



Approved: June 11, 2018

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**CITY OF ARDEN HILLS, MINNESOTA  
REGULAR CITY COUNCIL MEETING  
MAY 14, 2018  
7:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

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**CALL TO ORDER/ROLL CALL**

Pursuant to due call and notice thereof, Mayor David Grant called to order the regular City Council meeting at 7:00 p.m.

**Present:** Mayor David Grant, Councilmembers Brenda Holden, Fran Holmes, Dave McClung and Steve Scott

**Absent:** None

**Also present:** City Administrator Dave Perrault; Public Works Director/City Engineer Sue Polka; Finance Director Gayle Bauman; City Planner Matthew Bachler; and City Attorney Joel Jamnik

**PLEDGE OF ALLEGIANCE**

**1. APPROVAL OF AGENDA**

**Mayor Grant** requested items 7B and 7I be removed from the agenda.

**Councilmember Holden** requested Item 10C be placed on the Consent Agenda.

**MOTION:** **Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the meeting agenda as amended. The motion carried unanimously (5-0).**

**2. RESPONSE TO PUBLIC INQUIRIES**

None.

**3. PUBLIC INQUIRIES/INFORMATIONAL**

None.

#### 4. PUBLIC PRESENTATIONS

**Jerry Hromatka**, President and CEO of Northeast Youth and Family Services, thanked the Council for their time. He provided the Council with an update from NYFS and described the great work being completed by his organization for children 5 to 21 years old. He reported 4,000 youth, adults and families were serviced in 2017. He explained NYFS offers programs that focus on mental health, day treatment and community services. He reviewed the revenue sources utilized by his organization noting he has seen a shift away from contracts towards fees and grants.

**Miriam Ward**, NYFS Board Member, described the services that were provided to Arden Hills' residents in 2017 and highlighted the City's return on investment. The benefits of the Senior Chore program were commented on. She discussed how early prevention and intervention assisted in reducing future mental health and detention costs for the State. She reported a study from the University of Minnesota proved that every dollar spent on mental health has a five-dollar payback.

**Mr. Hromatka** thanked Ms. Ward for speaking to the Council. He reviewed the trends taking place in the community and thanked the City Council for their continued support. He encouraged the Council to consider participating in the Mayor's Challenge Golf Tournament on Monday, June 11.

#### 5. STAFF COMMENTS

##### A. Rice Creek Commons (TCAAP) and Joint Development Authority (JDA) Update

**City Administrator Perrault** provided an update on TCAAP stating the JDA meeting scheduled for Monday, May 7 was canceled. He noted negotiations between the City, County and developer continue.

**Councilmember Holden** requested the Council be kept apprised of all meetings that are held between the City, County and developer.

##### B. Transportation Update

**Public Works Director/City Engineer Polka** reported the County awarded a contract for the County Road F project. She stated the contract was awarded to C.S. McCrossan.

**Public Works Director/City Engineer Polka** stated the contractor had begun work on the City trail project.

**Mayor Grant** asked how long the trail project would take to complete.

**Public Works Director/City Engineer Polka** estimated this project would take the entire summer through October to complete.

**Councilmember Holmes** requested further information on the road closures that would have to occur for the trail project.

**Public Works Director/City Engineer Polka** discussed the road closures that would occur around the project area in order to allow the trail and watermain work to be completed. She noted she would keep the Council updated on the construction schedule.

**Councilmember Holmes** recommended the lane closures and signage be made more clear to assist drivers through the road closure areas.

**Councilmember McClung** commented on the number of calls he has received regarding County Road F. He requested staff speak with the County regarding access concerns and report back to the Council.

**Councilmember Holden** asked when the County would have their study on the Lindey's triangle complete.

**Public Works Director/City Engineer Polka** reported the County had collected their data and was working on this study.

#### C. Community Cleanup Day Update

**City Planner Bachler** stated the Spring Clean Up Day event is scheduled for Saturday, May 19th from 7:00 a.m. to 12:00 p.m. at the Ramsey County Public Works Facility at 1425 Paul Kirkwold Drive. The event is co-sponsored by Arden Hills and Shoreview and is open to residents of both cities. Residents that participate in the event will pay a small fee based on vehicle type and load. Car loads will be charged \$10; trucks, sport utility vehicles, and vans will be charged \$25; and small trailers will be charged \$35. Oversized loads, such as U-Haul trucks, will be subject to extra charges.

