

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue
MINUTES
February 14, 2024 at 7:00 P.M.

- A. CALL TO ORDER: 7:02 PM
- B. ROLL CALL: GUSTAFSON__X__ LEEHY_X__ MEYER_X__

WASSENBERG_X__ MIELKE_X__

STAFF PRESENT: LINEHAN_X__ NELSON_X__

- C. APPROVAL OF AGENDA

Councilmembers Meyer and Leehy motion to approve the agenda; approved 5-0

- D. PRESENTATION

- E. APPROVAL OF MINUTES:
 - 1. January 10, 2024 City Council Regular Meeting Minutes

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

- F. PUBLIC HEARINGS:
 - 1. Community Park Final Layout and Building Designs

Linehan says we'll be discussing approval of the final site plan and layout, which is the next step in the process. He adds that we have a representative from WSB (Kassidy Przymus) and HCM Architects (Haley Koesters) that will present their renderings to give an overview of the project. The City has had a goal of renovating Community Park for a long time, which first required the City to purchase the land from the U of M. The City completed the purchase for \$1.1 million in May of 2023. As the City started developing its Capital Plan and ability to pay, they developed a Park Capital Budget of \$3.5 million. The sources of funding for the renovation include: \$2 million in the Parks Capital Fund for this year. Looking into the future, there's the possibility of a Tax Abatement Bond anywhere between \$1.5 and \$2.0 million, which Linehan says he will touch on later. Linehan adds that the City has outside requests for funding in the form of \$1 million from the state in bonding requests and will submit a grant application for \$350,000 from the DNR Outdoor Grant, which will be applied for at the end of March. The City will continue to look for other grant opportunities as well.

Kassidy Przymus, from WSB, walks the residents through the site plan to show the proposed park layout. The primary change since the last time residents may have seen the layout is adding a trail loop at the south end of the playground.

Haley Koesters, from HCM Architects, walks residents through the proposed park building layout. From early discussions, a Flex Room and a Community Room were desired for the space to

provide flexible spaces for things like anniversary celebrations, birthday parties and yoga classes. The layout prioritizes the rooms looking out into the park to enjoy the view, while having mechanical and storage rooms at the front end of the building then. A servery area with outdoor window could connect the space to an outdoor picnic pavilion at a later date. Restrooms are located inside and with outdoor access on both sides of the building as well.

Koesters guides residents through the layout, explaining how the building's design is meant to play well with the styles of nearby homes. The result was a combination of prairie and traditional.

A resident asks if the problematic sewer line and such will be addressed.

Linehan says the sewer line underneath Roselawn is collapsed and is approximately five feet in from the inlet. The access is from the north side, the Roseville side, so we'll have to go in, undo the clog and redo the entire sewer line as part of that. And, actually, Linehan says this leads right into his next part, which is talking about budget.

Linehan says that tonight isn't a budget adoption. We have adopted a budget for this. There is plenty of opportunity as well, as we get bids in, that will really impact our decision-making. He says that he will walk through some of the options that the City has flexibility and ways to consider how to work through.

Linehan explains that the building itself is \$1.6 million, but there are things that we have to repair. We need water service, sanitary sewer improvements, electrical, some concrete walks, etc. Linehan says this is for budgetary estimate but it is not final.

The items include contingency fees to cover surprise expenses that arise from the project. Linehan explains that picking and choosing gives great flexibility. We have consultant fees built in, site management, permitting, stormwater, etc. There are lot of associated costs with a project of this size. So, the base bid is between \$2.5 and \$2.8 million. A la carte options could then provide up to five choices for the playground. If you don't ask for various bids, you won't get them. It doesn't mean we have to do a 5,000 square foot playground just by getting a bid for it. Linehan walks through the various playground options and pricing listed on the Bid Alternates sheet.

Linehan explains that a huge driver of the playground cost is to have rubberized surface throughout. The Park Commission also wanted to pursue having a fence around the playground. They had heard from residents that neurodiverse or young children prone to running, would greatly benefit from a fenced in playground; they explained how rare a playground of this type is nearby. So, the City has fencing listed as something to receive a bid on as well.

Linehan says whether we do outdoor shelters now or down the road will be determined by the Park Commission and Council. The large picnic structure has price estimates as both a less customized, pre-fabricated variety and as a more custom structure.

