



Approved: June 22, 2020

**CITY OF ARDEN HILLS, MINNESOTA
CITY COUNCIL WORK SESSION
MAY 18, 2020
5:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Grant called to order the City Council Work Session at 5:01 p.m.

Note: On March 20th, the Mayor signed a determination allowing Councilmembers to participate in City Council meetings via telephone pursuant to State Statute 13D.021

Present via Telephone: 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 Todd Blomstrom, Finance Director Gayle Bauman, Community Development Manager/City Planner Mike Mroska, Assistant City Engineer, Engineer in Training David Swearingen, Deputy City Clerk Jolene Trauba, Green Corps Representative Danica Mooney-Jones

Also Present via Telephone: Lake Johanna Fire Chief Tim Boehlke, Assistant Chief Eric Nordeen, Deputy Chief Chris Rewald and Deputy Chief Matt Sather, Recreation Coordinator Sara Knoll

Councilmember Holden requested the Council not discuss Items H and I.

1. AGENDA ITEMS

A. 2020 State of the City Meeting

City Administrator Perrault asked if in light of the COVID-19 concerns, Council would like to postpone or cancel the 2020 State of the City.

Mayor Grant felt a high-level state of the city given by him could be videotaped and residents could view it on the City website.

Councilmember Scott said he watched the Shoreview and Roseville presentations that had no formal gathering. He would be in favor of the Mayor issuing a statement.

Councilmember Holden agreed with the Mayor.

Councilmember McClung agreed that an offsite gathering was ideal and liked the idea of having some type of communication from the City. He suggested a Zoom meeting might allow for a more interactive session.

Councilmember Holmes agreed with a short presentation by CTV with the Mayor.

B. Lake Johanna Fire Department Proposed Station Location Update

City Administrator Perrault noted that Chief Boehlke of the Lake Johanna Fire Department was present (via telephone) to discuss the proposed station location search. This remains a fire department project. Please note that the university is planning on splitting the northern piece of their property into two parcels, the fire department is only pursuing the parcel closer to Pine Tree Drive.

City Administrator Perrault stated the Lake Johanna Fire Department has served Arden Hills, Shoreview, and North Oaks since 1943, and serves approximately 42,000 residents today. The department responded to 3,820 calls in 2019 and is expecting to surpass 6,000 calls by 2026 due to pending development projects. The department has evolved from a Paid-On-Call (POC) department to a mix of career positions and 24/7 duty crews, totaling approximately eighty firefighters. The 24/7 duty crews allow firefighters to respond quickly from their respective stations increasing their effectiveness and shortening response times. As the department continues to evolve, a needs study was commissioned by the board of directors to assist in future planning.

City Administrator Perrault reported the needs study was conducted by Buetow 2 Architects and found the fire department did not have adequate space or facilities and noted several shortcomings with Station 4 (3615 Victoria St, Shoreview) including, but not limited to, (a) it was not designed for full-time staffing; (b) the trucks were smaller when the station was designed; (c) no room for expansion; (d) no support spaces or additional storage spaces; and (e) no training or de-contamination spaces. The study recommended the fire department construct a new station with adequate space and facilities to last the department for the next fifty years and close Station Four. The study highlighted the new station should be at least three to four acres, able to accommodate six drive thru bays, and include training, support, and administrative offices. The recommended location was between Lexington Ave and Snelling Ave along County Road E. The fire department researched potential locations, and based on its size, location, and current development status, highlighted the property to the north of the Anderson Center as its first choice. A copy of the needs study is available on the City's website under the proposed station's webpage. Additional information regarding the project and FAQ's can also be found on the development page.

City Administrator Perrault explained that at the direction of the board of directors, the fire department began discussions with Bethel about potentially selling a piece of their property to the fire station. The university was open to selling a piece of their property and hired a real estate

consultant to assist them in the negotiations. Following negotiations, a letter of intent (LOI) was reached between the fire department and Bethel, which outlined major points in the deal, and now the department is seeking to move forward with a purchase agreement. The purchase agreement is being brought forward to the Lake Johanna Board of Directors on May 20, 2020 for discussion and potential direction to have the fire chief move forward. The purchase agreement includes a contingency period which is 60 days after the preliminary plat is approved by the City and tentatively scheduled for June Planning Commission and City Council meetings.

