



Approved: November 25, 2013

**CITY OF ARDEN HILLS, MINNESOTA
CITY COUNCIL WORK SESSION MEETING
SEPTEMBER 16, 2013
5:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Pro-Tem Holmes called to order the City Council Work Session meeting at 5:04 p.m.

Present: Mayor David Grant (arrived at 5:15 p.m.); Councilmembers Brenda Holden (arrived at 5:30 p.m.), Fran Holmes, Dave McClung, and Ed Werner (left meeting at 8:00 p.m.)

Absent: None

Also present: City Administrator Patrick Klaers; Director of Finance and Administrative Services Sue Iverson; Public Works Director Terry Maurer; Community Development Director Jill Hutmacher; Community Development Intern Matthew Bachler; City Planner Ryan Streff; and City Clerk Amy Dietl

1. AGENDA ITEMS

E. Retreat Ideas/Dates

Director of Finance and Administrative Services Iverson stated that in July the Council discussed five tools used for measuring a cohesive team. She commented that these tools could be made available to the City free of charge. She questioned if the Council wanted to further pursue these tools in a full or half-day fall retreat. She proposed holding the fall retreat on October 24, November 13 or November 25, 26 or 27. Staff requested that the Council discuss this matter further and provide direction on how to proceed.

Councilmember McClung understood that the results from the summer profiles showed low scores for all five areas of behavior. He questioned if the low scores were time sensitive, and if not, if the retreat could be pushed back to January of 2014.

Director of Finance and Administrative Services Iverson explained that this would be further clarified in the future retreat.

Councilmember Werner was also in favor of pushing the retreat back to January of 2014. He suggested one long session be held in lieu of two half-days.

Mayor Pro-Tem Holmes agreed that January would be better for scheduling purposes and recommended the retreat be done in one day. She recalled a past retreat where the morning was used to discuss behaviors and the afternoon was used as a vision/goal setting session.

Councilmember McClung stated that the identified areas of concern may require more time to properly bring the group together. He commented that the visioning session may have to be held at a later date.

Mayor Grant arrived at the meeting at 5:15 p.m.

Director of Finance and Administrative Services Iverson stated that the work could be accomplished more efficiently if all members of the team would read the book prior to the retreat. She explained that the workbook would not have to be used and would contact our consultant and order books.

A. Gateway Signs

Public Works Director Maurer stated that Jay Higgins from Fourth Dimension and Nick Tamble from LLG Gardens were present this evening to discuss Gateway Signs with the Council. He reported that the Council had discussed placing another gateway sign at the intersection of County Road E2 at Cleveland Avenue. He stated that County Road D and Lexington Avenue would be another possible location that would require minimal landscaping. The intersection of Highway 96 and Lexington Avenue would be troublesome due to the fact that the closest City water lines needed for irrigation are 800 feet away from Highway 96. He explained that rough estimates for the various sites had been provided by Mr. Higgins and Mr. Tamble. He requested comments from the Council on how to proceed.

Councilmember Holmes was in favor of putting a gateway sign at the intersection of County Road E2 and Cleveland Avenue. This would be seen by a high volume of traffic exiting from the freeway. She suggested the sign be located on the north side of the intersection at an angle.

Mayor Grant reported that the Council has received a great deal of positive feedback on the gateway sign located on the triangle property. He commended Mr. Higgins and Mr. Tamble for their assistance on this project.

Councilmember Werner questioned if the intersection of County Road E2 and Cleveland Avenue would have to be mowed by the City if a gateway sign was installed.

Public Works Director Maurer explained that the north side of the intersection would not require any mowing and would have a higher level of visibility.

Jay Higgins, Fourth Dimension, stated that a sidewalk would be added to this intersection in the future once the County Road E2 Bridge is reconstructed.

Further discussion ensued regarding the north corner of the County Road E2 and Cleveland Avenue intersection.

Nick Tamble, LLG Gardens, anticipated that a gateway sign could be placed at this intersection and the City could take advantage of the natural setting which would require little need for landscaping.

Councilmember Holden arrived at 5:30 p.m.

Councilmember Holmes asked if a gateway sign at this location would require lighting.

Mr. Higgins recommended lighting as the sign would be set back from the roadway.

Councilmember McClung stated he was pleased with how the triangle property turned out; however, he was not in favor of spending \$75,000 on three additional gateway signs at this time. He would rather put these funds into street, trail and park maintenance. He suggested using signs similar to the park signs as an alternative to the costly gateway signs.

Councilmember Holden commented that the businesses in Arden Hills have been requesting gateway signs and this would be one way to give back to the business community.

