



Approved: December 9, 2013

**CITY OF ARDEN HILLS, MINNESOTA
CITY COUNCIL WORK SESSION
OCTOBER 21, 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 at 5:00 p.m.

Present: Mayor David Grant (arrived at 5:15 p.m.); Councilmembers Brenda Holden (arrived at 5:07 p.m.), Fran Holmes, Dave McClung, and Ed Werner

Absent: None

Also present: City Administrator Patrick Klaers; Director of Finance and Administrative Services Sue Iverson; Public Works Director Terry Maurer; Parks and Recreation Manager Michelle Olson; Community Development Intern Matthew Bachler; and City Planner Ryan Streff

Mayor Pro-Tem Holmes requested the Council discuss Item 1E until Mayor Grant and Councilmember Holden arrived.

1. AGENDA ITEMS

E. Discussion on Revisions to the Benefits and PTO Sections of the City's Personnel Policy

Director of Finance and Administrative Services Iverson explained that during the 2011 goals session, the Council set as one of its goals to review and revise the City's Personnel Policy. Staff reviewed several proposed language changes regarding the post employment health care savings plan and personal time off (PTO) in detail and requested comment from the Council. This is the same language that was adopted earlier this year in the union contract. This change would make it uniform across the City and was discussed at the time of the union contract.

Councilmember McClung supported the proposed changes.

Councilmember Werner asked the maximum number of hours an employee can accrue in PTO.

Director of Finance and Administrative Services Iverson indicated the maximum number of hours is 240 hours.

The Council supported the revisions and directed staff to prepare a resolution for the consent agenda.

Councilmember Holden arrived.

D. Update on City Cell Phones and Tablets

Director of Finance and Administrative Services Iverson explained that the City provides cell phones to public works employees to communicate while on the job and on-call; this includes the Assistant City Engineer and the Public Works Superintendent. Cell phones are also provided to the Parks and Recreation Manager and the Recreation Programmer. The Parks and Recreation Manager gets building alarm calls and both the manager and the programmer receive calls from recreation staff on duty during recreation programs. She indicated that Building and Code Enforcement staff have cell phones as they are out on inspections and often need to call staff. In addition, one phone is set aside for Emergency Management purposes. In 2007, it was decided that all management staff should also have cell phones.

Director of Finance and Administrative Services Iverson stated that in 2007, one Councilmember requested a laptop to respond to resident emails. This required a Sprint air card to enable web access. After discussions with the Council, all Councilmembers received laptops and Sprint air cards. In 2010, the Council explored changing to tablets instead of laptops, as staff started to utilize “Drop Box” to send out electronic packets. Councilmembers were able to make changes to agenda packets and save those changes to their tablets for use at meetings. All Councilmembers received tablets. The old laptops were then used to replace outdated laptops at City Hall and Public Works. Since the advent of the new website, the Council does not seem to be using the tablets for their packets.

Mayor Grant arrived.

Councilmember McClung reported that he no longer had a need for his tablet.

Councilmember Holmes indicated that her email no longer worked on her tablet.

Director of Finance and Administrative Services Iverson stated that she could reaffirm the email address. She then reported that the Public Works Department currently has three tablets that are being used for as-builts, locates, and new systems for the lift stations and the water tower. The tablets, along with new smart phones, are allowing the Public Works Department to work much more efficiently. She reported that the smart phones were free under the state contract and the City only pays for cell service. It was noted that cell phone minutes for the City were pooled.

Councilmember Holden expressed concern with the amount of minutes that were being used for personal calls by City employees.

Director of Finance and Administrative Services Iverson commented that she closely monitors the cell phone bill along with a Sprint representative to ensure that the City was staying within the allowed minutes.

Councilmember Holmes explained that she requested this item be reviewed in order to reduce the City's technology expenses if possible.

Councilmember Holden suggested that the City's technology policy be reviewed and amended.

Director of Finance and Administrative Services Iverson commented that she will be recommending amendments to the Personnel Policy (which contains the technology policy) in the near future.

Mayor Grant stated that his tablet subscription could be canceled as he will be turning in his tablet. He suggested that the City buy tablets that work with wi-fi networks and not require a monthly contract.

