

CITY OF FALCON HEIGHTS
City Council Workshop
City Hall
2077 West Larpenteur Avenue

MINUTES
Wednesday, June 5, 2024
6:30 P.M.

A. CALL TO ORDER: 6:32 PM

B. ROLL CALL: GUSTAFSON_X_ LEEHY___
 MEYER_X_ MIELKE_X_ WASSENBERG_X

STAFF PRESENT: LINEHAN_X_ VAN DER WERFF_X_ NEIS_X_

C. POLICY ITEMS:

1. Rental Policies and Protections

Administrator Linehan kickstarts the conversation, by providing background information and looking at current practices. He introduces Fire Marshal Adrian Neis.

Neis explains he has been with Falcon Heights for 2 years and assists on a part-time basis. He was a firefighter for Roseville for 20 years and currently works full-time for the St. Paul Fire Department and part-time for the State Fair.

Linehan provides background on rental statistics. He notes in 2013 an ordinance was passed that would require rental properties to be licensed and inspected. This was expanded to include multi-family buildings in 2019. In 2022, Neis was brought in to inspect all units after COVID-19, but many required a re-inspection.

Councilmember Mielke wonders about inspections of group homes.

Neis, notes if less than 6 occupants, it would be considered a single-family inspection. Depending on the services provided by the group home, the Department of Health Services will need to get involved for inspections.

Councilmember Meyer wonders what items warrant a re-inspection.

Neis explains this could be various things. He received several complaints from managers and owners regarding the current inspection process as certain items that required a re-inspection were not brought up before by previous inspectors. He notes that regulations change over time, but he takes into account the age of a building. He provides an example of a correction notice. He explains that in Falcon Heights only common areas are inspected for multi-unit buildings, not interior dwelling units, and the whole property gets inspected for a single-family rental.

Mielke wonders about alternative housing if a unit is condemned.

Neis notes condemnation of a unit opens up doors for legal assistance for the tenants as they cannot safely live in their unit.

Meyer wonders about requirements in other cities.

Neis notes that each city is different and has its own ordinances. They do have to be careful with ordinances and compliance with building codes as to not over enforce.

Meyer finds it interesting that ordinances cannot overprotect and feels they are more in favor of landlords than tenants.

Neis provides an example of a lawsuit that includes a city that over-enforced ordinances. The city cannot require anything more than is required by the building code. He explains he looks at buildings differently based on their age and follows codes and standards based on when the building was built.

Linehan provides the current process for when a tenant has a complaint regarding building code or safety issues. Neis will do an inspection and if a violation is found there will be a correction notice.

Mielke wonders about new tenant ordinances that were introduced by the state.

Neis explains there were several that went into effect in January of this year. An issue with the current process is landlords need to self-report if they are a rental building, but landlords may not report and operate under the radar. Tenants could be fearful of retaliation by the landlord. He notes those are buildings we want to capture, but is under the impression there are not many if any in Falcon Heights.

Linehan explains that there was an audit done a few years ago. Staff currently still audits regularly. The City stays up-to-date on new ordinances mostly through the League of Minnesota Cities. Another thing staff works on is ensuring resources are readily available to renters in the City.

Mielke explains the HOME Line organization provides education and advocacy services. She explains she met with tenants who have concerns but are afraid of retaliation by the landlord. She provides an example of the rental license process where they have the ability to inspect individual units in another city in the metro area.

Mayor Gustafson explains every property needs to have a local representative present during inspections.

Neis suggests passing an ordinance that allows proactive inspections and inspections of interior dwelling units. That also allows for more anonymity for the tenant in fear of retaliation. Inspections of entire units are already done at single-family units and duplexes. There is still a chance to call out a specific unit, as he is required to notify the landlord of certain violations.

Meyer wonders about how many landlords retaliate.

Neis explains it's hard to put a number to that.

Linehan provides an example of retaliation from 2 parties, the landlord and the tenant.

Meyer wonders about condemnation and if it can be fixed.