Councilmember Holmes indicated that the gateway signs are very professional looking and they create an image for Arden Hills, and does not want park style signs used at entrance points to the City. It is her opinion that the sign at County Road E2 and Cleveland would be reasonable since no landscaping is required.

Mayor Grant agreed stating that the timing of the gateway signs and the TCAAP development is important. He wants to enhance the value of Arden Hills' property. He is in favor of proceeding with a gateway sign at County Road E2 and Cleveland Avenue.

Councilmember Holden commented that gateway signs are already in the 2013 budget and are an established goal for the Council. She wants to proceed with gateway signs.

The Council turned their discussion to a potential gateway sign placement at the intersection of County Road D and Lexington Avenue.

Public Works Director Maurer noted that this site would be more expensive because it requires landscaping and water lines.

Mayor Grant questioned how the Council wanted to progress with the gateway sign.

Councilmember Holden was in favor of only completing one sign this year, at County Road E2 and Cleveland Avenue.

Mayor Grant suggested that the Council opt to do both in 2013 as funds were set aside and the E2 site would require little to no landscaping.

Councilmember Werner was in favor of the County Road E2 sign at the northern corner of the intersection.

Councilmember McClung recommended no signs be done in 2013.

Councilmember Holden asked for an estimate on the County Road E2 sign.

Public Works Director Maurer estimated this sign would cost \$10,000+. He commented that he would work with the consultants on the gateway sign proposed for the intersection of County Road E2 and Cleveland Avenue and have additional information for the Council to review at a future meeting.

B. Benchmarks for Compensation Study

Director of Finance and Administrative Services Iverson explained that Ann Antonsen from Springsted was present to discuss the Benchmarks for Compensation Study with the Council.

Ann Antonsen, Springsted, thanked the Council for their time this evening. She provided the Council with several handouts related to the City's compensation study. Ms. Antonsen reviewed the pay philosophy handout with the Council in detail noting that comparisons can be made to neighboring communities. She commented that she will continue gathering information on the positions within the City, updating job descriptions, position requirements and will complete a comprehensive review of the internal relationships of the City's positions.

Ms. Antonsen explained that the next phase of the compensation study will be to gather market survey information from neighboring communities and communities of similar size. She reviewed the handout that identified neighboring communities. The information gathered through this process will allow for the internal positions to be compared to external positions.

Mayor Grant summarized that based on the 2007 study; Anoka, Dayton, East Bethel, Ham Lake, Hugo and Robbinsdale were the most similar in size to Arden Hills. He reviewed the list of benchmark cities that would be used for the 2013 comparison noting six were new and quite a bit larger than Arden Hills by size and population. He wanted to be assured that the information gathered provided a clear picture for the City.

Councilmember Holden recommended that Shoreview be thrown out of the mix because that City does not compare to Arden Hills based on size.

Ms. Antonsen stated that this will be kept in mind as Shoreview may have outliers that are not consistent with Arden Hills.

Councilmember Werner questioned how many cities would be compared to Arden Hills for the compensation study.

Ms. Antonsen anticipated using 15 communities for comparison purposes. She understood that some of the cities are larger, but will be considered as these neighboring communities compete with Arden Hills for employees.

Mayor Grant suggested that White Bear Lake, Fridley, Blaine, Shoreview and Roseville be removed from the list of consideration, based on their size.

Councilmember Holmes recommended Maplewood be removed from the list.

Councilmember Holden was in favor of removing Shoreview, Blaine, Fridley, Roseville, Circle Pines and Maplewood.

Councilmember Werner agreed with this suggestion.

Councilmember Holmes recommended that Circle Pines, Blaine, and Maplewood be removed. She was in favor of keeping Shoreview and Roseville for comparison purposes.

Councilmember Holden supported this recommendation.

The Council was in agreement with the recommendation from Councilmember Holmes.

Ms. Antonsen stated that these communities will continue to be in the pool of comparable organizations for the gathering of data, but that they would be identified as outliers when information is presented to the Council.

Mayor Grant asked if the Council was ready to decide how to position the City employees' salaries. The Council was not prepared to make a decision and will discuss this matter at a future meeting.

C. Franchise Fees

City Administrator Klaers explained that he has been in contact with Colette Jurek with Xcel Energy regarding a potential franchise fee. He noted that Arden Hills is quite unique given the number of businesses and colleges located in the City. He reported that Ms. Jurek was again present this evening to review the matter in more detail with the Council.