Linehan says there are also bid alternates listed for a splash pad and for basketball resurfacing.

Linehan adds that geothermal heating would be included in the bid.

The base bid is \$2.5 million to \$2.8 million. When you add in a la carte items such as the parking lot, playground, shelter, splash pad, basketball improvements and geothermal, then there are a few scenarios.

Linehan says that we have \$3.5 million budgeted with \$2 million of that as cash on hand, ready to go. The plan was for a \$1.5 million debt service issue, which Linehan can go more into if there are questions from the Council on how that debt service would impact. Depending if whether we do a 15 or 20-year bond issue, and if it's \$1.5 or \$2 million, Linehan runs scenarios. At \$1.5 million

and 15 years, it would be about \$120,000 per year of debt service. The tax amount is a couple percentage of levy. \$2 million at 20 years would be more like \$160,000 per year of debt service.

Linehan adds up the base bid items; we still have surplus. If we start adding in the premium options and all of the alternates, then we may have to make decisions along the way. Linehan says we could award the base bid and then save some for future projects to be done in 2025 and beyond. We can reserve a space to construct an item at a later date. For a parking lot, the net number shows a full replacement. Linehan says there is a Band-Aid option to mill and overlay and get 15 years out of it. Another option would be to bid the parking lot out when the 2025 PMP is done in Falcon Woods. That would make it a larger project to bid on and it could save for both Falcon Woods and the parking lot cost at Community Park. It would not be assessed on the Falcon Woods project.

Linehan explains we won't hear about the DNR Grant until July. Nothing has to be decided on budget or finance tonight.

Mayor Gustafson says that we will invite the public up to speak now.

Bob William -1997 Garden Ave.

William says he is interested in a hockey rink. He sees it on the picture but I didn't hear anything planning wise how big it is or any mention of it.

Mayor Gustafson explains that the concrete pad base was estimated to cost upwards of \$500,000. So, the City will reserve the space for a rink and can decide on that at a later date. He adds that the building will include a warming house space.

Linehan says the City also received several written letters.

Linehan reads a letter submitted by Amy Pakhomov at 1595 Vincent Street who would like the City to consider adding pickleball to the park.

Kris Grangaard -1777 Simpson St.

Grangaard says she is happy that the park is finally being done. She greatly advocates for geothermal and permeable parking lots, if possible. She thinks there are maybe grant opportunities for that.

Linehan reads a letter submitted by Georgiana May at 1477 California Ave. May feels the park building and amenities will be at least \$2 million over budget and expresses concerns for costs.

Rice' Davis 1407 California Ave. W.

Davis says that she is thrilled that the City is going forward with a new property at Community Park but her concern is that there seems to be some laissez-faire attitude about the cost and how the City is going to approach that. It was always her understanding that the City had been saving for years for this. Now we are betting on \$1M in state bonding and for \$350,000 from the DNR. If it comes, wonderful. If it doesn't, then what are we going to do? We are going to burden all of the residents with this additional cost. Davis adds that the Council would be wise to go slowly and add elements over time.

Jeff Yager - 1801 Asbury St.

Yager has been a resident for five years and on the Parks and Recreation Commission for four years. Yager says that the City needs a gathering place and an investment in this park will make Falcon Heights more attractive to potential residents. He adds that MN climate does not bode well for holding winter events and the City has had to cancel them the last couple of years. An indoor

building would provide weather-independent space and he encourages us to look at this as investment. He doesn't think we should go halfway on this.

Yager's daughter, Pearl, suggests there should be three different playground areas. An area for younger kids, a slightly older kids' area and an area for kids with disabilities.

Linehan shares a letter submitted by Tom Faust at 1434 Iowa. Faust feels the building is not overdone and will provide usage throughout the year; he is fully on board with the proposed design.

Next, Linehan shares a letter submitted by Eric Brenton at 1795 Simpson Street, which is in support of continuing the current trajectory of the Community Park project. Brenton writes that the City has been planning for this project for years. Because actual construction bids aren't known yet, the City should prepare to construct the project in phases, as funding allows. The City's current financial position allows us to pursue a park and facility that is most useful now and in the future.

Randi Lundell -1743 Maple Court

Lundell is a member of the Parks and Recreation Commission and is very in favor of this plan for year-round programming. As a cost-saving measure, Lundell says that maybe we opt not to fix the little shelter now and put it towards the larger structure first. Lundell agrees with a phased approach but feels that the building is very important.

