

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue
AGENDA
December 12, 2018 at 7:00 P.M.

A. CALL TO ORDER:

B. ROLL CALL: LINDSTROM _X_ LEEHY _X_ HARRIS _X_
MIAZGA ___ GUSTAFSON _X_

STAFF PRESENT: THONGVANH _X_

C. PRESENTATION

Mayor Lindstrom

Would like to add another presentation to the Agenda. The presentation will go over the new summer program "Rec on the Go".

Council Member Leehy Moved, Approved 4-0

1. Recreation Programs - "Rec on the Go" - University of MN Student Project

Justin Tacheny (Former Park and Rec Summer Program Lead)

Our senior capstone project is to solve a problem within organizations. Being the Park and Rec Summer Program Lead, I decided to focus on this program since I had a direct relationship. My direct manager was Timothy Sandvik who is Falcon Heights former Deputy Clerk/Park Supervisor.

Our primary focus during my time at Falcon Heights with Tim was to increase the participation numbers within the diverse population of Falcon Heights. We wanted to focus on this because the majority of participants were Caucasian (95%). In addition, seeing that Falcon Heights Town Square is close to the Rec on the Go site, we wanted to increase their participation especially people of color.

The first step we did was gather research from other cities who have done the same or similar programs. We found that marketing and environment are what Falcon Heights need to improve on because we only market it to Falcon Heights and no other cities. Adding on, we just made small quantities of fliers and shared it with the residents. We found out that it would be beneficial if we do it in a different approach and market it to other cities. Second, the environment plays a significant role. We must remember that it is not the activity but creating a welcoming community, friendly staffs, and experiences that they will remember and come back next year. Lastly, we focus on knowledge because it leads to success. This is very important because letting people know about these events and making sure everyone knows that their

programs out there for them. Overall, we see that there is a lack of awareness and we hope to see a change in the future.

2. Partnership with Falcon Heights Elementary - Cultivating a Caring Community Mural

Melodee Strong

The benefits the mural can bring is an engaging art experience, appreciation for arts, learn the ideation process (sketching, research and concept, and design), no painting by numbers, and collaborative work (teamwork, negotiation and compromise, coaching). It also helps students to have a voice, identity, and pride. I am very excited for this mural project, and students started sketching their ideas. The mural location will be in the school cafeteria. We will repaint the walls and working with the students, they will help paint the lower part of the walls.

The mural process goes through brainstorming sessions, sketches, create the design in the studio, present the design for approval, and lastly paint their designs. We decided to work with the fourth graders due to schedules and will work in rotations. The painting process will be priming the wall, transfer the design, work in layers of colors, textures, adding big and small details and finishing touches. The students do the majority of the painting, which people are shocked, and I help with the details and finishing. The timeline is to start the brainstorming session on December 12-13, review sketches on December 21, seek approval by January 9 (from students), transfer the designed after approval, begin painting on January 15 and finish by February 27, I will do the finishing touches by the end of March (clean up edges, paint faces, highlighting and more).

The budget we received for the mural is \$7,000 and it will be split into studio and student contact hours, and materials. The \$4,000 will go towards 60-70 hours artist "studio" time (designing, finishing and labor costs), \$1,800 for 24 contact hours with students, and \$1,200 for materials.

City Administrator Thongvanh stated that although Melodee decided to work with fourth graders, we would host a family night where parents and other students can come and paint the mural. This will help strengthen community engagement and the purpose of creating a Cultivating a Caring Community Mural.

D. APPROVAL OF MINUTES:

1. November 14, 2018 City Council Meeting Minutes

City Administrator Thongvanh

There are three changes to the minutes and packet.

1. Meeting Minutes on page 2:
 - "Resolution Calling for Public Hearing for Heritage Apartments for Issuance of Conduit Bond," it was approved by Council Member Leehy in the last meeting but was not mentioned in the minutes.
2. Consent Item F2: Approval of City License(s)
 - We usually have one last meeting in December, and I always allow business licenses and background checks to come in as late as possible for the council meeting.

However, we only have one meeting this month and will approve the licenses that we received before tonight's meeting.

- Municipal Business License: Added #23 Curves and #24 The Art, LLC
 - Refuse License: Added #7 Waste Management
3. Consent Item F3: Designation of Prosecuting Attorney
- Changing the language from St. Anthony Police Department to our current police agency Ramsey County Sheriff's Office.

Council Member Leehy

I did not see a business license for our gas station listed in the document. Is this because of the process with the name change and ownership?

City Administrator Thongvanh stated that Council Member Leehy is correct and the new owner will bring the required materials to the City Hall. Super America is now changing to Speedway, which means changing ownership, and people who are responsible for applying for city licenses. In the past with Super America, it was easy to renew license; however, with the new owner, they will have to provide additional items regarding bonds, insurance, and other required forms.

Council Member Harris is worried about voting in favor of the City License(s) because her business is on the list. City Administrator Thongvanh assured Council Member Harris that she could abstain from the consent approval because there are enough to approve.

Mayor Lindstrom Moved, Approved 4-0

E. PUBLIC HEARINGS:

1. Public Hearing for Heritage Apartments for Issuance of Conduit Bond

City Administrator Thongvanh

November 14, 2018, City Council passed Resolution 18-35 regarding the public hearing for the senior housing facility (Heritage Apartments Project). The Housing Program is a new facility that will be located in Lino Lakes, it will be partially financed with tax-exempt obligations, and the City of Falcon Heights issuing it. Adding on, the financing will include the refinancing of a facility located in St. Paul. A housing program was adopted by the St. Paul Housing and Redevelopment Authority (HRA) and reviewed by the Met Council in 2009.

The City of Falcon Heights may issue up to \$10,000,000 of its own 501(c) (3) bonds each year as bank-qualified bonds. As stated in the federal tax law, alternative issuers are allowed; however, a "nexus" between the jurisdictional city and the issuers is preferred. On these terms, the City of Falcon Heights will approve a joint power agreement with the City of Saint Paul and the City of Lino Lakes. The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable. It means the City is acting as a conduit to bond and providing the \$10 million of the bond. The City will receive ¼ of 1% of the principal amount that such Issuer issues.

Council member Harris asked that if the Council votes in favor of this resolution will it make us a party to the Joint Powers agreement.

Catherine Courtney (Briggs & Morgan)

Yes, Falcon Heights will be a party of the Joint Powers Agreement and along with the City of St. Paul and City of Lino Lakes. Minnesota State Statute requires this agreement and the type of project the city is issuing on the bond. These housing bonds are issued under Minnesota State Statute chapter 462C. We did do a similar project with the City of St. Paul, but it was under a different state statute that did not require the Joint Powers Agreement.

Council Member Gustafson asked if the Joint Powers agreement specific to this project and these bonds. Regarding the due diligence has been made that the borrower of the funds that the project will be able to meet the obligation of the bonds. Ms. Catherine Courtney stated that it is specific to these bonds and the project. It would not be applied to any other bonds or projects. The purchaser of the bonds conducts the due diligence, which is Bremer Bank. They were also the same for the St. Paul Academy project last year.

Council Member Harris Moved, Approved 4-0

2. 2019 Truth in Taxation and Budget Presentation

City Administrator Thongvanh

City Administrator Thongvanh presented the factors that go into the taxes:

1. Changes in the tax levy (or spending decision) made by the city, county, school or special taxing authority such as the MetCouncil and library.
2. Changes in the market value or your property
3. Legislative changes
4. New taxes approved by referendum are applied to market value (not tax capacity) such as last year we had a referendum by the Roseville school district.

Taxable market value is what is used to calculate each property's taxes. The median value home in Falcon Heights is \$266,600 in 2018 and increased to \$281,100 for 2019. The 2019 property tax allocation goes towards county accounts (41.8%), school district (35.7%), the City (24.2%), and the special district (3.3%). In comparison to 2017 property tax allocation, the school district was 17%, the county went from 51% to 36%, and the City stayed about the same in 2017 with 24%. The most significant change for the tax allocation was the school district, and it includes the referendum that was approved. In comparison to other cities in Ramsey County, Falcon Heights is at 37.2% and is the fifth rank.

The Falcon Heights tax rate history included a decline from 2004 to 2013, because of transferring funds from the Reserves to the General Fund, which was done to reduce the levy. In 2015, this was when the city stopped borrowing from the Reserve to pay our General Funds. The city tax showed a steady increased from 2015 to 2017 with 2-3% each year. In 2017, the tax rate changed from 26% to 31%, because there was a change in police service, which is based on 24% levy increased that year. The city will be seeing another 24% levy increase for 2019.

Overall, the levy has increased by \$1,106,580.00 since 2004 with a \$329,150.00 increase for 2018 and a \$395,529.00 increased for 2019 included. The increase was due to the increase in police service costs

and increases to the debt levy portion for street projects. In addition, there has not been any transfer from Reserve to General Fund since 2014. However, in 2017 there was a \$150,000.00 transfer to lower the debt levy for 2018. From 2014 to 2017, the average city portion tax increase on a median value home was \$22 per year. In 2018, the median value home increased to \$177, and for 2019, it will increase to \$198 due to the increased cost in police services and debt service levy increase due to street projects.

In the 2019 proposed budget there will be no transfer of Reserve for General Funds. LGA receipts from the State of MN increased \$2,941. Fiscal Disparities increased \$69,339. Overall, general fund expenditures and revenues are \$2,668,698, or 10.9%, higher than the 2018 operating budget.

Council Member Gustafson Moved, Approved 4-0

- F. CONSENT AGENDA:
1. General Disbursements through: 12/05/18 \$170,406.01
Payroll through: 11/30/18 \$36,228.17
 2. Approval of City License(s)
 3. Appointment of Prosecuting Attorney
 4. Appointment of City Attorney
 5. Appointment of City Engineer
 6. Appointment of City Auditor
 7. Designation of Official Newspaper
 8. 2019 Cost of Living Adjustment (COLA)
 9. Charitable/Lawful Gambling License for Falcon Heights Elementary PTA
 10. 2018 Year End Budget Amendments
 11. Accepting Grant Funding of \$1,000 from Target Corporation for Park and Recreation Programming
 12. Removal of Hibo Ali from the Community Engagement Commission
 13. Resignation of Stephen Sunderland from the Planning Commission
 14. Appointment of Scott Wilson to the Planning Commission

Council Member Harris

Abstain to vote because her business is in City License(s).