Councilmember Werner and **Councilmember Holden** reported that they would be turning in their tablets as well.

A. 2014-2018 Capital Improvement Plan (CIP)

City Administrator Klaers reported that the Finance Department has updated the proposed 2014-2018 Capital Improvement Plan (CIP). He indicated that this document was revised per the Council's suggestions at the June 17, 2013, work session. He requested that the Council provide comment on how the franchise fee revenues should be earmarked by the City. In addition, staff needed input on the PIR and PMP funds.

Discussion ensued regarding lift station #11, the status of the Old Snelling Avenue project, the proposed Round Lake Road project, the Valentine Park pathway, and the future funding for street projects between assessments, MSA, TIF and City funds. The Council asked that the Valentine Park pathway be removed from the CIP.

Councilmember McClung requested that the term "fiscally restrained" be removed from the document. It was his opinion that the Council could not make decisions on the CIP until the Council addressed Item 1B on the agenda, and make a final decision on how to proceed with the franchise fees.

Mayor Grant was pleased that the City had made substantial progress in relining the City's sanitary sewer lines.

The Council had no changes to the CIP.

B. Franchise Fees

City Administrator Klaers explained that a year ago, the Council discussed franchise fees when the "fiscally constrained street CIP" was considered. It was noted that when compared to property

taxes, a franchise fee would be charged to a broader base within the City as it would apply to all utility users and not just non-exempt property owners. He indicated that the Council has since discussed this topic at three different work sessions. Information from Xcel Energy has been provided at these work sessions. He reported that if the Council wants to continue consideration of a franchise fee, the following issues should be discussed:

- Uses for franchise fee revenues.
- Amount to be collected.
- When a program should be formally considered, and, if approved, when it should be started.
- How to obtain public input.

City Administrator Klaers stated that he has spoken with representatives from Boston Scientific and Bethel University regarding their concerns with a proposed franchise fee.

Councilmember Holden requested the definition of a franchise fee.

Collette Jurek, Xcel Energy, indicated that there was a State Statute that required Xcel Energy to work in conjunction with municipalities to negotiate a fee and these monies were then collected and passed through to the customers. She explained that a right-of-way permit fee is currently paid to the City for excavation or ground breaking work. She explained that if Arden Hills were to establish a franchise fee, Xcel would no longer be paying right-of-way or ground breaking fees. Once a franchise agreement is established with a City, a fair rate can be charged to customers and these funds can then be remitted back to the City by Xcel.

Mayor Grant commented that this State Statute has been in place for the past 20 years.

Councilmember McClung indicated that, according to Ms. Jurek, the fee was not being charged to Xcel for doing business in the City, but rather is just a fee being charged to the end user.

Ms. Jurek stated that Xcel Energy acts as a collection or administrative provider for the fee.

Mayor Grant questioned if staff had evaluated this loss in income.

Public Works Director Maurer reported that this varied year-by-year depending on the construction work taking place in the City. He estimated that the City collected anywhere between \$2,000 to \$3,000 during a busy year.

Mayor Grant questioned how franchise fees differed from cable fees.

City Administrator Klaers stated that there was no real difference as both fees are charged to the company and then passed along to the end user. This revenue is then made available to the City.

Councilmember Werner questioned how the franchise fee would appear on the utility bills.

Ms. Jurek noted the franchise fee would be a line item and would be defined as a City Fee.

Mayor Grant requested the Council discuss how the franchise fees would be used by the City.

Councilmember Holmes was in favor of having the franchise fee funds set aside solely for trails.

Councilmember Holden agreed with this suggestion. She then discussed the difference between trails and sidewalks; and the fact that most sidewalks would need to be constructed along streets and in the front yards of some homeowners.

Mayor Grant recommended the franchise fees be used strictly for public benefit or improvements. He saw that the franchise fees could greatly benefit the City's incomplete trail system. He indicated that he could support the funds being used for other City capital outlay items including City parks.

Councilmember Holden questioned how the funds would be used for parks.

Mayor Grant suggested that the funds only be used for capital improvements or equipment, and not for general park maintenance.

Councilmember Holden supported the franchise funds being used for park acquisition as well.

