

**CITY OF FALCON HEIGHTS**  
Regular Meeting of the City Council  
City Hall  
2077 West Larpenteur Avenue  
**MINUTES - AMENDED**  
December 11, 2024 at 7:00 P.M.

A. CALL TO ORDER: 7:00 PM

B. ROLL CALL: GUSTAFSON \_\_x\_\_ LEEHY \_\_x\*\_\_ MEYER \_\_x\_\_

MIELKE \_\_x\_\_ WASSENBERG \_\_x\_\_

STAFF PRESENT: LINEHAN \_\_x\_\_ NELSON \_\_x\_\_ LYNCH \_\_x\_\_

Linehan points out two minor amendments were made. Under Consent Agenda, item G15 was added, which is Authorization of Inspection and Repairs for Plow Truck Units #18 and #16 Not to Exceed \$8,000 and under Policy Items, number H3 was added, Authorization of Service Order with Forest Lake Contracting Not to Exceed \$8,500 for Emergency Repair of Six Street Lights in the University Grove Neighborhood.

C. APPROVAL OF AGENDA

Council Member Meyer motions to approve  
the agenda; Approved 4-0

(\*Leehy was not yet present)

D. PRESENTATION

1. Receiving the Feasibility Report and Ordering Public Hearing for the 2025 Pavement Management Program (PMP)

City Engineer Erik Henricksen says the 2025 Pavement Management Program (PMP) involves two neighborhoods, Falcon Woods and Northome. Falcon Woods was originally built out and paved in the '60s and in the '80s as it developed. The Northome neighborhood was originally constructed between the '40s and '50s and built up from there. The City contracted with a consultant geotechnical engineering firm for coring and boring operations to evaluate best rehabilitation methods. Both neighborhoods were identified as needing full-depth reclamation (FDR) to be repaved with 3.5" asphalt. Curb and gutter spot replacement in both neighborhoods will also be completed. There will be spot storm repairs in Falcon Woods but there's no need for storm repairs in Northome. In both areas, there will be spot sanitary sewer repairs. All manholes have been inspected and identified for the appropriate treatment needed.

Mielke asks for clarification on the trail rehabilitation slated for Falcon Woods and if Henricksen is referring to the trail to the park.

Henricksen says that is correct, the trail from the Falcon Woods neighborhood to Community Park will be included in the rehabilitation, as is the trail from Garden Avenue connecting to Prior Avenue in the cul-de-sac south. Not much maintenance has taken place on those pathways since the installation in the 1980s.

Henricksen explains that a lot of coordination is required with other public agencies on this project, including MnDOT, the City of Roseville, St. Paul Regional Water Services (SPRWS), Capitol Region and Rice Creek Watershed Districts, and Ramsey County.

Henricksen shares that St. Paul Regional Water Services identified no improvements needed at this time.

Mielke asks if lead pipe replacement would get tied into this.

Henricksen says SPRWS would deal with lead pipe replacement on a resident-by-resident basis but feels that is a good question to follow up with them on again.

Mielke says a resident in Northome had lead pipes identified at their property.

Wassenberg said they did not have lead running from streets to property line; it was property line to house that was lead.

Henricksen says construction limits are to the curblin, and they won't be trenching or digging beyond that.

The watershed districts within these project areas are both Capitol Watershed and Rice Creek. No additional stormwater or watersheds are triggered with this. Some of these project areas abut Ramsey County right-of-way. Through the design phase, they will coordinate with the county on permitting requirements.

Henricksen outlines the project costs. For Falcon Woods, the total estimated cost is approximately \$1.1 million and does include contingency and engineering costs. This is about 1.1 miles of pavement.

The total estimated cost for Northome is about \$932,000. The reason this one's reclamation cost is a bit more is because it is based on the amount of pavement you are rehabilitating, and this is 1.2 miles of street.

Henricksen explains that the project funding sources come from applicable utility funds, assessments and an equal share from the Street Fund and Municipal State Aid Funds for the City's cost for that portion of the street improvement project.

Henricksen says it breaks down fairly evenly between the neighborhoods in terms of per-person cost. The Assessment Policy states that 40% of improvement costs are assessed to property owners. In September of this year, the Council clarified some points in the Assessment Policy, including front footage and the lot unit or assessable cost. 40 of the 221 parcels within Northome are not assessed, as their adjacent side is the short side. These properties would have already been assessed when the north and south sides were improved.

