

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, AUGUST 24, 2020 - 7:00 P.M. - 8150 BARBARA AVENUE**

In Person Meeting and via Zoom

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, August 24, 2020, both in person and via Zoom Video Conferencing. Mayor Tourville called the meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present in Person: Mayor Tourville, Council Members: Piekarski Krech, Bartholomew, Perry, and Dietrich; City Administrator Lynch, City Attorney McCauley Nason, Parks and Recreation Director Carlson and City Clerk Kiernan.

Present Via Zoom Video Conferencing: Technology Manager Gade, Community Development Director Rand, Associate City Planner Botten, and Finance Director Hove.

3. PRESENTATIONS:

Proclamation Recognizing Chris Nichols for Painting the Arbor Point Tunnel.

Parks and Recreation Director Eric Carlson recognized Mr. Chris Nichols for his volunteerism and artistry in painting the tunnel underneath College Trail, connected to the Arbor Pointe Trails. Pictures of the paintings were shown. All time was volunteered. He stated there was a story done about this on the local Cable TV channel along with pictures posted on Social Media. He thanked Mr. Nichols for all of the work he did to improve the tunnel. He commented that he has been told there have been a lot of people stopping by the tunnel to see the work.

Mayor Tourville welcomed Mr. Nichols and read the following Proclamation:

On behalf of the City, the City of Inver Grove Heights has 31 miles of paved City trails and three concrete tunnels that help make safe connections for residents in the Community. Whereas Mr. Chris Nichols, an Inver Grove Heights resident and local artist, volunteered to beautify the Arbor Pointe Tunnel under College Trail. Whereas Mr. Nichols provided a positive message of Community, inclusiveness, connectiveness, and the equity by including many faces which represent our Community. Whereas Mr. Nichols incorporated much of the wildlife found within the borders of the Community and displayed them in a creative and fun way.

He stated by the authority invested in him, do hereby recognize the tremendous efforts of Mr. Nichols to make Inver Grove Heights a more beautiful place to live, work, learn, and play.

Mayor Tourville presented the Proclamation to Mr. Nichols.

Mr. Nichols stated he was present with his daughter, her mom, and his friend. He thanked the Council.

4. CONSENT AGENDA:

- A. i.** Minutes from the July 27, 2020 Special City Council Meeting.

- ii. Minutes from the August 3, 2020 City Council Work Session.
 - iii. Minutes from the August 14, 2020 State Primary Canvass Meeting.
 - iv. Minutes from the March 4, 2019 City Council Work Session.
 - v. Minutes from the March 11, 2019 City Council Meeting.
 - vi. Minutes from the August 5, 2019 Special City Council Meeting and Work Session.
- B.** Disbursements for Period Ending August 18, 2020. **Resolution 2020-170.**
- C.** Consider Approval of Rental Licenses.
- D.** Consider Approval of Personnel Actions.
- E.** Consider Approval of City Logo.
- F.** Approve **Resolution 2020-171** and State of Minnesota 2020 Cares Act Grant between Dakota County and the City of Inver Grove Heights for Elections purposes.
- G.** Consider **Resolution 2020-158** Approving Release of Resolution No. 6195 approving a variance to permit a lot width of 50 feet whereas 100 ft is required in the General Industry (I-2) Zoning District Recorded on January 13, 1995 as Dakota County Document No. 1260174.
- H.** Approve Delay of Tax Certification of Delinquent Utility Accounts.
- I.** Approve a **Resolution 2020-159** approving the Development Agreement, Storm Water Maintenance Agreement, and related Agreements for the plat of Robert Curve Third Addition (KimleyHorn & Associates).
- J.** Approve **Resolutions 2020-160 and 2020-161** allowing a 15-foot side yard setback and to allow two accessory structures for property located at 2785 104th Court (Mike Janssen - Case No. 20-22V).
- K.** Consider Pay Voucher No. 7 for City Project No. 2015-03 - 65th Street Construction (between T.H. 3 and Argenta Trail) and City Project No. 2018-03 - NWA Trunk Watermain Improvements 65th Street Loop (Phase IV of 2015-12) from Agate Trail to Alverno Lane.
- L.** Consider Pay Voucher No. 1 for City Project No. 2016-09G - 60th Street, 62nd Street, and Bacon Avenue Improvements.
- M.** Consider Pay Voucher No. 2 for City Project No. 2019-09D - 64th Street Area Improvements.
- N.** Consider Pay Voucher No. 1 for City Project No. 2019-09F - Carter Path and Carter Court Mill and Overlay.
- O.** Final Compensating Change Order No. 1, Final Pay Voucher No. 1, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2020-09B - Sealcoat. **Resolution 2020-162.**
- P.** Custom Grading Agreement for 8237 Cleary Ct. (Lot 4, Block 2, Whistletree Woods).
- Q.** Consider **Resolution 2020-163** Receiving Drainage Study, Accepting IPO No. 28A from Kimley-Horn and Associates, Authorizing Preparation of Feasibility Report and Preliminary Design Services, and Authorizing Land Acquisition Services for City Project No. 2016-13 - Cahill Trunk Drainage Improvements.
- R.** Approve Proposal for 65th Street Tree Survey from WSB for City Project No. 2016-19 - 65th Street Construction (between T.H. 3 and Babcock Trail). **Resolution 2020-164.**
- S.** Approve Proposal for Professional Engineering Services for City Project No. 2021-01 - NWA Trunk Utility Improvements for Future County Projects of Argenta Trail (CPN 2016-05) and 70th Street (CPN 2015-08). **Resolution 2020-165.**

