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

MINUTES
Wednesday, September 3, 2025
6:30 P.M.

A. CALL TO ORDER: 6:33 PM

B. ROLL CALL: GUSTAFSON_X___ LEEHY_X__
MEYER _X_ MIELKE_X_ WASSENBERG_X_

STAFF PRESENT: LINEHAN_X_ JOHNSON_X_ NEIS_X_ CALLAHAN_X_

C. POLICY ITEMS:

1. City Code Updates - Rental Inspections

Linehan explains staff has been working on making updates, changes and additions to rental inspections and crime-free housing parts of city code per council recommendations. Staff is looking for council feedback on changes as they are getting ready to send out license applications.

The updates draw from policy frameworks in other states and incorporate air conditioning (A/C) requirements, along with feedback from Council, HOME Line, the City Attorney, and Fire Marshal AJ Neis. The ordinance's goal is to protect residents, with Falcon Heights becoming the first city in the state to require owners, if provided, to maintain A/C in working order in rental housing.

Gustafson asked whether apartment owners had been consulted. Linehan said not yet, but staff plan to hold a kickoff meeting if changes are implemented. Proposed seasonal dates are heat: Oct. 1–Apr. 30; A/C: May 1–Sept. 30.

Mielke referenced the Amber Union incident, where residents experienced prolonged high temperatures in their units. She noted that in other states, codes require at least one cooled room or a common area to ensure relief. She emphasized the need for stronger rules to address situations that go unresolved for several days, including challenges like units without operable windows.

Neis noted that international building and property maintenance codes cover ventilation and equipment standards but do not set specific maximum temperatures. Temporary interruptions for repairs are allowed, but cities can pursue legal avenues if a lack of ventilation is documented.

Wassenberg suggested adding language to ensure A/C units are "functioning properly." Neis confirmed this is already reflected.

Concerns were raised about window A/C units, which can block required fire escape windows. Central systems allow tenant control, but leases often do not address window units. Council discussed whether to require that at least one habitable room maintain a safe temperature. Neis cautioned that enforcement would be difficult without specific standards.

Linehan explained that rental licenses are a privilege, not a right. The City can revoke a license through emergency meetings if conditions warrant. The City Attorney confirmed this is the best legal option. Neis concurs that the property maintenance code has stronger language that can be applied, and can allow the city to revoke the license. Fully sprinklered buildings don't have a requirement that they need to have fire escape windows.

Meyer asked about fines; Linehan said violations would be assessed per dwelling unit. Leehy asked if tenants would be provided alternative lodging if a license was revoked. Neis explained tenants would remain responsible for rent and finding their own lodging, though rent could be placed in escrow if a license is revoked. Neis adds that if a building is deemed unsafe, tenants have legal recourse and can contact advocate groups for assistance, but this would not provide immediate relief.

Mielke suggested requiring buildings with central air to provide proof of an A/C inspection each April. Neis responded that while the idea has merit in theory, it would be difficult in practice since central systems must be shut down from heating mode to test cooling, making the timing challenging.

Meyer agreed with the proposed seasonal dates for heat and A/C and asked if the applicable property maintenance code could be directly referenced in City Code. Neis noted that no other Minnesota jurisdiction requires A/C—only heat—which makes enforcement and potential building vacating difficult. Wassenberg emphasized that the goal is not to displace tenants, but also pointed out the lack of enforceable temperature standards. Neis agreed that an A/C requirement would be challenging to enforce. Leehy acknowledged the seriousness of the Amber Union incident but noted that similar issues could arise in any building. Wassenberg added that if units cannot stay below 80 degrees, the A/C is not functioning properly.

Mielke wonders if they don't specify timeframes for enforcement because of supply issues. Neis stressed that the ability to revoke a rental license remains a strong enforcement tool. Leehy recommended requiring proof that property owners are actively working to resolve issues.