Councilmember McClung commented that there were several general maintenance items within the budget, being parks/trail and streets, that were currently being funded through PIR funds. He wanted to see general maintenance items covered by the general fund. This would allow the PIR fund to then be used for other public improvements. He did not want to see the City constrained or delaying necessary street improvement projects. He commented that if franchise fees were not pursued, the Council could consider a park referendum or bonding. He indicated he could support franchise fees being used for parks, trails and City streets after the funding issues were resolved.

Councilmember Werner stated that he was not in favor of the proposed franchise fee.

Councilmember Holden explained that she supported franchise fees versus bonding. She stated she could support franchise fees being used for street improvements.

Mayor Grant also supported franchise fees being used for street improvements. He proposed the funds be broken down to have 30% used for streets, 50% for trails and 20% for parks.

Councilmember McClung indicated that he would need more information on the funding that would be generated before he could agree to any percentages. He recommended the Council provide the public with a great deal of information on how the franchise fees would be used by the City in order to gain their approval.

Councilmember Holden stated that the franchise fees will in part come from tax-exempt properties. She stated that she could go higher on the road percentage and proposed it be increased to 40%.

Councilmember Holmes proposed combining the parks and trails funding.

Mayor Grant agreed to this stating that the split between roads and parks/trails could be 40/60.

Councilmember Holden supported this split noting that residents would benefit from street and trail improvements.

Councilmember Holmes indicated that this split seemed acceptable.

Mayor Grant recommended the Council now discuss the amount of franchise fees that should be collected.

Ms. Jurek discussed how multiple premise units would be charged franchise fees.

Councilmember Holden discussed the scenarios along with the funding that would be created through franchise fees. She supported electrical scenario three and gas scenario one. She recommended the franchise fee begin in January of 2015.

Councilmember Holmes suggested scenario three be selected for both electricity and gas.

Mayor Grant was in favor of scenario three for electricity with no franchise fee for gas. This would raise approximately \$320,000.

Councilmember Holmes indicated that she could support scenario three for electric and scenario one for gas.

Councilmember McClung also indicated that at this time he could support scenario three for electric and scenario one for gas.

Mayor Grant also indicated that he could support scenario three for electric and scenario one for gas.

Mayor Grant asked the Council to move on to the issue of timing for the franchise fee.

Councilmember Holmes stated that she supports the fees starting in January 2015.

Councilmember Holden agreed with a start date of January 2015.

Councilmember McClung indicated that he supported a start date of January 2015. He also stated that the City needed a good communications plan for this proposal and it needed to include a City newsletter article. He further noted that he would like a Council decision on this proposal by the end of March 2014.

Mayor Grant agreed that the Council needed to make a decision no later than the end of March 2014 and that communication with residents and businesses is very important.

Ms. Jurek informed the Council that after the Council made a decision and adopted an ordinance, Xcel would need 90 days to implement the franchise fees.

The Council discussed meeting dates for the public to give comments on the proposed franchise fee. It was the consensus of the Council to hold a public hearing on February 10 and February 24, 2014, on the proposal for a franchise fee. These dates would allow time for the Council to consider public feedback before making any decision on a franchise fee.

City Administrator Klaers noted that the communications plan could include an article or two in the *Bulletin*, putting information on the City's website, and an insert with the City utility bills. He further noted that staff would get public hearing notices published in the *Bulletin* and that staff would be working on a franchise fee information plan for the public hearings.

C. Off-Leash Dog Area Proposal

Parks and Recreation Manager Olson introduced the off-leash dog proposal and welcomed Parks, Trails and Recreation Committee (PTRC) presenters: Chuck Michaelson and John Van Valkenburg.

PTRC Member Michaelson presented the off-leash dog area proposal. He reviewed recommendations on potential locations, liability concerns, rules/signs, seasonal hours of operation, and maintenance/labor costs.

Mr. Michaelson indicated that the PTRC is recommending one off-leash dog area location at Hazelnut Park. If that site goes well, other locations could be considered in the future.

PTRC Member Van Valkenburg reviewed input received from surrounding organizations regarding off-leash dog areas.