T. Consider **Resolution 2020-166** Accepting Proposal for Engineering Services from Bolton & Menk for Preparation of a Feasibility Report for City Project No. 2022-09D – Dawn Way South Neighborhood Street Improvements and City Project No. 2023-09D – Dawn Way North Neighborhood Street Improvements.

U. Consider **Resolution 2020-167** Accepting Proposal for Preparation of the Old Village Drainage Area Trunk Storm Sewer Study from Barr Engineering for City Project No. 2022-09D – Dawn Way South Neighborhood Street Improvements and City Project No. 2023-09D – Dawn Way North Neighborhood Street Improvements.

Mayor Tourville requested pulling Agenda Item 4aiii.

Motion by Bartholomew second by Perry to approve the Consent Agenda with the exception of Agenda Item 4aiii.

Ayes: 5

Nays: 0 Motion carried.

Agenda Item 4 iii. Minutes from the August 14, 2020 State Primary Canvass Meeting.

Mayor Tourville stated he was unable to attend the meeting.

Motion by Piekarski Krech second by Perry to approve Agenda Item 4 iii. Minutes from the August 14, 2020 State Primary Canvass Meeting.

Ayes: 3

Nays: 0 Motion carried.

Abstain: 2 (Tourville, Dietrich).

5. PUBLIC COMMENT:

City Administrator Joe Lynch stated the Council should have an email from Karen Taylor who wanted her email received as a part of the record. The email contains information for consideration by the City Council about allowing trapping in the City of Inver Grove Heights. He stated the City follows DNR rules that trapping is allowed. Ms. Taylor and her neighbors would like the City Council to consider the potential for changes.

Motion by Piekarski Krech second by Perry to receive the email correspondence from Ms. Karen Taylor.

Mayor Tourville stated Ms. Taylor is not against trapping but would like the City to update the type of traps used. This issue was supposed to be discussed previously but was postponed due to Covid. He asked if the information could be discussed in a month. City Administrator Lynch responded the September Work Session is full, this could be an October discussion.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARING:

7. REGULAR AGENDA:**Administration:****A. Consider the Third Reading of an Ordinance Amendment regarding Psychological/Medical Examinations. Ordinance 1385.**

City Administrator Lynch stated this is the Third and Final Reading of the Ordinance dealing with Medical and Psychological examinations. There have been no changes to the language since the Second Reading. A copy has been sent to all City employees along with posting in the typical posting places. Staff recommends approval of the Third Reading.

Motion by Bartholomew second by Perry to approve the Third Reading of an Ordinance Amendment regarding Psychological/Medical Examinations. Ordinance 1385.**Ayes: 5****Nays: 0 Motion carried.****Community Development:****B. Authorize Issuance of City Request for Proposals (RFP) for Planning Services for Creation of a Small Area Plan (SAP) for Portion of Northwest Area Overlay District - South of 70th Street, North of Highway 55, West of Argenta Trail and East of City of Eagan Border. Resolution 2020-168.**

Community Development Director Heather Rand stated this is a Request for Proposal (RFP) for planning services that are above and beyond what Staff normally prepares. This is a result of Council direction to Staff when a developer came forward with a potential workforce housing project. The immediate area has some issues pertaining to access points via car, stormwater basin management, and utility placement. She stated it is an area that needs more specific planning and would be right for the City to hire a Consultant and make sure to engage with stakeholders, including the residences in the area, and adjoining property owners. The RFP is for those planning services.