Linehan acknowledged that while the Amber Union situation did occur, City Code must be written to address the entire community, not just one case. He explained that suspending a license can be an effective tool that helps protect tenants without automatically displacing them. Leehy suggested adding a clause requiring proof that property owners are actively addressing issues. Neis cautioned that unsafe conditions remain unsafe, regardless of whether replacement parts are on order.

Wassenberg asked how Neis would determine when A/C conditions are unsafe. Neis said he would reference the ventilation requirements in the International Building Code, noting that if air is not circulating, the unit is not habitable, though the code does not specify a temperature threshold.

Mielke noted the draft ordinance referenced 80 degrees, while HOME Line recommended 75 degrees. Wassenberg questioned the distinction between ventilation and general air circulation. Meyer asked if temperature requirements could be tied to ventilation standards. Neis responded that the code sets minimum temperatures but not maximums. Linehan added that while not every building is required to have A/C, the draft ordinance requires maintenance of systems that are in place. Neis further explained that ventilation standards can, in practice, be applied to maximum temperatures as well, citing Amber Union's lack of openable windows as an example.

Mielke recommended revising the draft to reference the International Property Maintenance Code. Wassenberg emphasized that while the ordinance should avoid setting overly specific conditions, it must be clear enough to give the City authority to enforce, rather than leaving room for disputes with property managers. Linehan noted that existing code already grants discretion to the code official and suggested exploring requirements for maintaining a safe temperature in at least one habitable room, potentially extending to buildings without A/C. Meyer proposed that, in the future, the City could require at least one room in each unit to meet a defined temperature standard. Linehan added this could be applied to new construction or made a condition of new rental licenses. Neis cautioned, however, that case law prevents cities from retroactively requiring A/C in existing buildings that are "grandfathered" under current regulations.

Meyer asked how tenants are notified if a rental license is revoked and who manages escrow. Neis stresses that neither he nor the city is in the business of evacuating tenants. In the case of a condemned building, notices are posted immediately on the front door and tenants are notified quickly. Resources are also available to help tenants pursue legal recourse. Leehy suggested creating a quick reference sheet for staff, and Linehan agreed.

Linehan notes the City Code is in a good spot, and the City Attorney and Neis agree. Neis adds that responses from landlords and apartment managers have been very positive. He cautioned against moving from two-year to annual inspections, explaining that most cities operate on a five-year cycle and that annual inspections may be excessive without providing significant benefit.

Neis shared his experience in St. Paul, where conducting fire inspections every two years created a backlog. The solution there was to separate properties into classes based on deficiencies, allowing resources to be focused on problem buildings. Falcon Heights properties currently all qualify as Class A, the highest category. He added that while frequent inspections can strain resources, staying current has benefits. In St. Paul, every business remains on a two-year inspection cycle.

Gustafson suggested re-inspecting the following year when issues are found. Neis added that any resident complaint would also trigger an inspection.

2. Alleyway Plowing Discussion

Linehan explained that alleyways in Falcon Heights have historically been the responsibility of adjacent property owners. A council member has requested consideration of adding alleyways in the Northome and Northeast Quadrant neighborhoods to the City's plowing responsibilities. He noted this would require further discussion by the full Council. He also provided background on past changes: the City's administrative manual for snow and ice control was updated in September 2022 to include Lauderdale, and in November 2023, following the pavement management project, the City Council voted to add Garden Avenue sidewalk, Ruggles Pathways, and commercial properties along Snelling/Larpenteur to the City's plowing routes.

Mielke, who lives adjacent to an alley, shared that it is often difficult and inefficient for residents to coordinate plowing on their own. Currently, 13 alleys result in 13 separate private plowing contracts. She noted that in most first-ring suburbs with alleys, the City takes on this responsibility.

Gustafson wonders what the average cost is for residents and how enforcement works. If garbage cans are left out, for example. Mielke answers the cost is around $500 per contract, which averages $25 per household. Wassenberg adds that plow drivers will just go around garbage cans.

Gustafson also wonders what kind of equipment would be needed for the city to take over that responsibility. Public Works Director Callahan recommends replacing the current F250 and outfitting it with a reliable plow. Or outfit the current F450, but that would be overkill.