Councilmember Holden asked about the proposed hours of sunrise to sunset, May 1 through November 1. She voiced concern that noise could be an issue, especially early in the morning. She suggested 8:00 a.m. until 8:00 p.m.

Councilmember Holden indicated that she would like to see this first year as a pilot program. She shared concern that dog barking could be a problem. It could then be re-evaluated at the end of the season.

Mayor Grant inquired about the proposed staging area and if this temporary area could be designed to make it easy for set up and take down.

Public Works Director Maurer replied that staff would work with the crew to find the best design.

Parks and Recreation Manager Olson indicated that staff has already been working with the Public Works Superintendent on the design.

Council consensus was to move forward on offering an off-leash dog park pilot program at Hazelnut Park with hours set at 8:00 a.m. until 8:00 p.m.

F. B-2 Design Standards

Community Development Intern Bachler reviewed the proposed amendments to the B-2 and B-3 district design standards. He explained the guiding plan for the B-2 district was accepted in October of 2008. This plan included design guidelines for development in the B-2 district and proposed standards for building and site design, façade treatment, pedestrian circulation, and parking. He noted that four projects have been completed under the new standards: the McDonald's PUD, Walgreens PUD, 1201 County Road E Master PUD and the Lexington Station Master PUD. Lexington Station is the only project of the four that is in the B-3 district.

Community Development Intern Bachler stated that through the process of reviewing these developments, the City has had the opportunity to identify aspects of the design standards that may require adjustments or additions. Staff is currently drafting changes to requirements on building materials, commercial façade transparency, and bicycle parking. These revisions will help update the design standards to provide developers with more clarity on the City's expectations in the development review process and to ensure that future development in the B-2 and B-3 districts are well-designed. This draft was reviewed by the Planning Commission at their May 3, 2013, meeting.

Community Development Intern Bachler discussed the proposed language changes to the sections addressing building materials, commercial façade transparency and bicycle parking in detail with the Council. He requested feedback on the proposed changes from the Council.

Councilmember Holden requested the term "brick veneer" be changed.

Community Development Intern Bachler stated this could be amended to simulated brick.

Mayor Grant recommended that the approved building material language requires that brick construction includes mortar.

Councilmember Holden recommended the transparent window issue that arose with Walgreens be addressed in revising the B-2 design standards.

Councilmember Holmes supported this recommendation.

Community Development Intern Bachler agreed that this issue needed to be addressed.

Mayor Grant commented on Section 4 regarding awnings and overhangs. He questioned if canvas should be used on awnings. It was his opinion that canvas materials fade and stretch out over time.

Councilmember Holden indicated that the language requires that overhangs remain in good condition. She recommended that this be followed for all future developments.

Mayor Grant reported canvas awnings were just installed at 1201 County Road E by Mr. Davidson. He suggested the "shall" within the overhang language be changed to "may". In addition, he recommended the language be amended to read that overhangs "shall not be canvas" and "shall be provided at main entries".

Councilmember McClung agreed this language needed to be addressed. He recommended the language read “awnings or overhangs shall be provided at a buildings primary entry way”.

City Planner Streff suggested staff review this language further and come back with a recommendation.

Councilmember Holden was in favor of keeping the word “prohibited” and not “discouraged” regarding the monotony of the architectural design.

Councilmember Holmes asked if outdoor plantings were covered in the design standards.

Mayor Grant questioned if the Council wanted to require outdoor seating and fencing for restaurants in the B-2 district.

Councilmember Holden did not oppose this requirement.

Community Development Intern Bachler indicated that if a restaurant was looking to locate in the B-2 district and this requirement did not fit their use, the matter could be further discussed with the Council.

G. Discussion Regarding the Carroll’s Furniture Property

City Administrator Klaers explained that staff has been in contact with the broker for the Carroll’s property and he understands that the property is being marketed for \$450,000. According to Ramsey County tax records, this is the approximate value for the land. He was not certain of the cost to demolish and remove the existing building.

City Administrator Klaers commented that according to the broker, there have been a number of prospects that have expressed interest in the property. All of the prospects have indicated they would reuse the existing building in a manner that was consistent with City ordinances. Staff plans to work with any new owner on driveway improvements, a sidewalk easement, and building façade improvements.