**City Planner Bachler** explained proof of residency, such as a driver's license or utility bill, is required. Payment will only be accepted in the form of cash or check. No credit cards will be accepted. Notice of the Clean Up Day event is advertised on the City's website and Facebook page, and a flyer was included in the May issue of *Arden Hills Notes*.

**Councilmember Holden** asked if the City would be collecting donation items at this event.

**Councilmember Scott** stated in the past items have been collected as donations. He provided further comment on the portable hazardous waste collection that would occur during the month of May every Friday and Saturday.

## 6. APPROVAL OF MINUTES

- A. April 9, 2018, Regular City Council
- B. April 16, 2018, City Council Work Session

**MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the April 9, 2018, Regular City Council meeting minutes, and April 16, 2018, City Council Work Session meeting minutes as presented. The motion carried unanimously (5-0).**

## 7. CONSENT CALENDAR

- A. Motion to Approve Consent Agenda Item - Claims and Payroll
- ~~B. Motion to Approve Authorization of Special Assessment Agreements – Land O’ Lakes and Boston Scientific~~
- C. Motion to Approve Resolution 2018-032 – Appointment of Nick Gehrig as Chair and Steven Jones and Vice Chair of the Planning Commission
- D. Motion to Approve Findings of Fact and Decision Regarding Application of Journey Home Minnesota – Comprehensive Plan Amendment, Preliminary and Final Plat, and Variance – Planning Case 18-001 – 3246 New Brighton Road
- E. Motion to Approve Resolution 2018-033 – Appointment of Paul Vijums – Planning Commission Member
- F. Motion to Approve Resolution 2018-030 and 2018-031 Accepting Donations from the Arden Hills Foundation
- G. Motion to Authorize Easement Acquisition – 2018 Street and Utility Improvement Project – WSB & Associates
- H. Motion to Approve Proposals for Construction Services – 2018 Street and Utility Improvement Project and Old Snelling Trail and Watermain Improvement Project – WSB & Associates
- ~~I. Motion to Approve Donation of Temporary Easement – Round Lake Road and Gateway Boulevard – MnDOT MnPASS Project~~
- J. Motion to Approve Proposal for Engineering Services – Highway 10 Watermain Replacement – TKDA
- K. Motion to Approve Resolution 2018-036 – Awarding Johanna Marsh Park Improvement Project Contract to Sunram Construction and Accepting Proposal from Minnesota/Wisconsin Playground for Playground Equipment Installation

**MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the Consent Calendar as amended removing Items 7B and 7I, adding Item 7K; and to authorize execution of all necessary documents contained therein. The motion carried unanimously (5-0).**

## 8. PULLED CONSENT ITEMS

None.

## 9. PUBLIC HEARINGS

- A. **2018 Street and Utility Improvement Project – Special Assessment Hearing**

**Public Works Director/City Engineer Polka** stated on February 26, 2018, the City Council adopted Resolution 2018-018 Approving the Plans and Specifications and Ordering the Advertisement for Bids. Bids were solicited during March and opened on Thursday, March 29, 2018.

**Public Works Director/City Engineer Polka** explained a portion of the costs for the 2018 Street and Utility Improvement Project are proposed to be assessed against the benefitting properties according to the City's Assessment Policy. In order to assess these costs, the City must follow the process outlined in State Statute 429. On April 9, 2018, after the bids were opened, the City Council adopted Resolution 2018-027 Declaring the Costs to be Assessed and set today as the date for the assessment hearing. A public hearing prior to adopting the assessments is a requirement of the State Statute 429.

**Public Works Director/City Engineer Polka** commented the project is proposed to be assessed consistent with the City's Assessment Policy and past practices, which states that 50% of the costs for roadway improvements will be assessed in residential areas, with the remaining portion financed by City funds. Financing for the project is consistent with City policy and past practices and is summarized in the table below. The project costs include engineering and overhead costs as outlined in the Assessment Policy.

**Public Works Director/City Engineer Polka** stated the calculation of the amount to be assessed as approved by Council Resolution 2018-027 is shown below. Also, the Council established that the interest rate would be 5.30% and the term would be 10 years. The costs for the street reconstruction and reclamation were reviewed in detail with the Council.

**Public Works Director/City Engineer Polka** reported to date, no formal objections have been submitted in writing to City staff. Any written objection received prior to Monday evening will be provided to the City Council at the assessment hearing. As provided for in State Statute, no appeal may be taken as to the amount of any assessment adopted unless a written objection signed by the affected property owner is filed with the City at or prior to the assessment hearing. After the adoption of the assessment roll, property owners who have submitted an objection in writing have 30 days to serve notice of an appeal to the City, and within 10 days after serving notice to file with the District Court.

**Mayor Grant** commented on the City's Assessment Policy and noted a task force was utilized to create these regulations for the City.

**Councilmember Holden** asked what would be covered in the 37% that was designated "Overhead".

**Public Works Director/City Engineer Polka** reported this would cover design of the project, surveying fees, construction administration, and 10% was for contingency costs.

**Councilmember Holden** noted the City was being assessed for several parcels within this project area.

**Public Works Director/City Engineer Polka** stated this was correct and explained the City was being assessed for Floral Park and several other pond or easement areas.

**Councilmember McClung** questioned if the City has received any formal objections to the assessments for this project.

**Public Works Director/City Engineer Polka** explained the City has received no objections at this time. She provided further comment on the formal objection process that had to be followed by residents that objected to their assessments.

**Mayor Grant** opened the public hearing at 7:58 p.m.

**Diane Thill**, 1474 Floral Drive, expressed concerns with the fact the City was pursuing a street reconstruction project without addressing the current drainage issues. She encouraged the City to work through the drainage issues prior to beginning this project. She explained her husband was in a wheelchair and noted access to her home would have to be maintained at all times during the project.

**Public Works Director/City Engineer Polka** reported staff would be working with the Thills to obtain an easement in order to address the drainage concerns. She explained there may be times during the day the Thill's driveway had to be dug out but noted the City would work with Ms. Thill on this.

**Gene Scales**, 4136 James Circle, questioned why the City was replacing water and sewer lines in conjunction with this project. He requested further information on the City's deferral plan for the proposed assessments.

**Public Works Director/City Engineer Polka** indicated the water lines were cast iron and were in need of replacement. She reported the sewer lines had been televised and would need to be lined. She provided further comment on the City's assessment deferral process.

**Mayor Grant** explained that because of the age of the City investments had to be made in infrastructure to ensure water and sewer lines worked properly both now and going into the future.

**Councilmember Scott** asked how residents could recognize a City employee on the work site during the term of the construction project.

**Public Works Director/City Engineer Polka** reported the City would be using a consultant firm WSB to administer and survey this project. She explained staff would be providing residents with contact information for this individual.

**Gary Hovind**, 4117 James Circle, asked how long his water would be shut off.

**Public Works Director/City Engineer Polka** commented water would only be shut off for a short period of time when the water lines are switched over to temporary lines.

**Mr. Hovind** questioned where the temporary mailboxes would be placed.

**Public Works Director/City Engineer Polka** stated this would be worked out with the contractor and the post office. She noted information will be provided to residents once a decision has been made.

**Mr. Hovind** questioned if his water line would be replaced.

**Public Works Director/City Engineer Polka** reported water lines would be replaced up to the shut off valve. She explained more information would be sent to residents in a newsletter and would address these concerns.

**James Eschenbacher**, 4121 James Circle, stated between his house and the neighbors was a storm drain. He asked if this storm drain would be changing.

**Public Works Director/City Engineer Polka** commented she would speak with Mr. Eschenbacher and provide him with the plans for this storm drain.

**Mr. Eschenbacher** asked how residents would be notified if a tree had to be removed.

**Public Works Director/City Engineer Polka** explained the contractor would be meeting with residents to discuss this matter, if a tree had to be removed. She commented this would be one of the first tasks that would be completed by the contractor.