Wassenberg noted that, unlike Public Works crews who can return as needed, private contractors often do not come back after their first pass, leaving alleyways blocked in. He added that contractor reliability varies, making plowing inconsistent, and suggested outreach to identify who organizes alley plowing for each alley. He believes most residents would appreciate City involvement and benefit from Public Works handling the work.

Leehy asked about the timing of alley plowing. Callahan explained that Public Works typically completes city routes in 4–4.5 hours. Adding alleyways would increase the workload and potentially extend routes for individual drivers, but with adjustments, plowing could be synchronized. Leehy suggested piloting the change in one neighborhood.

Mielke pointed out challenges where alleys serve both single-family homes and apartment buildings. Callahan said a one-year trial would be feasible, but emphasized that the City has already added plowing responsibilities in recent years. Since there has not been a major snow event recently, it is unclear how well the department could keep pace. Linehan recommended framing alley plowing as a trial, rather than a permanent commitment, to ensure the City can still meet obligations in both Falcon Heights and Lauderdale.

Leehy reiterated that a trial would help synchronize schedules. Callahan asked about the timing of resident plowing contracts. Wassenberg advised against starting this winter, noting the need for outreach to block captains who manage alley contracts. Some may be hesitant to cancel existing agreements in case they need to return to private contractors. Allowing more time for communication would make the transition smoother.

Callahan noted that many alley residents are repeat customers of private plowing contractors and that moving forward too quickly could be viewed as disrespectful to those contractors. He shared that in Lauderdale, plowing alleyways takes about four hours, with alley lengths similar to Falcon Heights. He recommended replacing the City's F250 and equipping it with a plow to handle additional workload. Mielke asked whether her alley could serve as a trial run.

Linehan suggested an opt-in program for alley plowing. Callahan cautioned that the City currently has no backup vehicle if the F250 were to fail. Wassenberg expressed support for trying an alley pilot, noting that while residents often take plowing service for granted, they rarely raise complaints.

Callahan raised the need to clarify easements and potential liability related to alley plowing, as this is new territory for Falcon Heights. Linehan confirmed that alleys are public right-of-way.

Meyer raised concerns about snow barriers left at alley entrances after City street plowing and asked if Public Works could clear them. Callahan confirmed this would be possible. Linehan added that Public Works could potentially provide cleanup support after private contractors. Leehy suggested focusing the trial on alley entrance clean-up. Callahan described this as more of a "tidy-up" approach rather than full plowing.

Wassenberg proposed identifying another alley for a trial, but Callahan noted that Public Works already plows Hollywood Court, which is narrower than most alleys, and felt there would be little benefit in trialing another. While uncertain about the workload of adding all 13 alleys, Callahan expressed confidence in the department's overall capacity and suggested offering alleyway touch-ups instead.

Council agreed that alleyway plowing has clear benefits, but determined that implementing it this winter would be too rushed and to table the discussion to 2026. Public Works will provide alley entrance touch-ups where possible.

3. Budget Workshop #2

Linehan reviewed the timeline for the levy process. The preliminary levy must be adopted by September 24, with the Truth in Taxation hearing scheduled for December 10. Once adopted, the levy cannot be increased but may be reduced, so accuracy is important. The proposed levy is $3.8 million, representing a 10.7% increase. While expenditures are rising, revenues are less flexible. Falcon Heights' share of fiscal disparities is projected to be lower than in past years, and affordable housing reclassifications have further reduced expected revenues.

Linehan noted that the debt levy will increase, with overlap expected in 2026 when a new bond is issued, while one year remains on the 2021 bond. Public safety remains the largest cost driver at $1.76 million, reflecting the gradual ramp-up to full police staffing. While full staffing is not expected next year, if reached, costs could rise closer to $1.9

million. The City is currently under budget for police in 2025. The other significant increase is consulting expenses for finance and planning, though overall staff costs are decreasing despite these adjustments.

