

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

AGENDA - AMENDED

MINUTES

December 10, 2025 at 7:00 P.M.

- A. CALL TO ORDER: 7:02 PM
- B. ROLL CALL: GUSTAFSON_X_ LEEHY_X_ MEYER_X_
MIELKE_X_ WASSENBERG_X_

STAFF PRESENT: LINEHAN_X_ LANDBERG_X_

- C. APPROVAL OF AGENDA

Councilmember Meyer requests Consent Agenda item 12 to be moved to Policy Items for discussion. Linehan points out that the agenda was amended to add 2 items.

Mayor Gustafson motions to approve the agenda as amended;
Approved 5-0

- D. PRESENTATION

- E. APPROVAL OF MINUTES:

1. October 8, 2025 City Council Regular Meeting Minutes
2. October 22, 2025 City Council Regular Meeting Minutes
3. October 22, 2025 City Council Special Workshop Meeting Minutes
4. November 5, 2025 City Council Workshop Meeting Minutes

Councilmembers Meyer and Wassenberg motions to approve the meeting minutes;
Approved 5-0

- F. PUBLIC HEARINGS:

1. 2026 Truth in Taxation and Budget Presentation

Linehan provides an overview of the factors that affect taxes and shows a sample tax statement from Ramsey County, which shows the different taxing authorities and their proposed taxes. Falcon Heights received about 1/3 of the property taxes. Landberg explains what Market Value Exclusion entails, a couple of years ago the legislature increased the cap, benefiting properties in Falcon Heights as they some of the higher median valued home in the county. This saw a 2.5% increase in 2026 to \$411,750. Linehan continues to provide an overview of the budget process & timeline. Staff kicks it off in June and July, followed by various budget workshops with the council that are open to the public. In September, the council approves the preliminary levy, and in December, there is the truth-in-taxation hearing. Next, Linehan shows the 2026 proposed general fund, which is seeing a 2.76% increase in revenue as well as expenditures. The proposed levy is 3.88%. This year, Falcon Heights is receiving 5.4% less in fiscal

disparities. The main causes of the expenditures are public safety costs. Both the police and fire contracts are increasing. The police department is hopeful that this will level out. Other increases are related to IT and staffing costs. The city is seeing a decrease in full-time staff, helping keep the levy lower. Landberg discusses new initiatives in the 2026 budget, including an electronic sign at City Hall, a water source at Curtiss Field, completion of the Community Park renovation, a refurbished street sweeper, an increase in garden plots, and increased funding for consultants and NYFS. Linehan provides an overview of the 2026 expenditures of all the city funds and highlights that part of the Community Park renovation expenditures is carried over to 2026. Landberg continues with providing expenditure per department and by activity, with the biggest being police services, followed by general government.

Linehan states that, as a small community, the main source of revenue comes from property taxes and local government aid. He provides an overview of how the ad valorem levy has changed over time. Next is the debt service levy; the City aims to keep this stable and at a similar rate. There is a slight increase for 2026.

The median valued home for 2026 in Falcon Heights is \$411,750 and after Exclusion this is \$402,258. The city's tax capacity is 1% of value, or \$4,023, then the city tax rate of 37.578% is applied, resulting in an average city tax of \$1,512 or a \$111 increase from the previous year. Linehan reiterates that the levy increases over the year are mostly related to public safety costs and general government. Looking at tax rates, Falcon Heights falls in the middle compared to other cities in Ramsey County, which has an impact on the tax levy. Because a 9% levy increase has a bigger impact when the tax rate is already high. Falcon Heights does have higher valued homes.

Linehan provides steps taken to reduce the 2026 levy:

1. Transfer \$49,00 from the State Fair Parking Program to reduce the levy 2%
2. Removing \$80,000 from the debt levy
3. Reduction of 1 Full-Time Employee

Landberg provides information about other tax hearings in Ramsey County, tax refund programs available, and how to contest property valuations.

Jim Mogen – 1734 St. Mary St.

Corrects that the contesting of property valuations would be for 2027.

Councilmember motions to close the public hearing

Mayor Gustafson closes the public hearing by consent

Leehy notes that while the levy increases are related to public safety cost increases, she is grateful to have the St. Anthony Police Department back providing policing services, and so are residents. She acknowledges the difficult time all parties had during that time.

Gustafson thanks the staff for their work on the city budget and the efficiency of operations.