Colette Jurek, Xcel Energy, indicated that based on the July Council discussion, she understands that the Council is interested in collecting \$650,000-700,000 in franchise fees. She commented that Arden Hills has three large energy customers: Bethel College, Land O'Lakes, and Boston Scientific and all have multiple premise situations. For this reason, the City may have to consider charging an annual rate to these large businesses, instead of a basic rate per address.

Mayor Grant questioned how Xcel Energy determined how franchise fees in the three scenarios were "reasonable".

Ms. Jurek discussed how fees are determined and evaluated by Xcel Energy. She indicated that there is a unique customer base in Arden Hills.

Councilmember Holden asked if Presbyterian Homes would be significantly impacted by a potential franchise fee.

Ms. Jurek stated that she will investigate this more. Further discussion ensued regarding the number of meters and customers in Arden Hills. She requested direction from the Council on how to proceed.

Councilmember Holden was not in favor of seeking a yearly payment from Bethel as this would then have to be also negotiated with Boston Scientific, Land O'Lakes, Presbyterian Homes, and other large customers. She stated the whole reason this was pursued was that it was supposed to be easy and fair.

Mayor Grant noted that all of University of Northwestern's administrative services are located in Arden Hills.

Councilmember Holden supported scenario one given the information provided this evening.

Councilmember Werner stated that he no longer supported the franchise fee program. He does not want to see Arden Hills' residents paying more for utilities since Xcel is already raising rates 2-3%.

Councilmember Holden thought the franchise fee is a great opportunity for the City. She is more than happy to pay \$5.00 per month to raise funds for trails and parks.

Councilmember McClung indicated that he would like the Council to discuss this matter further to determine how the funds will be used by the City before proceeding with the franchise fee. He supported the franchise fee.

Councilmember Holden stated that each utility user in the City will be assisting to fund future trails, and the cost for homeowners would be about \$60 a year.

Councilmember Holmes commented that her biggest concern is the unique customer base in Arden Hills and the lack of information available from Xcel Energy on this topic. She supported scenario one.

Mayor Grant stated that additional conversations will need to be held by the Council in order to determine how these funds would be used by the City. He supported scenario two for electric and scenario one for gas.

Ms. Jurek thanked the Council for their input. She commented that she will report back to the Council in a few weeks with the information requested.

D. Bethel Concept Review

City Planner Streff explained that Bethel University is interested in purchasing the Country Financial property located at 2 Pine Tree Drive for higher education. This item was previously discussed at the August 19, 2013, Council work session. Bethel has been gathering information and was present to review this information in detail. He commented that a traffic study, parking analysis, and trail plan have not yet been completed by Bethel University.

Kathleen Nelson, Senior Vice President for Finance and Administration for Bethel University, provided a high level summary of Bethel's plans for the 2 Pine Tree Drive property. She also discussed the Campus Master Plan noting this was an internal planning document. She indicated this plan would have to be redone to take into consideration the 2 Pine Tree Drive property.

Mayor Grant questioned how many students are approved for Bethel University at this time.

City Planner Streff explained that in 1980, the Council approved a special use permit stating that the residential population on the campus shall not exceed 2,300 students.

Jay Barnes, President of Bethel University, stated that the university is within this limit for resident students, but also has a population of students that live off campus.

Councilmember McClung requested further information on the timeline regarding Bethel's decision to purchase the building.

Ms. Nelson discussed the timeline stating that Bethel's realtor advised them that after the 4th of July holiday, Country Financial would be aggressively pursuing the sale of their building. She indicated that if Bethel does not purchase the building, the university will still be leasing approximately 26,000 square feet of office space at Country Financial.

Councilmember McClung is pleased that Bethel University is in Arden Hills and wants to see the college grow. However, he expressed concern with increasing the amount of institutional space in the City and how this might impact the community.

Ms. Nelson explained some of these concerns were discussed at the last work session meeting. She commented that if Bethel proceeds with the Pine Tree Drive project, the university would be willing to sell other properties within Arden Hills. This would allow for those properties (library and administrative offices) to go back on the tax roles. She reported the City would be losing \$21,000 per year from the Pine Tree property Drive if purchased by Bethel University.

Mayor Grant supported Bethel's efforts to sell the library and Baptist General Conference building.

Councilmember Holden asked if staff knew the present value of the 2 Pine Tree Drive property.

City Administrator Klaers responded that the 2012 taxable market value was approximately \$16 million.

Mayor Grant was in favor of reviewing Bethel's analysis further.