Mayor Grant questioned the level of interest the Council had in purchasing this property.

Councilmember Holden stated that the City may also have to purchase land for a sidewalk.

City Administrator Klaers indicated this would have to be further reviewed and it depends on the interpretation of the easement. He noted that a sidewalk through this property would reduce the number of parking stalls.

Councilmember Holden was in favor of offering the bank \$250,000 for the Carroll’s property. She indicated this was a pivotal piece of property in the downtown business district.

Councilmember McClung anticipated that the City would have to pay to litigate the property for a sidewalk if it did not purchase the property outright.

City Administrator Klaers recommended a Phase I environmental study be completed prior to the Council making an offer on the site.

Councilmember McClung questioned if the Council had funds available for this purchase.

City Administrator Klaers discussed the amount of increment funds available in the PIR fund for this purchase. He indicated that the Council would not get their money back on the redevelopment of this property.

Councilmember Holden agreed that the City may not recoup the purchase price, however, if the site was improved properly, the entire downtown business district would be greatly enhanced. She expressed concern about what may go into the property if the City did not purchase the site. She asked if the City had received any inquiries regarding the property.

City Administrator Klaers discussed the calls City staff had received to date.

Mayor Grant recommended that the site only be considered for demolition and not for redevelopment. He stated that the site could be problematic given the low level of parking.

Mayor Grant suggested that the Council authorize staff to contact the broker regarding the Carroll's property and find out what a Phase I environmental/remediation study would cost.

The Council was in agreement.

H. Bethel Update

City Administrator Klaers explained there was a public hearing held at the October 9th Planning Commission meeting on the Bethel CUP. The Commission heard the case and recommended approval of the CUP. This planning case will be on the October 28th Council agenda.

Councilmember McClung discussed the issues raised at the Planning Commission meeting.

City Administrator Klaers indicated there was concern with the trails to the south of the building. Residents in this area wanted to see the trails remain open to the public. He indicated that he has spoken with Kathleen Nelson and Bethel was willing to convey their intent to keep the trails open and Bethel would be responsible for trail maintenance.

City Administrator Klaers explained that he has also spoken with Bethel regarding the trail from the Pine Tree campus to the existing campus. The cost and location of the trail has been further discussed. Bethel was being asked to fund the trail in an amount not to exceed \$800,000 and a payment plan was created. He then reviewed the proposed trail development and location.

Councilmember Holden was pleased that Bethel would keep the Pine Tree trails open for public use. She questioned how the third Pine Tree parcel would be used by Bethel.

City Administrator Klaers commented that this wetland property was part of Bethel's purchase agreement. The site would be used as a buffer. He questioned if the Council wanted to allow for public comment at the October 28th meeting.

Councilmember McClung requested the Pine Tree PUD be provided to the Council prior to the October 28th meeting along with the Planning Commission report and minutes.

The Council was in favor of allowing public comment.

2. COUNCIL COMMENTS AND STAFF UPDATES

Councilmember Werner stated that the Rice Street Water Treatment Facility would be toured on Thursday, October 24th at 6:00 p.m. with the Ramsey County League of Local Government.

Councilmember Holmes commented that she would be attending the tour.

Councilmember Holden stated that e street flats still had large signs out front.

City Administrator Klaers indicated that these signs could remain in place for 30 days after receiving the final Certificate of Occupancy.

Mayor Grant explained that Mr. Welsh from the Big 10 contacted him and stated he has been greatly impacted by the road construction project this summer. He was requesting a credit for the months he has not been able to effectively utilize his liquor license. He explained that he could go either way on this issue.

Councilmember Holmes was willing to consider a partial credit.

Councilmember McClung was not willing to support a credit on fees paid to the City. He recommended Mr. Welsh pursue a credit from MnDOT or Ramsey County for economic dollar loss.

Mayor Grant commented that a new restaurant opened in Arden Hills called the Green and Ginger Garden and is located next to Great Clips. He indicated that the property was under new ownership and management.

ADJOURN

Mayor Grant adjourned the City Council work session at 8:10 p.m.



Amy Dietl
City Clerk



David Grant
Mayor