Linehan reads a letter from Erin Williams at 1974 Autumn. Williams says that she won't likely use the building space but does recognize some members of the community will want to use it. Williams adds that highlighting sources of funds for the renovation is helpful. If taxes will not be increased with existing City savings utilized, that could alleviate concerns.

Jim Kielsmeier -1892 Tatum Street

Long-time resident and park-user, Kielsmeier shares that he was part of the Planning Commission and helped create the comprehensive plan in 2008, which included a plan for the Community Garden. He said that when the garden plots were dug, they quickly learned the area was full of rocks. At that time, the area was excavated. He says that the City should give attention to the garden.

Mayor Gustafson adds that the garden area will remain untouched and will remain where it currently is. He adds that there could be potential for future expansion.

Meyer thanks Jim Kielsmeier for his work on the Planning Commission to bring the Community Garden forward.

Linehan reads a letter submitted by Christine Chitambar at 1941 Summer Street.

Chitambar expresses concern that half of the budget will be spent on a building and would prefer the majority of the money to be spent on better playground equipment and other amenities. Chitambar is also concerned taxes may increase.

Michelle Vojacek - 1915 Arona Street

Vojacek shares that she had a conversation with her neighbor yesterday and then with Administrator Linehan because neighbors are concerned about increased taxes. She thought the conversation tonight was an end all be all. She thinks there needs to be a bigger engagement piece because people really think this has all been bid out and is the final cost. Another neighbor wondered how often the tennis courts are used and if pickleball could be offered.

Karla Siem- 1997 Autumn Street

Siem shares that neighbors in the Falcon Woods area are all concerned about the property taxes that will be incurred with this project since they are all facing an increase that will come with the road project coming up. Siem hopes the Council will not get out of hand in choosing the top of the line amenities for the park.

***Linehan shares a letter from Bill and Sue Davis from 1878 Sheldon Street, who would like to see more elder activities such as a freestyle skating rink and pickleball.
(This letter was read later in the meeting)

Councilmembers Leehy and Wassenberg motion to close the public hearing;
approved 5-0

Mayor Gustafson says that he will open the floor for discussion from the Council.

Wassenberg says there are many things to address but will limit himself to a couple.

1. Cost: Wassenberg says his neighbors and friends have told him he's generous but cheap, which he admits is true. They don't plan to go hog wild on this project and that's why they are taking a phased approach. He's interested in the bids coming back, which will be competitive. Then, decisions can be made about what is in budget, what should be prioritized and how nice we want it to look.
2. Geothermal: Wassenberg says this is his pet piece of this. He previously served six years on the Environment Commission and we have a goal to reduce our carbon footprint in Falcon Heights. Wassenberg feels we'll save money in the end as well, which gets back to that "cheap" thing again. He thinks it's a win-win.

Mielke loves the layout but is really, really concerned that so much of the money is going into the building and that residents won't get the outdoor amenities they want. She is worried we'll end up with a building and a parking lot.

Leehy says it is really important for us as a City to steward what has been put in place. Now that we have this land, we have to do the best by it for the longest term. Leehy is very in favor of a building and is glad to hear the quoted estimate has a contingency, which could mean it comes in costing less. The City has had many open houses over the last eight years and have solicited feedback from the community. So, this hasn't been an overnight process. Leehy shares that there used to be a piece of rotted wood on display to show how the building was deteriorating.

Leehy thinks year-round space for programming and rental space is important. If we look at the big scope of this, this has been a very long process over the last 8 years. It has been slow and it has been delayed by other critical things that have gone on. So, when it comes time to now decide, it feels sudden.

Leehy wants our City to be one our residents are proud of and one that people want to move into. We do want to be cautious when we're making decisions on materials and choices, but Leehy feels we need a year-round building that we have access to.

Meyer wants to thank the Parks Commission for hashing out the priorities of the community and weighing it against the costs. Meyer wants to address pickleball. He says we heard from several neighbors that were concerned about the noise. Another consideration was that Roseville had nice courts nearby. So, for now, the idea was tabled. A nice building that allows for year-round programming is important. He looks forward to City events but says we are so limited by the

weather. Meyer adds that programming at City Hall happens multiple nights a week so there seems to be a demand for it. He thinks it's a good point about how well-loved the Community Garden is and hopes that can be expanded in the future.