**Dan Hessler**, 4109 James Circle, questioned if power would be shut off at any time during the project.

**Public Works Director/City Engineer Polka** stated this would not occur.

**Mr. Hessler** requested further information on when assessment payments could be made.

**Public Works Director/City Engineer Polka** explained residents could pay their assessment and forego any interest charges by making a full payment by June 13. Otherwise, the assessment amount would be certified with Ramsey County and would be paid over the next 10 years with interest.

**Dennis Schumacher**, 1375 Indian Oaks Trail, expressed concern with how much his yard would sink after the City digs it up. He asked if he would receive a reduction in his assessment amount given the fact he was a corner lot and had already paid an assessment on James Avenue. He presented City staff with a written objection to this assessment.

**Anita Alexander**, 1355 Indian Oaks Drive, asked what the interest rate would be for the assessments.

**Public Works Director/City Engineer Polka** commented the interest rate would be 5.0%.

**Ms. Alexander** questioned if residents could make partial payments on the assessment amounts.

**Public Works Director/City Engineer Polka** provided further comment on how assessments could be paid in part or in full at City Hall between now and November.

**Michael Gonzalez**, 1415 Indian Oaks Court, requested further information on the work that would be completed on the pond near his home.

**Public Works Director/City Engineer Polka** described the work that would be completed on this pond.

**Mr. Gonzalez** asked if the chain link fence along the pond would remain in place.

**Public Works Director/City Engineer Polka** commented this fence would be removed to allow for the work to be completed on the pond and would then be replaced.

**Mr. Gonzalez** expressed concern with having a chain link fence being located that close to the pond and feared it would put the neighbors at risk for a backup.

**Public Works Director/City Engineer Polka** assured Mr. Gonzalez that proper outlet pipes were in place to ensure a backup does not occur.

**Chris Anderson**, 1361 West Floral Drive, asked if the City had concerned using a rollover curb versus a higher curb.

**Public Works Director/City Engineer Polka** reported a barrier curb was needed to accommodate drainage within this project area.

**Ms. Anderson** stated she objected to the barrier curb. She commented on how difficult it was for handicap individuals and children to get over a barrier curb. She questioned when residents would be told if they needed to move plants or shrubs from their yard.

**Public Works Director/City Engineer Polka** encouraged residents to move all plant matter thirteen feet back from the curb to be safe.

**Councilmember Holden** reported the barrier curb was being recommended by the City Council due to the numerous drainage concerns in this area of the City.

**Paul Paradise**, 1366 Indian Oaks Trail, stated he recently paid to put a culvert pipe in his yard to address the water situation within his yard. He asked if this would be dug up.

**Public Works Director/City Engineer Polka** reported she would speak to Mr. Paradise in further detail regarding this matter to ensure the drainage was done correctly.

**Mayor Grant** thanked Mr. Paradise for coming in and bringing this concern to the City's attention.



**Larry Steynske**, 1366 West Floral Drive, explained he spent a great deal of money installing a sprinkler system and re-sodding his entire yard. He asked if the contractor would work with him to replace his irrigation system.

**Public Works Director/City Engineer Polka** stated the contractor would work with Mr. Steynske on this matter.

**Jim Snapko**, 1367 Indian Oaks Trail, reported he has landscaping and rocks within eight feet of the road. He requested the City work with him to keep as much of this area undisturbed as possible.

**Public Works Director/City Engineer Polka** commented the City would work with him. She explained that any trees slated for removal would be marked by the contractor.

**Mr. Atwood**, 4137 James, asked how the City came up with the 5% interest rate.

**Public Works Director/City Engineer Polka** indicated the City's assessment calls for an interest rate that is 2% over the bonding rate, which is 3%.

**Mr. Atwood** questioned if residents would be charged extra for the sod and repair work.

**Public Works Director/City Engineer Polka** reported this expense was already included in the contract and assessment amounts.

**Ms. Anderson** requested all subsoil be compacted to assist settling the dirt.

**Steven Anderson**, 1361 West Floral Drive, requested staff provide him with further information on the City's deferral program.