In Falcon Woods, 4 properties are not included because there is no improvement abutting their property. It's an atypical neighborhood in the sense of how a frontage looks. Northome is more of the gridded-out section, which the precedent has been to do front footage assessment.

The proposed estimate for assessments in Falcon Woods is \$3,850 per parcel. For Northome, the proposed assessment range is \$1,525 to \$2,750 per front frontage calculation.

Henricksen does want to note that one property located at 1525 Idaho will be stricken from the assessment roll because they were assessed during the north/south assessment roll in 2013.

Property owners can pay part or in full, interest-free during the first 30 days of the assessment roll being accepted by Council.

If they do not, the fees get added to the property taxes and they would expect to begin paying the assessments in 2026 through their property taxes. Henricksen says that the length of the payment period will be determined by Council (FDR can be extended between 10 to 15 years) and that will be done in the fall of 2025, at an interest rate set by Council. The interest rate shall be set at 2% above the current rate of return on the City's portfolio. There is a hardship deferral option as well.

Henricksen then outlines the project's estimated timeline, with construction beginning in spring/summer of 2025 and being substantially completed by fall 2025.

Wassenberg comments that it would be nice to have the project completed by mid-August, prior to the MN State Fair, particularly in the Northome neighborhood.

Henricksen says it's a great comment and that it's something they will plan on building out in the contract. He says that is a summary of the PMP, but the Feasibility Report is included in the packet.

Linehan asks Henricksen if he can share a bit more about the findings from the geotechnical consultant, Braun Intertech, and why the project was originally thought to be a mill and overlay (M&O) but has now been identified for a full-depth reclamation (FDR).

Henricksen says he was not involved in the original scoping but that it happened some time ago. Roads are given scores of zero to 100 and, at that time, they were scored between 50 and 60, which are sufficient for a mill and overlay. When those inspections were done in 2010 or 2011, a seal coat had been applied, which made it appear newer. Geotech Braun found during the corings that there was a lot of moderate to severe stripping. The aggregates are not holding up well anymore; it's not a solid-looking core.

In short, it's an indication that the pavement has gone through its entire life cycle. It would cost the same to do a full-depth mill and a full-depth reclamation (FDR), but the quality and lifespan is better with the reclamation.

Wassenberg wonders if there was a full-depth reclamation (FDR) in Northome at some point. Henricksen says he could not find a record of one. There was spot-milling and spot-curb replacement done in 2001. Henricksen says that FDR has really taken off in the last ten years in urban settings.

Wassenberg says that in summary, most of the bituminous layer on east/west roads in Northome are at least 20 years old.

Linehan says that the public hearing is set for a little bit later than normal so we can have a neighborhood meeting in early January and both neighborhoods can be invited to attend and see the plans before then.

Council Member Wassenberg motions to approve  
Resolution 24-68 Receiving the 2025 Pavement

E. APPROVAL OF MINUTES:

1. October 9, 2024 City Council Meeting Minutes
2. October 23, 2024 City Council Meeting Minutes
3. November 6, 2024 City Council Workshop Minutes

Council Member Wassenberg motions to approve  
the minutes; approved 5-0

F. PUBLIC HEARINGS:

1. 2025 Truth in Taxation and Budget Presentation

Linehan says a lot affects your tax rate. The changes in the tax levy, changes in the market value of your property, legislative changes, and any new taxes passed by referendum all affect your tax rate.

Linehan continues by saying that one challenge that cities work with is that you cannot propose a levy and increase it at the Truth in Taxation hearing. You can approve the same levy that you presented or you can decrease it.

Linehan talks about Market Value Exclusion and says that it's nuanced. As your property value increases, your exclusion decreases. This is only for homestead properties. Traditionally, the amount that the exclusion stopped applying to your property was once it got over \$413,000 in market value. A new bill increased that amount to \$517,000 this year.

Linehan adds that the Median Home Value (MHV) for a Falcon Heights home was \$373,950 in 2024. For 2025, the MHV is now \$401,750. It's great that homes increase in value, but it does create some challenges. Even if your tax levy is similar, as your property value goes up, your tax bill goes up. If you compare us to all other Ramsey County cities (aside from North Oaks), we had the highest change in median value. We continue to see this growth year over year.

Next, Linehan discusses the property tax bill. The assumption is that the property tax bill goes to the City. While that is true, the county and the school district typically share equal shares (35% each). The City sits right around 26% of the tax bill.