She stated they intend to issue the RFP to approximately nine architect/engineering/planning consultant firms. They request submitting written responses by September 16th. She stated Staff, including Engineering, will evaluate the proposals and come back before the City Council. The criteria laid out would include their planning expertise, ability to deliver a solid project, and engage the public adequately. The intent is to bring recommendations before the City Council at the September 28th City Council Meeting and complete the project by the end of the year due to some interest in the area in the spring.

Councilmember Dietrich asked about parkland in the area. Community Development Director Rand responded the immediate area did not have park designated land. There would be connectors to other parks in the area. This plan is not about park development but on stormwater and transportation management.

Parks and Recreation Director Eric Carlson displayed a map of the location and responded the parcel listed as #7 with Mr. Peltier is one location that has a verbal agreement to purchase the property. A written agreement may be brought forward at the next City Council meeting. He stated once the Agreement is signed there are a few contingencies the City needs to complete before the sale becomes final.

Councilmember Bartholomew asked for the size of Parcels #6 and #7. Parks and Recreation Director Carlson responded Parcel #7 was approximately 5.4 acres. Parcel #6 is less than an acre, County owned, and would be given to the City. Both total roughly six acres once transactions are completed. Mayor Tourville stated out of the four quadrants this would be the first that would have a signed Agreement.

Motion by Piekarski Krech second by Perry to approve Authorize Issuance of City Request for Proposals (RFP) for Planning Services for Creation of a Small Area Plan (SAP) for Portion of Northwest Area Overlay District - South of 70th Street, North of Highway 55, West of Argenta Trail and East of City of Eagan Border. Resolution 2020-168.

Ayes: 5

Nays: 0 Motion carried.

C. Consider a Resolution adopting the Northwest Expansion Area Alternative Urban Area-Wide Review (AUAR) Update for the Northwest Area. Resolution 2020-169.

Associate City Planner Heather Botten stated the original Northwest Expansion Area Alternative Urban Area-Wide Review (AUAR) was completed in 2005 with updates occurring in 2007 and 2014. Because the Cities northwest area is not completely developed and has been over five years since the last update, the City is required to provide another update. The City hired Consultant Kimley-Horn for the process. AUAR is an inventory of the northwest area environmental and cultural resources. The update incorporates information from the 2040 Comprehensive Plan and updates that have occurred over the last five years. Kimley-Horn gathered all updates together. She stated Staff did the update internally in 2014 (by an addendum). With this update, all have been put together into one document.

She stated the AUAR was sent out to 16 different Governmental Agencies. Six of those Agencies responded and no objections were filed. Staff recommends approval of the AUAR update as proposed and submitted.

Mayor Tourville asked if the updated AUAR would go on the City website once approved. Associate City Planner Botten responded yes.

Motion by Bartholomew second by Perry to approve a Resolution 2020-169 adopting the Northwest Expansion Area Alternative Urban Area-Wide Review (AUAR) Update for the Northwest Area.

Ayes: 5

Nays: 0 Motion carried.

Finance:**D. 2021 Budget Update.**

Finance Director Amy Hove stated at the July 24th meeting the Council was updated with the 2021 General Fund Budget and Levy. Feedback from the Council was to:

- Increase the Pavement Management Budget by the full \$500,000 shown in the City Capital Improvement Financing Plan.
- Continue to look for ways to save within the 2021 requests.

Since that meeting, herself, and the City Administrator, met with all General Fund Departments. They collaborated on reductions in next year's requests.