**Mayor Grant** requested the City's deferral program information be sent to all residents living in the project area.

**Councilmember Holden** asked how this area would handle a large rain event if it were to occur while the project area was dug up.

**Andy Brotzler**, WSB & Associates, explained the contractor would be responsible for maintaining adequate drainage during the entirety of the project.

**Councilmember Holmes** reported this neighborhood was much smaller than the Venus project and anticipated the 2018 project would be completed quicker than the 2017 project.

**Mr. Atwood** asked if the contractor would receive a penalty if the project was not completed on time.

**Public Works Director/City Engineer Polka** stated this was the case.

The Council was asked if the City has worked with Northwest Asphalt in the past.

**Public Works Director/City Engineer Polka** commented she was uncertain but noted Northwest Asphalt was a fantastic contractor to work with.

**Mr. Steynske** requested the City address the utility issues when this project was being worked on. He noted he had two telephone poles in one hole on his property.

With no one coming forward to speak, Mayor Grant closed the public hearing at 9:02 p.m.

## 10. NEW BUSINESS

### A. Resolution 2018-034 – Awarding 2018 Street and Utility Improvement Project Contract to Northwest Asphalt

**Public Works Director/City Engineer Polka** reported on February 26, 2018, the City Council adopted Resolution 2018-018 Approving the Plans and Specifications and Ordering the Advertisement for Bids. Bids were opened on Thursday, March 29, 2018. There were a total of eight bids received. The following table lists the bidders name and their total bid:

<b>Bidder</b>	<b>Total Bid</b>
Northwest Asphalt, Inc.	\$2,491,595.86
T.A. Schifsky & Sons, Inc.	\$2,559,109.29
Forest Lake Contracting, Inc.	\$2,594,555.90
Park Construction Company	\$2,613,637.30
Northdale Construction Co., Inc.	\$2,628,143.42
Arndt Construction Company	\$2,716,004.10
Ryan Contracting Company	\$2,781,840.90
C.S. McCrossan Construction, Inc.	\$3,127,871.52

**Public Works Director/City Engineer Polka** stated the low bid is lower than the Engineer's Estimate which is \$2,686,970.00. Northwest Asphalt has completed similar projects successfully in the metro area. Staff reviewed a letter from WSB recommending award to Northwest Asphalt, Inc. as the lowest responsible/responsive bidder. Attached is Resolution 2018-034 awarding the 2018 Street and Utility Improvements to Northwest Asphalt, Inc. in the amount of \$2,491,595.86. Staff recommends adoption of Resolution 2018-034.

**Councilmember Holmes** stated she supported this project moving forward.

**MOTION:** **Councilmember Holmes moved and Councilmember McClung seconded a motion to adopt Resolution 2018-034, Awarding the 2018 Street and Utility Improvements Contract to Northwest Asphalt, Inc. in the amount of \$2,491,595.86.**

**Councilmember Holden** encouraged staff to get the drainage right within this project area on the first try.

**The motion carried (5-0).**

**B. Resolution 2018-035 – Adopting 2018 Street and Utility Improvement Project Special Assessment Roll**

**Public Works Director/City Engineer Polka** requested the Council adopt the 2018 Street and Utility Improvement Project Special Assessment Roll. She noted the staff report for this item was presented under Item 9A.

**Mr. Brotzler** reported that all objections to the proposed assessments for the 2018 Street and Utility project had to be provided to City staff in writing at this meeting.

**Public Works Director/City Engineer Polka** reported staff had received two written objections at this meeting.

**MOTION:** Councilmember Holden moved and Councilmember McClung seconded a motion to adopt Resolution 2018-035 Adopting Assessment Roll for the 2018 Street and Utility Improvement Project. The motion carried (5-0).

**C. Resolution 2018-036 – Awarding Johanna Marsh Park Improvement Project Contract to Sunram Construction and Accepting Proposal from Minnesota/Wisconsin Playground for Playground Equipment Installation**

This item was moved to the Consent Agenda.