Neis explains condemnation allows a resident to get legal help through HOME Line which can notify them of legal resources for things like withholding rent. It is a powerful tool to assist residents.

Mielke explains she wants to ensure there is safe and clean housing for all residents.

Linehan notes cities don't inspect single-family homes that are not rented out. If there is a good rental inspection process, that helps renters know it would be safer to live in a rental unit in Falcon Heights than a single-family home.

Neis supports proactive inspections but it requires significantly more time and comes with a cost. He only inspects renewals when they are due. Interior inspections require more man hours. Some things for the Council to consider, such as raising rental license fees.

Gustafson explains it could increase rent for tenants. The City Fee structures would need to be looked at.

Wassenberg adds that it would be inspected for 2 years.

Neis notes it's not needed to look at each unit during every inspection, but having it proactive allows it to be done to the inspector's discretion. There are workarounds. Doing community outreach and proactive visiting along with snacks and swag can help educate tenants.

Linehan explains another thing to implement would be adding software programs to help keep track of inspections. The current system used for permits and code enforcement has a license expansion that would allow us to keep everything in the same place.

Neis notes a proper reporting system allows for keeping track of trends and metrics and educating landlords.

Gustafson wonders about business license inspections.

Neis notes some properties had complaints regarding certain correction notices.

Linehan explains landlords can go through an appeal process if they don't agree with the correction notice.

Wassenberg wonders about buildings that have around 10-units in one building and wonders how encompassing it is to inspect each unit. For example, what happens if not all units can be inspected?

Neis explains he allows discretion with interior dwelling inspections and relies on tenants to be honest with the inspectors. If 5 out of 10 units get inspected and all pass, it can be safe to say, the other 5 units will pass as well. He also encourages introducing a re-inspection fee process for additional funds. He provides an example of St. Paul. That also allows a financial incentive to get a violation corrected.

The council provides staff with direction to draft an ordinance related to interior dwelling unit inspections.

2. Assessment Policy

Linehan explains this is an opportunity for the Council to discuss the assessment policy and how assessments may be determined for the 2025 PMP. The 2025 PMP will include the full reconstruction of the streets within Falcon Woods, as well as a mill & overlay for E/W streets in Northome and alleyways. To change the policy, the Council will need to adopt a resolution amending the assessment policy. There are options to do an equalized per-parcel assessment rather than a lineal foot method. Under this model, all properties would be assessed the same amount within the project area rather than a basis of how many lineal feet each parcel has. The current policy is based on lineal foot.

Mielke wonders if this is just to address the 2025 assessment or beyond that.

Wassenberg wonders if residents can challenge one assessment over the other.

Linehan explains he sought guidance from legal and they recommend amending the entire policy. Long-term there can be a broader discussion around assessments. He provides examples of what other cities have for assessment policies.

Wassenberg appreciates efficiency in administration. It could be a general fund expenditure and not do assessments at all.

Meyer wonders about other cities and if they have assessment policies or if they pay for it through other funds.

Linehan explains it differs throughout the state. It could get challenging during long recessions and not being able to improve infrastructure, because cities need to utilize their general funds for city operations.

Wassenberg wonders about a break in assessment cycles.

Linehan explains after 2025, the city will be through a complete PMP cycle and there will be a break. He notes that there is certain state aid the city receives because they maintain the roads so well.

Meyer wonders about parcels in Falcon Woods and if they're completely standardized.

Wassenberg notes there would still be discrepancies, even with per-parcel assessments, as not all parcels are equal.

Linehan notes he could have the engineers run different models. It will be nearly impossible to make all assessments equal. Similar to property taxes.

Meyer feels having a larger double lot being called 1 parcel would be unfairly compared to smaller lots. But if the difference between each is small, then per parcel makes sense.

Wassenberg feels if all residents pay the same there will be fewer complaints.

Gustafson agrees, per parcel makes sense and it benefits the resident living on the parcel.

Meyer feels that per parcel will make sense.