A presentation was given with the following information that had changes since the July 27th Draft:

- Revenue adjustments - \$68,000
 - Lowered assumption for Building Permit revenues to 2020 budgeted estimate (\$875,000 versus \$975,000).
 - Other small increases.
 - Still a 5% increase over 2020 budgeted revenues.
- Expenditure adjustments - \$283,000
 - Refined payroll figures.
 - Departmental reductions.
 - Next phase of City View Software funded with CARES Dollars. This will help with working online, connect with residents and the builders online. This will be brought to the Council at the September 8th Work Session.
- Pavement Management - \$500,000 increase over 2020 budget rather than \$250,000 increase contained in earlier draft.
- Debt Service levy Adjustment - \$39,655
 - Scheduled reduction to 2010B Bond Levy.
 - Increase to City share of Assessments for 2019-09D.

Finance Director Hove discussed the General Fund Budget Summary for Expenditures by Department stating based on past years activity, what the amended budget looks like, and the proposed budget. She stated one item to note was the transfers out. Pavement Management was segregated into its own separate levy and not in the transfers out category anymore. The categories were listed for the 2020 original Budget and where the 2021 Budget is coming in. Most categories were coming in fairly flat such as Professional Services and Purchased Services, Equipment, and Supplies. She stated the largest area of increase in the Budget was in Personnel. The following was discussed:

Pending Expenditure Decisions:

- COLA - Union Contracts are not yet settled for 2021-2022.
 - Current model assumes COLA plus step increases as employees received positive performance evaluations.
- Health Insurance at 7%.
- Internal Service Fund Allocations at 6%.
 - League of MN Cities Insurance Renewal - September/October

- Review of 2020 Election costs and 2021 carryover needs. They are trying to flatten the year to year ask. Trying in the off years, to budget enough for carryover to help minimize budget requests.

For the General Fund – Budget Summary Revenues: They are fairly stable, not anticipating big increases or decreases.

Councilmember Bartholomew asked about the tax related revenue which is down for the year 2021. Finance Director Hove responded that was Pavement Management.

Councilmember Dietrich asked for information about the Miscellaneous revenues. Finance Director Hove responded those are revenues that don't fall under other categories such as rent, reimbursements, and investment earnings.

Finance Director Hove continued with Pending Revenue Decisions:

- Continued review of Building Permit Revenues.
- Fee Schedule review.

Proposed Tax Levy – Payable 2021:

- General Fund - Expenditures: \$25,500,700
- General Fund – Revenues: (\$4,261,600)
- General Fund Levy: \$21,239,100
- Pavement Management Levy: \$2,250,000
- Debt Levy: \$2,867,158
- Total Levy Requested: 26,356,258

Proposed Tax Levy July 27th Draft vs. the Current Draft:

- 2021 Levy per July 27th Draft with \$250,000 increase to the PMP
 - Tax Levy: \$26,360,867
 - Levy Increase: 8.1%
 - Tax Rate (estimate): 51.708
 - % Change in Tax Rate: 1.4%
 - \$ Change in City Taxes (estimate): \$91.02
- 2021 Levy per Current Draft with \$500,000 increases to the PMP
 - Tax Levy: \$26,356,258
 - Levy Increase: 8.1%
 - Tax Rate (estimate): \$51.698
 - % Change in Tax Rate: 1.34%
 - \$ Change in City Taxes (estimate): \$90.78

Proposed Tax Levy – PMP Impact Current Draft:

- 2021 Levy – Without the \$500,000 PMP increase
 - Tax Levy: \$25,856,258
 - Levy Increase: 5.8%
 - Tax Rate (estimate): 50.604
 - % Change in Tax Rate: -.81%
 - \$ Change in City Taxes (estimate) for median property: \$64.31
- 2021 Levy – With \$500,000 PMP Increase:
 - Tax Levy: \$26,356,258

- Levy Increase: 8.1%
- Tax Rate (estimate): 51.698
- % Change in Tax Rate: 1.34%
- \$ Change in City Taxes (estimate) for median property: \$90.78

Proposed Tax Levy - Current Draft vs. CIP:

- 2021 Levy per Current Draft:
 - Tax Levy: \$26,356,258
 - Levy Increase: 8.1%
 - Tax Rate (estimate): 51.698
 - % Change in Tax Rate: 1.34%
 - \$ Change in City Taxes (estimate) for median property: \$90.78
- 2021 Levy per CIP Model (June 2020):
 - Tax Levy: \$26,140,678
 - Levy Increase: 7.2%
 - Tax Rate (estimate): 53.128
 - % Change in Tax Rate: 4.5%
 - \$ Change in City Taxes (estimate) for median property: \$80.11

Next Steps:

- Council Feedback
- September 8th Work Session (Budget Books coming soon)
- September 14th Council Meeting to set preliminary levy
- In the meantime, proceed with budget preparations for the remaining City funds

Councilmember Bartholomew asked if an analysis could be done to keep the \$500,000 for Pavement Management, but look at a different source. He suggested the Host Community Fund, Closed Bond Fund, or the General Fund. He commented they could have a mix of the three to see if it could be reduced out of the General Levy. Finance Director Hove responded she could run those figures.