City Administrator Perrault noted the major points of the Purchase Agreement are: The fire department will purchase the land for \$1,350,000. The fire department will pay 1/3 or \$325,000, whichever is less, of the cost to relocate the current access road for the Anderson Center. Bethel will request the City waive its traditional park dedication fees for the fire department proposal.

City Administrator Perrault said should a purchase agreement be reached, the cities would be responsible for funding their respective portions of the purchase price and road cost. Generally, the cities fund the fire department's operating and capital costs based on a formula that is used in the budgeting process; for Arden Hills this currently equates to 25%, with Shoreview and North Oaks being responsible for 61% and 14%, respectively. Based on that formula, Arden Hills would be responsible for \$417,000 assuming the purchase price and the maximum amount for the road relocation, which could be less depending on final costs (this does not take into account a potential \$300,000 contribution from the fire department's General Fund).

City Administrator Perrault explained the fire station is only seeking to acquire the property at this stage, timing of construction for a future station has not been approved by the board of directors or vetted by the three cities. The City represents one vote on the LJFD Board of Directors, there are also representatives from the cities of Shoreview and North Oaks, as well as the fire department. If the board directs the fire department to sign the purchase agreement, then the process would continue and the fire department would continue with their due diligence of the site. If the board directs the fire department to move forward, the next steps would be the Fire Chief sign the purchase agreement, Bethel University would work with the City on a preliminary and final plat to subdivide the northern piece of their property into two parcels and following approval of a lot split and if the fire department and Bethel come to an agreement, the fire department would take ownership over their parcel. Future fire station construction would be at the direction of the board of directors.

City Administrator Perrault said some of the major point to be discussed include paying for the land, how the project would be bonded for and how each city would pay back their respective portions of the bond, municipal fees for the City of Arden hills including park dedication, plan review, building permit fees, local WAC and SAC, development approvals, and timing of construction.

City Administrator Perrault noted the Budget impact provided does not include any excess fund transfers, land acquisition costs or future fire station costs.

Councilmember Holden asked for a better explanation of waiving the park dedication fees.

Community Development Manager/City Planner Mrosla responded that the park dedication fee would be addressed when the development agreement is executed. The fee would be split into the two parcels and addressed as the applications come to the City.

Councilmember Holden asked why the location recommendation was between Lexington and Snelling on County Road E.

Lake Johanna Fire Chief Boehlke replied that the needs study highlighted several possible locations in the general southern Arden Hills/Shoreview area. As the fire department started looking at locations they felt this was the best corridor for quick north/south/east/west access and to be off a busy road.

Councilmember Holden asked about the trails, trees and Crepeau Park.

Community Development Manager/City Planner Mrosla said the subdivision is for two lots, there are trails and one has wetlands. There are no active applications so the impact isn't known, however City Codes will be used to mandate tree and trail replacement.

Councilmember Holmes asked about trails to the south of the Anderson Center.

Community Development Manager/City Planner Mrosla responded that there is no desire by Bethel University to modify the trails on the southern piece of the property.

Councilmember Holmes asked if the land at the fire station on Victoria would be sold and those funds be contributed to the purchase of the Anderson Center land.

Chief Boehlke stated that the property that Station Four sits on is owned by the City of Shoreview.

Councilmember Holmes expressed concerned about the analysis of bonding and felt there were only cons for Arden Hills, along with the City fees that are being considered to be waived.

Finance Director Gayle Bauman said there have been no deep discussions on those items, they are listed as things to be considered in the future. As we move through the CIP process we will put together a more detailed analysis.

Councilmember Holmes requested that the fire department put information on their website about the possible location of the fire station and stress the importance of the fire service.

Chief Boelke said they plan to include a tremendous amount of information after the purchase agreement is signed for the property.