Lastly, Meyer hears the concerns of tax increases. He feels they are all on board with making responsible financial decisions while building a park that we can all be proud of for decades to come.

Leehy asks if there is list or a graph of what the tax increase could be.

Linehan says that we don't have those numbers yet until our bond consultant delves into them with us. We would typically request bonds and there would be a public hearing when bonds are submitted. We would bring in an expert to workshop with us prior to that process to talk us through those options.

Linehan and Finance Director, Roland Olson, did run scenarios, although not official. When we got a bond in 2023, we got a 4.41% interest rate. Using a 5% to adjust, that's when you are able to see the various numbers. And, depending on our payback period, what the annual debt service would be. Linehan compares it to our road projects or says it maybe would be similar to the bond to purchase a fire (ladder) truck from past years; it might be a similar tax hit.

Linehan says that we don't have to levy this year or next because there is enough in the fund balance. 2021 is still part of our debt service because it cannot be paid off early, but it is a low interest bond. The 2023 bond is still part of debt service as well but it's a shorter bond with a smaller payback. This bond could be paid off early. When projecting numbers, Linehan thinks the 2025 Falcon Woods PMP will be similar to the 2021 bond. The City is constantly looking at what debt is coming off and what is coming on because they are AAA bond-rated community. The City was one of the first of its size to receive that rating and they want to maintain it.

Linehan says we have built up the fund balances. The surplus has been rolled over to the parks fund for the last 8 years. The City paid for the park property with cash on hand. Along with \$400,000 transferred last year, we scheduled \$1,000,000 this year to come from the sanitary sewer funds and others to build that fund back up to over \$2,000,000. So, that's where that cash is coming from. The fund actually has more than \$2,000,000, but we are also looking at some of our other purchases as part of that. We know that \$2,000,000 in cash is something that we can do without risking our bond rating and keeping our fund balance over 75%. Our policy is 45%, so we are still well within that.

Leehy says she appreciates the detailed response because the Council is sitting here acting out being fiscally responsible. But, sometimes decisions have to be made that increase the budget because we have to maintain the City much like a homeowner has to put out expenses to maintain their home.

Mielke says the tax part is a piece that is of concern because there was just a large increase in school taxes; they don't want to see taxes go up again.

Mielke asks if we calculated what the operating costs of the building are.
And, have we asked the City of Roseville what they generate in rent revenue?

Linehan says that his understanding is that we have the numbers in terms of what they get in rent. But, it is important that we aren't projecting this based on rent.

Mielke says we talk about the rent of the building so much though.

Linehan says that we aren't projecting that rent will cover future costs. The goal of rent is to help cover the facility use and help build up those reserves. It would be different if we were doing a community center where you build memberships in.

Mayor Gustafson says that he was apprised of a couple of things early on by a previous City Administrator. One, was the City's diminishing reserves because the City had been budgeting to avoid tax increases and using reserves to cover operating costs. The second was about Community Park and the fact that the building was unusable. Gustafson says for the last eight years, we have been reaching out and trying to address how that community asset has been in decline. In 2019, we closed the building. He appreciates the Parks Commission for really seriously looking at the community's needs over the past few years for this project. He appreciates the purchase of the land from the U of M. You can't really bond for a building if you don't own the land. The need for a building for indoor programming cannot be understated. There is a space that we have lost that we need to regain because it's a big asset.

Wassenberg appreciates everyone coming out and speaking. He wants to address a couple of things that weren't touched on and give his final thoughts on the building. One, is the idea of the building being locked up. Wassenberg says that he was just discussing this with Administrator Linehan and that he went and looked at Roseville's building off of Lexington. It was 5:00 PM and he could walk in; it wasn't locked. His take on that was that our building could be accessible in a similar way. Wassenberg says that the Community Garden is well-loved and there is a desire to expand it. A constant that has continuously come up is how water will be provided to the garden.

Next, Wassenberg talks about the parking lot and says he really likes the synergy of combining that project with the 2025 PMP and appreciates Staff thinking of cost-cutting measures like this. Next, Wassenberg wants to mention grants. He shares how he's praised Staff before on their drive to pursue grants. While he doesn't feel like they are banking on the fact that they will receive grant funds, they should pursue them. And, to receive them would be a cherry on top. Lastly, Wassenberg shares his final thoughts on the park building.