Mayor Tourville stated he has an estimate of 5% to 7%. He stated he knows they are looking at starting a 2021 program with the tipping fees and suggests running the numbers to look at starting it sooner. He commented it may not be the full \$500,000. He asked that this comes back before the Council in September. He asked the Finance Director to show the figures on a 5% to 7% target, still keeping an emphasis on Pavement Management, but using the Host Community Fund. He requested this for September. Finance Director Hove stated she could provide that information.

Councilmember Dietrich thanked Finance Director Hove for her thoroughness and creativity in looking at how to manage these funds and the levy.

Finance Director Hove stated if Council is interested in looking at some of the existing resources, the Host Community Fund, General Fund, or the old Closed Bond Fund, she is willing to run those and would bring back options.

Councilmember Piekarski Krech stated it is a good idea. They need to be as conservative as possible. She commented the roads need to be fixed.

9. MAYOR AND COUNCIL COMMENTS:

Mayor Tourville stated a longtime member of the City of Inver Grove Heights and Council Member, Bill Klein, has passed away. There will be a visitation from 4:00 to 8:00 on Friday night at St. Patrick's Church. There will be a viewing at 10:00 a.m. with the funeral beginning at 11:00 a.m.

He stated that Mr. Klein was on the City Council, involved in a lot, and did a lot of work with Christmas on Main Street. He stated that Mr. Klein will be missed and thanked him immensely for his service to the City of Inver Grove Heights. Thoughts are with his Wife, Children, and Grandchildren.

City Administrator Lynch stated the next City Council meeting will take place on Tuesday; September 8th due to the Holiday.

Mayor Tourville stated he had received emails and messages that stated people thought tonight's Agenda would include the Data Breach item. He stated that item was asked to be postponed, and is tentatively scheduled for the first meeting in September.

8. EXECUTIVE SESSION:

A. Closed Session Pursuant to Minn. State. Sec. 13D.05, subd. 3(b), attorney-client privilege, regarding compliance status of form employee with Separation Agreement between the City of Inver Grove Heights and former employee.

City Attorney Bridget McCauley Nason stated the Council is being asked to consider moving into a closed session pursuant to Minn. State. Sec. 13D.05, subd. 3(b), pursuant to the Attorney-Client privilege to discuss the following matter: Compliance status of former employee with separation agreement between the City of Inver Grove Heights and former employee. The balancing of the purposes of the Attorney-Client privilege against the purposes of the Open Meeting Law demonstrates the need for absolute confidentiality in the communication and legal advice to provided to the Council by the City Attorney with respect to this matter including providing legal advice related to the potential breach to the separation agreement by the former employee and the cities legal options and strategies.

She stated the closed meeting will be held in the Council Chambers and will commence immediately. Should the Council vote to move into closed session, once the closed meeting is completed, the City Council will reconvene the open meeting portion of tonight's City Council meeting. Being there are no further items on the Agenda, once back in open session, the Council will adjourn the meeting. She stated in order to move into closed session, a Councilmember must make a motion, it must be seconded, and approved by a majority vote of the City Council to move into that closed session pursuant to Minn. State Sec. 13D.05, subd. 3(b), pursuant to the Attorney-Client privilege to discuss the matter outlined above. Namely compliance status of former employee with separation agreement between the City of Inver Grove Heights and the former employee.

Motion by Piekarski Krech second by Perry to move to Closed Session Pursuant to Minn. State. Sec. 13D.05, subd. 3(b), attorney-client privilege, regarding compliance status of form employee with Separation Agreement between the City of Inver Grove Heights and former employee.

Ayes: 5

Nays: 0 Motion carried.

10. ADJOURN:

The regular City Council meeting adjourned at 7:50 p.m.

Motion by Perry second by Piekarski Krech to adjourn the Executive Session at 8:14 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek