PUD.

Administrator Linehan adds that approving the PUD is step 1. After this approval, there are a lot of other steps and departments that need to get involved over time.

Councilmember Meyer adds that concerns heard by residents are more operational and not necessarily related to the PUD. He appreciates residents providing comments to the proposal.

Councilmember Meyer motions to approve Ordinance 23-08 and Summary Ordinance 23-08 to approve the Amber Flats PUD with updated plans as attached herein, and adopt the Findings of Fact and Decision for the approval; approved 3-2

ROLL CALL

Councilmember Meyer - Aye

Councilmember Wehyee - Aye

Councilmember Leehy - Nay

Councilmember Wassenberg - Aye

Mayor Gustafson - Nay

Councilmember Leehy is still concerned with the density as has been brought forth by residents. She believes not a lot of people have compact vehicles, resulting in a higher chance of fender benders with people in larger cars trying to fit in compact vehicle stalls. She also is not sure if providing more residents will necessarily improve business and schools in the area. She believes there is a need for affordable housing, but we have to stay within the capacity of the City. She is opposed to approving the PUD as she does not want to ignore the concerns of the residents.

Councilmember Wassenberg comments that there is a number of affordable housing already existing within the City and he does not see those residents as burdens, they are neighbors. He believes it is within the City's capacity to add more affordable housing.

Councilmember Wehyee adds that the developers have taken a number of steps to address issues that were raised during previous meetings. Safety is a concern that goes above the developer's responsibility. The City has made a commitment to being a DEI community and bringing in affordable housing will lean into that commitment. The proposed development is next to a major public transportation route.

Mayor Gustafson comments that the parking ratio is not addressed properly.

I. INFORMATION/ANNOUNCEMENTS:

Councilmember Leehy has no announcements.

Councilmember Leehy extends gratitude to residents who are involved with the community and their neighborhoods, specifically commissioners, as a lot of time and effort goes into being part of a commission. Lastly, she extends her gratitude to City Staff.

Councilmember Wehyee announces that this is his second to last Council Meeting as he is resigning at the end of the year.

Councilmember Meyer has no announcements.

Mayor Gustafson informs the residents that the Community Park Renovation Survey and Corridor Study Survey are still open for residents to provide feedback. He thanks staff for providing a great budget. He encourages residents to practice safety.

Administrator Linehan shares that the PARCS Commission and City Council will have a joint meeting on January 3, 2024 to discuss the Community Park renovation and finalize plans and bids. Public Works is ready for the first major snowfall and they have made changes to their snow maintenance map. The corridor study survey is closing on Friday December 15 and the Community Park Renovation Survey is closing soon as well. The Community Engagement Commission had a winter coat drive last Saturday, with coats donated to the International Institute of Minnesota. City Staff continues to work with the Sheriff's office on an interim contract in 2024 and this will be approved at a future City Council meeting. There will be no disruption in service.

J. COMMUNITY FORUM:

*Please limit comments to 3 minutes per person. Items brought before the Council will be referred for consideration. Council may ask questions for clarification, but no council action or discussion will be held on these items.*

K. ADJOURNMENT: 8:51 PM

Councilmember Leehy motions to adjourn the meeting; approved 5-0



Randall C. Gustafson, Mayor

Dated this 13<sup>th</sup> day of December, 2023



Jack Linehan, City Administrator