3. Community Park Pricing

Linehan explains staff has been working with the consultant on modifications of the plans for the Community Park Building with pricing coming in higher than expected. He provides the Council with various budget sheets. He asked Finance Director Olson to check all City Funds and for future debt schedules. Linehan explains there are various cuts that can be made to the project to allow for savings, such as the elimination of amenities, choosing less high-end finishes, and one restroom. If cutting everything, the total price would go down to what was originally estimated. He also has the consultants working on a quote for updating the existing park building. However, initially, it would not allow for significant savings and therefore it was decided to look into building a new building.

The council reviews the updated budget sheets. Linehan explains not expanding the parking lot, but just resurfacing the current lot, allows keeping the current playground until a new playground is completed. A full reconstruction of a parking lot is more expensive.

Mielke notes the entire project cost is significantly higher.

Linehan agrees. Some pricing, such as the shelter, came in good. However, pricing for other items came in higher, and Kraus-Anderson has very accurate data for pricing, so there is only a 10 % margin on bids.

Wassenberg wonders about the sizing of one of the meeting rooms. He notes, if eliminating numerous items and cutting cost on finishes, all that is left is bathrooms and one meeting room and he feels the per sq. ft costs is very high.

Linehan explains what is driving the pricing for park buildings currently. He feels it's too high. Lowering value but the cost is not going down.

Mielke wonders about items in between a shelter and a building. She feels the outdoor amenities are the most important and something residents can walk up to

and utilize versus a building.

Meyer wonders if the community meeting places are important to the community. Could the City Hall Chambers be renovated?

Wassenberg and Mielke agree City Hall is not a functional place. Gustafson thinks of other ideas for Community Park and City Hall. But with Parks and Rec programs there needs to be covered ADA spaces and third spaces for gathering, if that is important to residents. He agrees park buildings in current times are expensive.

Linehan comments staff is working with architects on what kind of other modifications could be done to a new building. He notes the City could utilize \$3.5 million as budgeted and it would not significantly impact the tax levy. He acknowledges not draining funds too low. One account has been added funds for the park project like a savings account. He explains all the fund balances the City has. He feels there could be modifications done to the project to allow for amenities and a park building and it still would be affordable for the city.

Wassenberg notes having outdoor amenities, permanent bathrooms, and water fountains are beneficial.

Mielke wonders about a fund that could be used for road infrastructure improvements and that cannot be used for the park project.

Linehan answers yes, the infrastructure fund remains untouched. He notes other funds could be used for certain improvements, such as the storm drainage funds.

Wassenberg notes there are scenarios that this project could be completed as is through bonding.

Mielke would not feel comfortable spending this amount of money without a vote from the residents.

Gustafson comments that having a park with amenities that residents enjoy needs to be paid for. He also notes residents currently utilizing neighboring cities for a number of amenities and programming and it could remain this way.

Mielke believes the challenge is the location of Community Park as it is in the least dense area of the city.

Linehan notes it could become very dense in 50 years.

Gustafson explains the city is divided by major roadways, Snelling and Larpenteur.

Mielke does not feel this park building will bring the city together.

Meyer wants to add amenities that residents are asking for.

Linehan explains a building was a top requested item on the survey that was conducted earlier by the Parks and Rec Commission.

Meyer wonders about other venues that could be more utilized by the community.

Linehan explains there are a number of considerations. To build in 2024, the Council would have to release bids in a couple of weeks. Releasing bids does not cost anything, but the margin in bids is only 10% because Kraus-Anderson does such accurate estimating.

Meyer is not comfortable with the budget and continuing.

Linehan explains the City has contracted for \$325,000 in planning, and that he will check on what funds remain available.

Wassenberg explains it was brought to the commission and they were sad with the cost estimates. But it could have been approached differently if the costs were known to be this high.

Linehan agrees. He notes the models done by Kraus Anderson are more accurate than the initial estimates. He assumes pricing will go down, certain materials costs keep going down. Timing is a consideration and we can hold off with building and continue to save.