Wassenberg likes what Councilmember Meyer said about a third space. He said there is a strong desire from the community for a third space and he shares a story about Starbucks and how they provide people with this. He thinks this building will provide that. He has been on the Parks and Recreation Commission for about a year and there have been so many ideas to provide free or low-cost ways to bring the community together, which can be possible with an indoor building.

Linehan realizes that he has one more written comment that was not read during the Public Hearing. If there is no objection, it will be included in the written comment section. He shares a letter from Bill and Sue Davis from 1878 Sheldon Street.

Councilmember Meyer motions to Adopt Resolution 24-10 Approving Design Plans from WSB and HCM Architects as Final. Motion passes 5-0.

Mielke comments that she voted *aye*, but would like a strong commitment given to keeping the building's cost down so there is money towards outdoor amenities

G. CONSENT AGENDA:

1. General Disbursements through 02/08/24: \$156,091.23
Payroll through 01/31/24: \$25,232.83
Wire Payments through 01/31/24: \$280,179.52
2. Approval of City License(s)
3. Goff Public Contract
4. Appointment of Mishy Wang to the Community Engagement Commission

5. Acknowledgement of the State Fair Task Force's Efforts and Receipt of Report
6. Review and Adopt Council Standing Rules and Council/Advisory Commission Roles and Guidelines
7. Council Appointment as Liaison for City Commissions
8. 2024 Sanitary Sewer Lining Project – Cooperative Construction Agreement with the City of Roseville

Mielke asks for clarification regarding the City Licenses and whether Oriental Kung Fu Massage is part of an existing business or a new business.

Nelson says that it will be a new business coming to Falcon Crossing.

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

Mayor Gustafson welcomes Mishy Wang to the Community Engagement Commission. He outlines which Council Liaison will be assigned to the various City commissions. Then, as far as the sewer lining project goes, this is step four of five and then we're going to have the whole City done.

H. POLICY ITEMS:

1. State Fair Task Force – 2024/2025 Task Force

Linehan provides an overview and says that in February 2023, the Task Force was created and recruitment began. Their first meeting was in June and they had several meetings prior to the fair. There remains uncompleted work so the idea would be to create a new Task Force to serve for two years.

Wassenberg feels it's needed to keep the momentum going and there's still work to be done to improve the experience for residents.

Mielke motions to approve continuing the State Fair Task Force in 2024-2025; approved 5-0.

I. INFORMATION/ANNOUNCEMENTS:

Gustafson says that February is Black History Month and recognizes Leehey as the first African American and 9th female councilmember.

Leehey says every month is Black History Month because they are a part of the US. She adds that it's an honor to be a part of the history in Falcon Heights.

Mielke recently attended the League of Minnesota Cities' Leadership Institute and really appreciated the opportunity to attend it.

Meyer attended the LMC Leadership Institute as well. He adds that he's looking forward to serving as liaison on the Planning Commission.

Wassenberg also attended the Leadership Institute and says that the best part about it is the chance to talk to other councilmembers and mayors around the state. He shares a dinner

discussion he had with a councilmember from another city who told a story about how their police department normally had six or seven officers and they were down to just one. Their Council would have to decide whether to expand their police department because it's difficult to hire officers. Wassenberg says that hit home.

Gustafson says that the Leadership Institute provided some of the best diversity training that he's participated in in a long time. He says that last Thursday's joint workshop meeting with St. Anthony Village Council was a really good first step.

Linehan thanks residents for coming out tonight and says that the City receives these comments and that it's good feedback as we go through the renovation process. He shares commission updates and says that the Community Engagement Commission met, had officer elections and discussed Sister Cities. The Parks and Recreation Commission met on Monday the 5th and discussed the Community Park layout. The Environment Commission will be having a meeting with Partners in Energy to have an open house on February 21st. The Planning Commission is going to have two public hearings on the 27th. The first one is going to be on electric vehicle charging. The second, is that we received a petition and filing fee application from Hollywood Court to transition to permit parking only on their street.

Public Works is geared up for snow and AARP tax appointments are going on at City Hall, which are well-attended and extremely popular for our residents and beyond.

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: 9:01 PM

Wassenberg motions to adjourn; approved 5-0.



Randall C. Gustafson, Mayor

Dated this 13th day of March, 2024



Jack Linehan, City Administrator