Councilmember Meyer Motions to Approve Resolution 25-103 Adopting The 2026 Tax Levy for the City of Falcon Heights, County of Ramsey, State of Minnesota;
Approved 5-0

Councilmember Wassenberg motions to approve Resolution 25-104 Adopting the
2026 Budget;
Approved 5-0

G. CONSENT AGENDA:

1. General Disbursements through 12/5/25: \$620,488.22
Payroll through 11/18/25: \$23,753.44
Payroll through 12/2/25: \$21,331.40
Wire Payments through 12/2/25: \$33,808.31
2. City Licenses
3. Approval of Resolution 25-105 Accepting the Resignation of Erin Williams from the Parks and Recreation Commission and Declaring a Vacancy
4. Approval of 2026 City Meetings Calendar
5. Approval of Pay Estimate #1 (Final) to Fahrner Asphalt Sealers LLC for the 2025 Crack Seal Project
6. Approval of Professional Services Agreement with Valley Rich Co., Inc. for On-Call Emergency Sanitary Sewer Repair Services
7. Approval of Setting 2025 Cost of Living Adjustment (COLA) at 3% for All City Employees
8. Statutory Tort Limits Liability Coverage for the City in 2026
9. Approval to Replace Two Streetlights at Snelling and Larpenteur
10. Authorization of Inspection and Additional Repair Fees for Dump Truck Units #16 and #12
11. Approval of City Administrator Performance Review Results
- ~~12. Approval of Velair Bond Inducement Resolution 25-106~~
13. Approval of Resolution 25-106 Accepting the Resignation of James Mogen from the Planning Commission and Declaring a Vacancy
- 14. Approval of Resolution 25-107 Accepting the Resignation of Georgiana May from the Environment Commission and Declaring a Vacancy**

Mayor Gustafson motions to approve the consent agenda;
Approved 5-0

Wassenberg thanks Erin Williams for her participation on the Parks and Recreation Commission. Gustafson thanks James Mogen and Georgiana May and looks forward to their time serving on the council.

H: POLICY ITEMS:

1. Approval of Resolution 25-108 Authorizing an Agreement with Bolton & Menk for Planning and Land Use Consulting Services for the Les Bolstad Golf Course Redevelopment

At a recent City Council meeting, the City Council authorized staff to release a professional services request for proposals (RFP) to find a consultant to help assist the city in navigating the potential redevelopment of the Les Bolstad Golf Course. The City received six responses to the RFP from qualified firms. Bolton & Menk performed extremely well in this process and demonstrated a thorough knowledge and understanding of the project. They will also be bringing the expertise of Barr Engineering and Braun Intertec. The City budgeted \$60,000 for 2026; this might shift in the following years depending on needs.

Council is appreciative of staff due diligence and impressed by the proposal of Bolton & Menk.

Councilmember Mielke motions to approve Resolution 25-108 Authorizing an
Agreement with Bolton & Menk for Planning and Land Use Consulting Services for
the Les Bolstad Golf Course Redevelopment;
Approved 5-0

2. Adoption of Ordinance 25-07 Modifying Chapter 105 of City Code - Rental
Ordinance Changes

Linehan explains that staff and Council have been working to update City Code to help protect renters' rights. He highlights the following changes:

- The addition of air conditioning requirements and establishing maximum temperatures, enforcement, and penalties. In summary, this section states that air conditioning equipment provided by landlords in rental housing units must be properly maintained and defines what that means.
- Clarification of Definitions
- Updated language for city inspections
- Rewrite of the Crime Free Housing Program and clarified the appeal process

City staff hosted an open house for landlords and property owners to share these proposed changes, and they did not have any objections.

Councilmember Leehy motions to adopt Ordinance 25-07 and Summary
Ordinance 25-07 Modifying Chapter 105 of City Code - Rental Ordinance Changes;
Approved 5-0

3. Adoption of a Class & Compensation Plan for Full-Time City Staff

Linehan explains that the City wants to ensure employees are paid equitably and that they comply with state law surrounding pay laws. To determine this, the city selected DDA to assist with a class and compensation plan and the creation of pay scales. The Cost-of-Living Adjustment will be separated from this plan. Linehan provides an overview of how the plan was created. He adds that there is a cost associated with the implementation of this plan. It creates more transparency and provides incentives for employees who stay longer compared to the previous way.

Councilmember Meyer motions to adopt the Class & Compensation Plan for
Full-Time City Staff;
Approved 5-0

4. Adoption of Ordinance 25-08 Modifying Chapter 2 of City Code to Increase Future
Mayor and City Council Pay Effective January 1, 2028

Linehan notes that the class & compensation study also looked at council pay, because this had not changed for many years. The recommendation would be to increase the councilmember salary amount to be \$4,800 annually (\$400/month) and the Mayor to increase to \$6,000 annually (\$500/month), bringing them closer in line with the comps. Because 2025 is an election year to fill two councilmember seats, and because State Statute 415.11 dictates the setting of salaries for City Council's and requires that it take

place after the next election, Council is asked to support increasing the monthly pay of councilmembers and Mayor, effective January 1, 2028.

Wassenberg notes the cost to bring all council members and mayor into the proposed pay structure would be an increase of \$5,400 in 2028.

Councilmember Wassenberg motions to adopt Ordinance 25-08 Modifying Chapter 2 of City Code to Increase Future Mayor and City Council Pay Effective January 1, 2028;
Approved 5-0

5. Adoption of Ordinance 25-09 Amending Chapters 2 and 14 of City Code for Massage Therapist Licensing and Background Investigations of Pedicab Drivers

Linehan explains that due to a recent statutory change regarding criminal background checks for massage therapy licenses, a few ordinance changes were needed. This Ordinance amends Chapters 2 and 14 of the Falcon Heights City Code concerning clarifying the licensing background check requirements for massage therapist licensing pursuant to the requirements of Minnesota Statutes, Section 299C.77. The primary change is that a set of classifiable fingerprints (along with a criminal history records check) is now required for those seeking a massage therapist license. In Chapter 2, under the city licenses, which require a background check, the city is adding Pedicab Drivers to the list so that the list is updated to reflect all current licenses that require a background check.