Mielke notes there should be a playground and shelter to provide shade.

Meyer wonders about park programming, what kind of demands there are in the colder months, and what the community would miss out on if there is no building.

Linehan explains there could be more offerings than there are currently. It's hard to provide specifics, as the building has been inoperable for a long time. There are enough vendors who are interested in providing programming. City Hall is difficult to rent out due to council and commission meetings and private gatherings are not taking place at City Hall due to security issues.

Mielke talks about renting out community space at Falcon Town Square. But parking is an issue and high rent.

Linehan wonders about exploring an option to renovate the current building. It would not buy the lifespan of a new building but could expand its lifetime and provide space. Major renovations would require bringing it up to the current code.

The council would like to get a realistic quote on renovating the current building and hold off on bidding.

Linehan notes materials used for the current building were cheap and no maintenance was done so it is currently unusable due to negligence.

Gustafson suggests doing the site work and demolishing the building.

Wassenberg feels we should be able to explain the reasoning behind moving away from a new building to renovating the current.

Linehan explains the current building has a strange layout. Previous estimates for a new building were almost similar to constructing a new building.

Wassenberg feels renovating the current building at a lower cost than building a newer one, would allow a budget for all the outdoor amenities as well.

Meyer agrees that would leave money to add a water fountain and bathrooms at Curtiss Field.

Wassenberg wonders if Kraus-Anderson would still be employed for construction management.

Linehan answers, yes, there is still a lot of managing to be done especially with the amenities.

Council wonders about an updated line item budget as other items will fall off without a new building

4. St. Anthony Village Policing Contract Discussions Update

Linehan explains he has been working with St. Anthony Village City Manager Charlie Yunker on contract language. Falcon Heights, St. Anthony Village, and Lauderdale want to do more bonding between the three councils. There are also discussions about including a manager and a chief review board where they meet monthly to do reviews and improve communications. St. Anthony Village has a special election for an open Council seat.

Wassenberg wonders about contract language.

Linehan explains both cities are working on contract language. They are working with the League of Minnesota Cities (LMC) on liability language. As LMC provides insurance for many cities in the state, they don't want the whole pool of cities at a higher risk.

Mielke explains more about the SWOT analysis conducted by St. Anthony Village. Chief Spies got authorization to start recruiting.

Linehan adds they will be evaluating staffing halfway through next year. He feels optimistic a contract can be approved during the summer of this year.

Meyer wonders if St. Paul is aware of the timeline.

Linehan explains not yet, but they will need to make a decision faster than last time. Otherwise, the city will need to pivot back to the Sheriff's Office.

Gustafson notes St. Paul is aware of what the city needs due to all the work and discussions that were done previously. They feel they can provide better community-based policing than Ramsey County. The current chief seems more confident as he is building more experience.

Linehan states he has reached out to St. Paul to discuss potential service in 2025 as a stopgap between the end of the RCSO contract in 2024 and the start of the St. Anthony contract.

Gustafson explains it would benefit St. Paul residents as well to have more officers in the area.

Mielke wonders if she could be a Council Liaison to the State Fair Task Force.

Gustafson wonders if they need guidance on top of the staff liaison they currently have. The Task Force has not been set up as a commission.

Wassenberg notes City Staff can get the State Fair Task Force's opinion.

Linehan agrees and he will add it to their next scheduled meeting.

D. ADJOURNMENT: 9:08 PM

DISCLAIMER: City Council Workshops are held monthly as an opportunity for Council Members to discuss policy topics in greater detail prior to a formal meeting where a public hearing may be held and/or action may be taken. Members of the public that would like to make a comment or ask questions about an item on the agenda for an upcoming workshop should send them to mail@falconheights.org prior to the meeting. Alternatively, time is regularly allotted for public comment during Regular City Council Meetings (typically 2nd and 4th Wednesdays) during the Community Forum.



Randall C. Gustafson, Mayor

Dated this 26th day of June, 2024



Jack Linehan, City Administrator