Linehan says that the goal of the Truth in Taxation is transparency in taxes. The median home value (MHV) increased from \$373K to \$401K. The taxable MHV after exclusion is \$391K. We are then able to take 1% of your home's value. For the average home, this is \$3,914. This determines the City's tax rate. We are proposing that the average City taxes in 2025 will be \$1,401, which will be a \$33 increase. Originally, we thought the increase would be about \$131, but that was before one of the largest factors of our budget was known.

Linehan shows levy comparisons over the past several years. Our debt levy is going down by \$40,000 next year, which is strategic. We will pay off debt in 2025. We are also on pace to pay off our 2023 bond early as well. That will leave 2021 (and future tax levies) as debt.

The City has not had to transfer money from our reserves to our General Fund since 2014.

Linehan says it's important to see our neighbors' current levies as well. Our taxes are a little bit higher as we are primarily residential. When you look at the total tax bill, we are one of the higher tax bills in the county, but that is primarily driven by the school district and county.

Linehan summarizes the 2025 Proposed General Fund and says that the General Fund drives the property tax levy. In 2025, we are proposing an approximate 4% increase in the General Fund. The levy increase is 2.77%. We are proposing a cost-of-living (COLA) adjustment of 3.5% for staff.

Linehan shows that in 2025, it is proposed that the City will be decreasing our policing costs by \$84,000 from the 2024 cost.

In regards to the levy increase, what is the City planning to do with this money?

- Our website will need to be redone as it's coming up on five-years-old.
- We would like to regenerate our tree program for boulevard tree replacement.
- There is a new proposal to compensate City Commissioners.
- A reclassification of our Accountant to Assistant Finance Director.

Linehan says that since we essentially have a contract agreed upon by both cities, we now have a number to associate with police services in 2025.

There will be no transfers of reserves; it's a balanced budget.

LGA receipts from State of MN stayed the same. Fiscal Disparities increased \$95,695. Overall, general fund expenditures and revenues are \$3,652,477 or 3.97%, higher than the 2024 operating budget.

*The Public Hearing opens to receive comments from residents. No comments are received during the Public Hearing.*

Mielke is relieved they were able to lower the levy increase to 2.77% rather than the proposed amount.

Meyer echoes those sentiments and appreciates staff working to reduce debt.

Leehy appreciates Linehan's reports and it being put in layman's terms for understandability.

Wassenberg says they are seeing a better value proposition for policing in 2025.

Gustafson says they didn't approach the policing topic this year as a budgetary reason to go with St. Anthony Village or another policing partner. It is because the community wanted community-based policing and that the savings are just a great bonus.

Mayor Gustafson motions to approve Resolution 24-69  
Adopting the 2025 Tax Levy; Approved 5-0.

Mayor Gustafson motions to approve Resolution 24-70  
Adopting the 2025 City Budget; Approved 5-0.

G. CONSENT AGENDA:

1. General Disbursements through: 12/04/24 \$34,870.82  
Payroll through: 11/30/24 \$25,680.33



Wire Payments through: 11/30/24 \$16,059.50

2. Approval of City License(s)
3. Appointment of Campbell Knutson as City Attorney
4. Appointment of Kelly & Lemmons as City Prosecutor
5. Appointment of Creative Planning as City Auditor
6. Appointment of Roseville Assistant City Engineer Erik Henricksen as City Engineer
7. Approval of Setting 2025 Cost of Living Adjustment (COLA) at 3.5% For All City Employees
8. Statutory Tort Limits Liability Coverage for the City in 2025
9. Approval of the Northeast Youth and Family Services Cooperative Service Agreement for 2025
10. Approval of the Tubman Legal Services Cooperative Agreement for 2025
11. Approval of a Joint Powers Agreement with the City of Roseville for Engineering Services
12. Reclassification of Part-Time Accountant Position to Assistant Finance Director
13. Promotion of Alyssa Landberg to Assistant Finance Director
14. Request to Close Fund 428 – Amber Union Project Fund and Transfer Balance to Parks / Public Works Capital Fund 403
15. Authorization of Inspection and Repairs for Plow Truck Units #18 and #16 Not to Exceed \$8,000

Wassenberg appreciates the work that NYFS does for the community, especially the services they continue to add and to provide.