**D. Utility Rate Study and Ordinance 2018-001 Amending the 2018 Fee Schedule and Authorizing Summary Ordinance Publication**

**City Administrator Perrault** stated in 2017, the City Council directed Ehlers to conduct a utility rate study to ensure the financial health of the City's Enterprise Funds. The study is to assess current and future needs, and to project rate increases for future years. The first iteration of the utility rate study was presented at the January 15, 2018 Work Session. A second Work Session was held on February 12, 2018 to discuss capital projects as they relate to the utility rate study. A third Work Session was held on March 19, 2018, at this meeting the Council directed staff and Ehlers to bring the updated version of the study and results to a Council meeting. Note, the rates will be effective for the second quarter billing cycle.

**City Administrator Perrault** explained Ehlers would be presenting their results and recommendations at the City Council meeting and be available for any questions. Note, this presentation will be to address the rates and give recommendations on bonding amounts; any necessary bonding will be determined at a later date by the City Council.

**Jeanne Vogt**, Ehlers & Associates, discussed the purpose of the Utility Rate study noting rate structures and usage rates were reviewed for water, sewer and storm water. She reported a base model for existing operations and capital requirements was prepared. She noted the impacts of TCAAP had to be considered. She stated going forward, the utility rates would be reviewed on an annual basis.

**Ms. Vogt** commented on the findings from the study noting the Storm Water and Water Fund have sufficient cash balances but needs some work. It was noted the Sewer Fund has an insufficient balance and requires a rate increase. She recommended the City eliminate the undeveloped surface water management fee along with the standby fee. She reviewed the City's fixed costs and commented on the City's tiered billing system, describing how the system had to align with water usage. The City's existing water rates were discussed further with the Council. She reported the existing tiers were found to be appropriate. She noted cash balances were not sufficient to pay for capital projects and recommended the City issue debt for the 2018 projects. She explained the current usage rates meet the conservation standards per State Statute, but noted a rate increase will be required to allow for payment of future debt service.

**Ms. Vogt** recommended the City consider a 6.5% utility rate increase for 2018 through 2022 and 2% from 2023 through 2028. She reviewed how the proposed rate change would impact the water rates. She discussed the proposed capital projects that would impact the water and sewer funds. She provided further comment on the proposed rate increases for the sewer and sanitary sewer rates noting the pros and the cons. She discussed how the proposed rate increases would impact the average resident. She recommended the Council adopt the recommended rate increases for all utility funds for 2018.

**Mayor Grant** commented the last rate study was completed 10 years ago. He noted the Council contacted with Ehlers to complete this rate study to ensure the City was covering all of its costs. He discussed the capital projects that would be completed from the Water Fund in 2018. He stated it would be nice to level off these expenses, however each of these projects had to be completed this year.

**Councilmember Holmes** questioned when the proposed rate increases would take effect.

**City Administrator Perrault** reported the rate increases would go into effect the second quarter of 2018.

**MOTION:** **Councilmember Holden moved and Councilmember Holmes seconded a motion to adopt Ordinance 2018-001, Amending the 2018 Fee Schedule Updating the Utility Rates and Authorizing Publication of the Summary Ordinance. The motion carried (5-0).**

## **11. UNFINISHED BUSINESS**

None.

## **12. COUNCIL COMMENTS**

**Councilmember Holmes** stated she and several members of the Council attended the NYFS Leadership Luncheon on Wednesday, May 2. She reported this was a great fundraising event and encouraged members of the public to attend next year.

**Councilmember Holmes** commented on several donations the Arden Hills Foundation had recently received.

**Mayor Grant** explained the unemployment rate was down to 3.9% nationally and commented how this was impacting the metro area.

**Mayor Grant** requested staff speak with the contractor regarding the cones being used on County Road E in order to reduce the level of confusion for drivers.

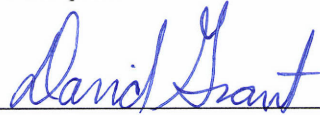
**ADJOURN**

**MOTION: Mayor Grant moved and Councilmember Holden seconded a motion to adjourn. The motion carried unanimously (5-0).**

**Mayor Grant** adjourned the Regular City Council Meeting at 9:53 p.m.



Dave Perrault  
City Administrator



David Grant  
Mayor