Ms. Nelson stated she could provide this information to Council. She envisioned that Bethel would be growing into the Pine Tree Drive property over the next 15 years. She commented that the entire property would not immediately go tax exempt after Bethel purchased the property, but rather would be based on use. She provided additional information regarding how Bethel anticipated expanding into the Pine Tree Drive space over the next few years. It was noted that science classes and the seminary would likely fill this space.

Councilmember Holden was a strong proponent for safe transportation between the two properties to ensure that students could pass safely between both sites. She was disappointed that Bethel did not come before the Council this evening with final plans to sell their other properties.

Ms. Nelson thanked Councilmember Holden for voicing her concerns. She commented that Bethel understood the importance of addressing traffic and safety. She noted Bethel would be completing a traffic study.

Councilmember Holmes expressed concern with the lack of attentive driving from the Bethel University students and how this might affect the City if the university expands the size of their campus.

Mayor Grant reiterated the importance of Bethel planning for pedestrian safety as Bethel would have to provide a connection from the current campus to the Pine Tree Drive campus.

Ms. Nelson stated this may not be completed until after the Minnesota Department of Transportation completed reconstruction of the County Road E bridge spanning Snelling Avenue in 2015. She explained that Bethel was willing to make a \$500,000 contribution to the trail connection.

Further discussion ensued regarding the campus master plan.

Mr. Barnes indicated that safety was a huge concern for him and he understood Bethel's need to complete a trail that would connect the two properties.

Councilmember Holmes asked how Bethel would be using the Country Financial building in the short term.

Ms. Nelson explained that the Country Financial space would be used in 2013-2014 for the Nursing Physician's Assistant program and for administrative offices.

Mayor Grant thanked the Bethel representatives for being present and for the information discussed this evening.

F. Policy Regarding Newsletter Articles

City Administrator Klaers requested the Council discuss how newsletter articles should be handled and if it is necessary to create a policy. This issue was identified by the Council in 2011 goals discussion as a topic that the Council wanted to discuss further. He commented that there was an issue recently with the tone of an article submitted by a volunteer and that he understood that there had been concerns in the past about the content of articles that were written by the elected officials.

Councilmember McClung understood that a committee member would be speaking with the volunteer to edit the article submitted so that it could be used in the newsletter. It was his understanding that the newsletter committee would address and edit all articles that were not

submitted by elected officials. This assured that advocacy issues were managed properly prior to being published.

Councilmember Holmes stated an article of hers had been edited in the past.

Discussion ensued regarding how newsletter articles would be handled by the newsletter committee.

Councilmember Holden recommended the EDC write blurbs on local businesses. She added that the newsletter committee has been writing about new businesses but including articles on existing businesses would make them feel more recognized in the City of Arden Hills.

Councilmember McClung stated that the newsletter committee would have to use their best judgment to assure the articles do not become ads.

It was the Council's opinion that a policy regarding newsletter articles did not have to be approved at this time.

G. Upcoming Meeting Schedule/Agendas

City Administrator Klaers reviewed the upcoming meeting schedule and agendas with the Council. He requested the Council consider meeting prior to the September 30th and October 14th Council meetings in work session to discuss the TCAAP master plan and the AUAR. He recommended the meetings begin at 5:30 p.m. The Council was in favor of this suggestion.

City Administrator Klaers suggested that the franchise fees be discussed again on October 21st with Colette Jurek.

2. COUNCIL COMMENTS AND STAFF UPDATES

Councilmember Holden requested clarification from staff regarding what Bethel University has committed to thus far.

Mayor Grant commented that the TCAAP Open House will be held on Tuesday, September 17th.

Mayor Grant recommended the triangle parcel become a City park to allow it to be included in the City's park plan for maintenance purposes.

Councilmember Holmes was in favor of reducing the number of City paid cell phone expenses. She requested this be reviewed further at a future budget meeting.

City Administrator Klaers noted that he will be out of town attending a conference September 23rd through 27th, 2013.

Community Development Director Hutmacher noted that US Bank is marketing the Carroll's Furniture property. Her hope is for the property to be repurposed or torn down and rebuilt.

Councilmember Holden and **Councilmember Holmes** were in favor of offering \$300,000 for the Carroll's property as this would allow for the property to be demolished and the sidewalks to be properly completed.

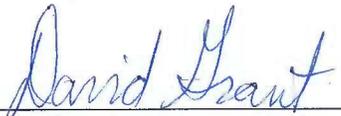
Mayor Grant requested staff seek additional information on the expense of demolishing the site and report back to the Council at a future meeting.

ADJOURN

Mayor Grant adjourned the City Council work session at 9:02 p.m.



Amy Dietl
City Clerk



David Grant
Mayor