Leehy thanks fellow council members for seeing the value in the services provided by NYFS and Tubman.

Meyer is proud to sit on a Council for a City that invests in staff and is happy for Alyssa to be promoted. He recognizes the turnover that a small city like ours can face, so he appreciates investing in our staff and enthusiastically supports a 3.5% COLA increase for staff.

Linehan congratulates Alyssa Landberg on her promotion and says that she has been with the City for a couple of years, first as an intern, then as a part-time accountant and now as a full-time Assistant Finance Director.

Mayor Gustafson motions to approve the Consent Agenda; Approved 5-0.

H: POLICY ITEMS:

1. Adoption of Ordinance 24-07 Amending Chapter 14 of the Falcon Heights City Code to Incorporate and Establish Regulations for Registering Cannabis and Hemp Businesses

Community Development Coordinator Lynch says they are looking at making changes to two chapters of City Code so her presentation will address both Policy Items H1 and H2.

Ordinance 24-07 adds registration information to City Code and states reasons for denial or revocation.

Lynch first walks Council through the licensing process and says the state does not allow the City to outright deny cannabis or hemp businesses. One business is required to be licensed within Falcon Heights due to its population size (“no fewer than one registration for every 12,500 residents”).

The licensing process starts with the Office of Cannabis Management (OCM) to submit their application to. The application is vetted by OCM and entered into a lottery drawing. If the business is selected in a lottery, OCM conducts a background check and issues a preliminary approval. The business will submit their location and amend their application accordingly. The Cannabis business should then reach out to the City to ensure the targeted business area is zoned properly. Lynch says that this is where the City comes into the process. The OCM will forward the completed application to the City and we sign off on it saying that the business is meeting all of the zoning and registration regulations. OCM will then do a site inspection and issue a state license. The retailer will receive a registration from the city prior to business commencing any retail sales.

As a local municipality, Lynch says that the City can limit the hours of operation from 10:00 AM and 9:00 PM, 7 days a week, and can provide buffers in certain areas. Compliance checks must be completed at least once per year.

Lynch explains what buffers look like in Falcon Heights. Chelsea Heights Elementary is in St. Paul, but it touches the corner of Hoyt and Hamline.

On November 26, 2024, the Planning Commission met and held a Public Hearing. Their recommendations are summarized as follows:

- A cap on one cannabis retailer, cannabis microbusiness with a retail endorsement, or cannabis mezzo business with a retail endorsement. The difference between micro and mezzo business are somewhat like a brewery, where you grow and produce onsite and may also consume.
- The 1,000 feet from the elementary school did not touch any commercial districts, but in an effort to be a good neighbor, we will match St. Paul’s regulation of being 300 feet from schools.
- Businesses must be located within the B-3 zoning district (NE and NW corner of Larpenteur and Snelling). Hours must be limited to 10:00 AM and 9:00 PM, seven days per week.
- No onsite consumption will be permitted unless their state license states that they can offer consumption onsite. In an effort to combat this, the City is prohibiting smoking onsite and in outdoor patios.
- Operations must take place within an enclosed building.
- May not share a common entrance with a tobacco products shop.
- No onsite consumption of cannabis or cannabis products, including lower potency hemp edibles or beverages, at any special event. \*This does not include the Minnesota State Fair or the University of Minnesota, as those are not in our jurisdiction.

Meyer Motions to Adopt Ordinance 24-07 and Summary Ordinance 24-07 Amending Chapter 14 of the Falcon Heights City Code to Incorporate and Establish Regulations for Registering Cannabis and Hemp Businesses; motion passes 5-0.

2. Adoption of Ordinance 24-08 Amending Chapter 113 of the Falcon Heights City Code Allowing and Establishing Regulations for Cannabis Retail Establishments

Ordinance 24-08 amends Chapter 113 of City Code, which is the Zoning Chapter. This is where changes are added to include the buffer, the hours of operation, and the requirement to be within a B-3 Zoned Area.

Lynch shares that one resident spoke at the Pubic Hearing and that two written emails we recorded into record, all opposing cannabis businesses. Lynch made it clear to them that we cannot ban them so it's a matter of finding the best location in the City for them.

Wassenberg says Ordinance 24-08 does not mention the B-3 Zoning.

Linehan says it is referenced on page 227 in the agenda packet or section two of the ordinance amending Chapter 113 179C and it adds these definitions into B-3.