Council Member Leehy Moved, Approved 3-0

- G: POLICY ITEMS:
1. Approve Final Payments to Valley Paving, Inc. for the 2017 Pavement Management Project

Jesse Freihatmer (City Engineer)

On March 22, 2017, the City Council awarded the 2017 Pavement Management Project (PMP) to Valley Paving, Inc and the contractor has requested a final payment. There is a final change order and it is to deduct for the cost and damage done to infrastructure of St Paul's lighting system on Hoyt Avenue. It is change order #8 in the document and a deduction of \$2,408.96.

The final payment amount is \$16,045.93 and it includes retainage and final pavement work done. The overall final project cost is \$1,475,928.48 and Falcon Heights' portion was \$1,004,728.02. The rest was passed on to St. Paul Regional Water.

Final project funding is from the following sources:

- Special Assessments - \$204,571.02
- Municipal State Aid (MSA) dollars - \$200,000
- City funds (infrastructure, utility) - \$600,157.01
- Saint Paul Regional Water Services - \$471,200.45

Request City Council to approve change order #8 for the 2017 Pavement Management Project.

Council Member Leehy Moved, Approved 4-0

H. INFORMATION/ANNOUNCEMENTS:

Council Member Leehy

- We had a great presentation regarding our Park and Recreation from Justin who worked with the City the past summer.
- The next Parks Commission meeting is on January 7 at 6:30 pm at City Hall. There are still openings for the Parks Commission and if you would like to participate and bring in new ideas, please apply at City Hall.

Council Member Harris

- Last week we attended the League of Minnesota Cities meeting in Golden Valley. It was a fascinating meeting. There were excellent presentations on how to reach out to our residents and connect with them. I hope that our city will adopt those ideas and connect more with residents.

Council Member Gustafson

- The League of Minnesota Cities meeting in Golden Valley was an excellent event.
- I want to thank everyone who came to the Human Rights Day on Monday, December 10, about fair housing at Falcon Heights United Church of Christ. I want to thank Alice Hausman and Tim Thompson for speaking at the event, Community Engagement Commission (CEC), and Amanda Lor, our City's Administrative Coordinator and CEC's staff liaison. We look forward to engaging the community more next year and will meet in January to create 2019 goals.

Mayor Lindstrom

- On Monday December 10, the Environment Commission met. I was unable to attend but heard a lot of good progress. The commission spent their time identifying priorities for 2019.
- I will have a meet and greet with our new county commissioner at the town square apartments on January 10 at 4:30pm. I hope to see everyone there.
- On Thursday and Friday, I was in Willmar, my hometown and co-hosted a meeting of mayors with the mayor of Wilmer, Marv Calvin. There were about six mayors from the

Twin Cities (including Edina, St. Louis Park, Eagan, Maplewood, and Hopkins), and we met with other mayors from the general of regions. This is part of the Minnesota Mayors Together Initiative, which addresses the urban-rural divide and building relationships with one another. We had these conversations with mayors in Bemidji and Duluth. We were not able to speak in Rochester because President Trump decided to visit the city and it had to be rescheduled. The City of Willmar was the third city that we have conversations with and it was a great turn out. We talked about issues that can unite us such as fair housing, economic development, public works, and how to create a welcoming community. Willmar has changed over the last few decades as more people are moving in and this made the city want to be more inclusive and connect more with their residents.

City Administrator Thongvanh

- I would like to thank the property owners and business owners for taking care of the sidewalks on Larpenteur Avenue.
- I want to thank the City Council and City staffs for helping me with the city budget and around the community. I want to thank the current City staffs Administrative Coordinator Amanda Lor and Community Development Coordinator Justin Markon for doing an amazing job in the last few months. Both staff member have taken on more responsibility after our Deputy Clerk/Park & Recreation Supervisor Tim Sandvik left to the City of Vadnais Heights as their new Assistant City Administrator. The help from Amanda and Justin has given me more time to find the right person for the Assistant to the City Administrator position. We had about 40 applicants the first round and did offer the position to one of them; however, the timing was not right for them that is why I reposted the job. I hope that we will find a good candidate for our team and city.
- I received an update from Hendrickson project, and they are looking at breaking ground in the 7 to 10 days. Again, the project will be right next to the Good Acre, Larpenteur Manor apartments, and south of Fairview Avenue.
- The Curtiss Field Ice Rink will be delayed, and this is due to the temperature being higher than expected. We hope to have the ice rink open in the next few days if the temperature does not rise.

I. COMMUNITY FORUM:

J. ADJOURNMENT: 8:41 PM



Peter Lindstrom, Mayor

Dated this 12th day of December, 2018



Sack Thongvanh, City Administrator