Financial consultant Abdo completed an assessment of the City's finance operations. Staffing has shifted from 1.5 FTE to 2 FTEs and now back to 1 FTE. The assessment found it is more cost-effective to use a consultant than to hire an additional staff member, especially as the consultant arrangement is temporary. Certain tasks, such as benefits and payroll, could potentially be outsourced.

Upgrading finance software would add automation, and a consultant could help implement those changes more quickly. Overall, the City does not anticipate needing more than 1 FTE in the finance department, which will result in significant long-term savings.

Leehy asked if there would still be a need for an intern. Linehan responded no, the consultant was brought on specifically to improve efficiency in processes, and they can also provide guidance on financial investments.

A planning consultant may be brought in to support work around the golf course redevelopment to ensure the project is set up effectively. Mielke raised the need for research on soil assessments and an AUAR, but Linehan noted that a future developer would be responsible for those costs. Staff also plan to pursue grants, though those can be difficult to forecast in the budget. Wassenberg emphasized the value of bringing in an experienced consultant so current staff can stay focused on ongoing projects.

On the revenue side, no major changes are expected. Expenditures this year are coming in lower than anticipated, and the resulting surplus will be added to the general fund. Potential reduction options include seeking more competitive quotes for consulting services and adjusting debt service. There may be enough in reserve funds to avoid levying for the 2021 debt, though best practice is to levy for all debt owed. Any surplus from debt service would be rolled into other outstanding bonds. However, future increases are expected, particularly as police costs continue to rise.

Gustafson noted that surplus funds from paid-off debts typically flow into the general fund for future use. This budget incorporates costs to implement the pay plan and also includes a proposed 3% COLA. While eliminating the COLA could provide savings, it was included to remain competitive.

The Pay-by-Mobile parking program has generated more revenue than direct expenses, with the excess currently directed into a special capital account. This could later be transferred to the general fund to help lower the tax levy. Leehy suggested leaving the revenue in the account as start-up funding for next year, estimating it could result in a 1–2% levy reduction. He also asked how directing the revenues into the capital fund might provide further benefit.

Wassenberg suggested using Pay-by-Mobile revenues to help lower the tax levy, emphasizing the importance of not shortchanging staff through COLA adjustments or cutting back on consultants. He also supported considering reserves as a tool to even out the levy, noting the Council's preference to avoid a double-digit increase.

Gustafson recommended factoring in savings from lower police costs. Linehan noted that overall cost increases amount to $296,000. Meyer asked whether it would be better to reduce the levy using debt levy adjustments or reserves. Linehan explained that the city currently holds 107% in reserves, with about $1.5 million already committed to the Community Park project. Falcon Heights has roughly $4 million in reserves, well above the policy minimum of 45%. The city's AAA bond rating agency prefers a reserve balance of about 75%, meaning use of reserves to lower the levy would not threaten the rating. He emphasized that past councils have strategically levied funds to avoid long-term harm.

Regarding the Pay-by-Mobile program, Gustafson suggested leaving some funds in the special account as start-up money while transferring any remaining revenue to the general fund. Linehan agreed this could be possible in the future once final program numbers are refined.

On salaries, Linehan noted that the DDA study found Falcon Heights' mayor and councilmember pay to be generally below market. Increasing salaries once every 20 years is not sustainable, and he suggested tying them to cost-of-living adjustments over time. However, he cautioned against raising them in a year with a double-digit levy increase. Wassenberg stressed the need to keep salaries equitable for future councilmembers, recommending a policy to ensure pay remains current. Gustafson proposed bringing salaries closer to the average by 2028, followed by potential COLA adjustments in later years.

4. Future Agenda Items
   Councilmember Wassenberg motions to table the agenda item

D. ADJOURNMENT: 9:41 PM

Councilmember Mielke motions to adjourn the meeting;
Approved 5-0

Randall C. Gustafson, Mayor

Dated this 8th day of October, 2025

Jack Linehan, City Administrator