Leehy asks for clarification about mezzo and micro businesses.

Lynch says that the determination is based on the square footage of the operation and the amount of product produced. She can look at the specifics as to how it is determined.

Leehy then asks how this might come into play with restaurants that might have THC products. Does that constitute one of these licenses being used?

Lynch says that our restaurants are within B-3 Zoning and we are adding lower potency hemp edibles as a permitted use in B-3. So, they would be allowed as long as they get a license from the state and register with the City, then they can sell that there. Lower potency hemp edibles and beverages are permitted to be consumed onsite; we are not prohibiting that in our ordinance, only smoking outdoors. And, lower potency is separate from mezzo and micro businesses.

Mayor Gustafson says that it has been a challenge to figure it all out but the City's moratorium ends on December 31 and something needs to be in place by January 1.

Mielke adds that the St. Paul City Council President and Vice President will be happy to see that we matched their buffer.

Wassenberg Motions to Adopt Ordinance  
24-08 and Summary Ordinance 24-08 Amending  
Chapter 113 of the Falcon Heights City Code  
Allowing and Establishing Regulations for  
Cannabis Retail Establishments; motion passes 5-0.

3. Authorization of Service Order with Forest Lake Contracting Not to Exceed \$8,500 for Emergency Repair of Six Street Lights in the University Grove Neighborhood

Linehan explains that a resident notified the City that street lights were out in the University Grove neighborhood in early December. This was the result of copper wire theft. This area is a little unique in that all the street lights were installed by St. Paul Public Works through a



cooperative agreement in 1998 and they also maintain them. After determining that Falcon Heights is the owner of the lights, we filed a police report. While we would normally have St. Paul Public Works repair the lights, they have a backlog that would likely make them unable to get to it before the summer. The proposed repair by Forest Lake Contracting is slightly more expensive than if St. Paul were to repair them, but this estimate also includes replacing the lightbulbs to color-match adjacent streetlights and to fortify the copper wire to make it more difficult to steal. Long-term, we will have to determine what to do with the street lights as they are coming up on 27-years-old.

Wassenberg asks if anything can be done to protect the lights from future copper wire theft such as securing the access panel by spot welding in place.

Linehan says that he is not sure but will consult with St. Paul on how best to protect the lights. He adds that St. Paul is leaving their street lights on 24/7 to help deter theft.

Wassenberg believes spot welding may be a solution since we don't have to service the lights often.

Leehy assumes the cost is higher because the quantity is lower than if St. Paul were to bundle all the lights and do the repair.

Linehan says that may be true. Ultimately, it requires a crew to be dispatched and that comes at a cost. He says that the repairs are approximately \$1,000 per light, whereas our new lights along Larpenteur came at a cost of approximately \$10,000 per light. If the Council approves this repair, Forest Lake Contracting can service them very quickly. The long term may be to replace all of the lights, but the short term is to restore lights to working for safety reasons.

Leehy agrees the lights need to be repaired as a safety measure for our residents.

Mielke Motions to Approve Authorization  
of Service Order with Forest Lake Contracting Not  
to Exceed \$8,500 for Emergency Repair of Six Street  
Lights in the University Grove Neighborhood;  
Approved 5-0.

## I. INFORMATION/ANNOUNCEMENTS:

Mielke says that the Environment Commission met on Monday night and there are 18 people on the Climate Action Team.

Meyer attended Human Rights Day last night and says it was well-attended. He is glad this is something that our city is doing to discharge racial covenants.

Leehy said at least 100 residents signed up to have a racial covenant removed that ultimately did not have to attend in person or the event would have been even more packed. Leehy appreciates the wonderful presentations from Just Deeds and Mapping Prejudice and the work of the Community Engagement Commission and Elke.

Wassenberg said that the Parks and Recreation Commission met earlier this month to review playground designs and is glad the preferred design takes into consideration the mobility and ages of all users.

Mayor Gustafson says that the Council will next meet on Monday, December 23.

Linehan says that Staff has been getting various businesses licensed and inspected. Public Works has been flooding a rink liner at Curtiss Field in hopes that it extends the season. With some challenges at the site, there will not be a warming house this year.

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: 8:47

Councilmembers Leehy and Mielke motion to adjourn the meeting; Approved 5-0.



Randall C. Gustafson, Mayor

Dated this 23<sup>rd</sup> day of December, 2024



Jack Linehan, City Administrator