Council appreciates the proactiveness from staff.

Councilmember Leehy motions to adopt Ordinance 25-09 and Summary Ordinance 25-09 Amending Chapters 2 and 14 of City Code for Massage Therapist Licensing and Background Investigations of Pedicab Drivers;
Approved 5-0

6. Approval of Velair Bond Inducement Resolution 25-109

Linehan describes that Velair Development Company (Velair) is proposing to purchase the lot next to Amber Union from Buhl. They specialize in affordable senior housing and are proposing to develop a 110-unit senior affordable apartment building. To continue with the project, Velair is requesting assistance with securing a Bond Inducement Resolution. Velair needs a resolution from the City of Falcon Heights to request \$25,000,000 from the State of Minnesota MMB for their Multifamily Housing Revenue Bonds in January. There is no cost or risk to the City, and we collect 1/4th of a percent in an issuance fee, estimated to be \$62K over the life of the bond. The project would also bring in an estimate of \$70,000 to \$80,000 in property taxes and provide affordable senior housing. Velair is responsible for all legal fees associated with the issuance of these bonds. Support for this bond would not impact future zoning or planning decisions.

Meyer expresses concern and legality with the strict rule around it being 55+ or older and is worried about the limitations it poses for seniors who require live-in aid or multigeneration households. He wonders if it's possible to table the decision to the next council meeting to discuss this further with the developer.

Mielke adds that, while she is no expert, senior housing is highly regulated, and with this kind of housing, a senior would need to demonstrate that they can live independently. If not, they would need to find housing that meets their level of care. She also believes that the developer is aware of the regulations, because they have around 50 other similar buildings.

Meyer responds that it seems restrictive and wonders if it is possible to further research

Gustafson agrees with Mielke in that they are following industry standards and are providing independent living.

Meyer expresses disappointment with the other members' unwillingness to inquire with the developer about the possibility of changing the plans to allow for multi-generational living.

Wassenberg believes 55+ prefer to live in a 55+ community, and this development would benefit them. He understands the need to limit it to independent living to prevent complicated situations.

Leehy adds that this development would be next to Amber Union, where a family member could reside, and agrees with Wassenberg. Additionally, there might be other buildings allowing this multigeneration living. This bond is tight to a deadline, and she wants to adhere to that.

Gustafson and Mielke believe there will be plenty of opportunities once the Les Bolstad golf course is developed and Velair is an experienced developer in affordable senior housing.

Councilmember Mielke motions to approve Resolution 25-109 Velair
Bond Inducement;
Approved 4-1

I: INFORMATION / ANNOUNCEMENTS:

Mielke notes the Environment Commission met last week to discuss their 2026 goals and started planning the Sustainability Fair.

Meyer explains that the Planning Commission also met, and he thanked the Public Works Department for plowing the streets.

Leehy points out that the Community Engagement Commission meeting will be held at the end of the year. In observation of International Human Rights Day, the commission hosted an event surrounding food insecurity where different local organizations presented how they fill in the gaps and how residents can help.

Wassenberg notes that the Parks and Recreation Commission met and discussed low-cost events that can be hosted for residents, similar to the recent Game Night. Northeast Youth and Family Services, which provides low-cost mental health services for the community, and they will soon be celebrating its 50th anniversary.

Gustafson also thanks Public Works for clearing the streets quickly. He notes that the final Council meeting will be on December 22 in observance of the Christmas Holiday.

Linehan explains that staff met with the University of Minnesota surrounding the RFP for the sale of the Les Bolstad Golf Course, and is working on providing them with all utility and infrastructure information. The RFP will close on December 18. The final Council meeting will be on December 22 in observance of the Christmas Holiday. Staff is touching base with the City of Lauderdale regarding the Living Communities development, in order to provide updates for Falcon Heights residents. A traffic study is being conducted and reviewed. Public Works will continue to clear the streets of snow. He thanks the Council for approving the 2026 budget.

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.

Steven McCarthy - 2286 Folwell Ave.

He explains that he and the University Grove neighborhood are concerned about the traffic impact of the Living Communities Development. He believes the traffic study should be done by an independent party and not the developer, and should include surrounding streets. They are specifically concerned about the entrance points. Steve understands it will not be in Falcon Heights, but is asking the council to represent the neighborhood's concerns.

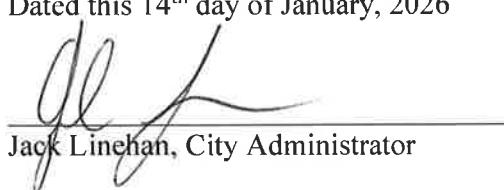
K: ADJOURNMENT: 8:52 PM

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



Randall C. Gustafson, Mayor

Dated this 14th day of January, 2026



Jack Linehan, City Administrator