Mayor Grant asked about previous improvements to the fire stations.

Chief Boelke replied that in 2012 sleeping quarters were added to two stations. All three cities shared the costs but he wasn't sure if some fees were waived.

Mayor Grant felt that Arden Hills shouldn't waive City fees.

Discussion ensued regarding park dedication fees. It was ultimately decided to be sure the purchase agreement was worded in such a way that the City could impose or reduce the park dedication fees at a later date. It was acknowledged that park dedication fees can be waived if the fire department purchased the property, but if another entity purchases it then park dedication fees would apply. The other parcel would also pay a park dedication fee if it were to be developed.

Councilmember McClung asked about the purchase agreement closing and contingency dates, if they find something unexpected can they terminate the agreement?

Chief Boehlke replied that was correct. He noted that soil borings have been done and results are forthcoming. The architect has been in contact with Rice Creek Watershed about the wetlands.

Councilmember McClung asked what things they would be able to do at the new station that they can't do at the current stations, as well as architectural improvements that will make things safer for the firefighters.

Chief Boehlke responded that live fire training is done in Maplewood. The new station would have training for ropes, fire simulations etc. The layout would incorporate safety measures for hot, warm and cold zones for decontamination. The building is expected to last 50+ years.

Mayor Grant asked if the Council wanted Chief Boehlke and the Fire Board to move forward with the purchase agreement.

Councilmember Holden said she felt it wouldn't be possible to build a new station in 2022 as suggested by the memo.

Chief Boehlke replied that the timing of the building is dependent on the three cities in the agreement.

City Administrator Perrault noted the date in the packet was arbitrary. All three cities understood the date could be changed.

Councilmember McClung said that acquiring the land was the important thing, followed by starting the discussion of when to build. He felt the Fire Board and all three cities are on board it won't happen.

Chief Boehlke added that there may be a recommendation from the Board but all three cities need to be able to fund their portions of the project. He would expect the City Councils to discuss the timing of the build.

City Administrator Perrault commented that an item in the agreement between the cities could say that construction will not begin without agreement between the three cities.

Mayor Grant noted there was no pushback from the Council on the purchase of the property.

After further discussion on the three cities agreement it was decided that Chief Boehlke should sign the purchase agreement for the Anderson Center property.

Mayor Grant reiterated that Arden Hills won't be waiving building permit fees, plan review fees etc.

Chief Boehlke thanked the Council for their support.

C. Recreation Staffing and COVID-19

City Administrator Perrault reported the Personnel Committee directed staff to bring forward to Council information regarding ongoing recreation staffing and COVID-19 implications. At a previous meeting, the City Council directed staff to cancel all recreation programming through the summer season due to COVID-19 concerns. Cancelling programs was not an easy decision but felt it was necessary to protect the health of our residents and staff, and allow residents and seasonal staff to adjust their summer plans accordingly. With summer programs being cancelled, staff brought forward to the Personnel Committee proposed supplemental duties during the summer season for the recreation positions. These duties were not necessarily specific to recreation staff however they provided support or assistance to other departments in the City. The Personnel Committee preferred not to supplement recreation personnel with additional duties, but rather focus on core recreation duties and augment staffing levels to accommodate ongoing operations. With the absence of summer recreation programming, it is anticipated that the recreation duties could be accomplished by the equivalent of a single full-time employee.

City Administrator Perrault explained if the Council directs staff to have recreation only focus on core duties, options that may be considered include reduced hours for both the Recreation Programmer and Recreation Coordinator totaling forty hours per week or temporary furlough of one of the recreation employees until normal operations can resume. At this time staff is requesting Council to consider only temporary options. If Council directs staff to move forward augmenting the recreation employees' duties, staff would request the flexibility to work internally and bring forward a proposal at a future regular City Council meeting for approval.

City Administrator Perrault noted that budget numbers show there is about a \$10,000 loss to the city with the programs being cancelled. That number includes seasonal but not full time staff.

Councilmember Holden thought they had to furlough or lay someone off. She expressed disappointment in the last eight weeks the recreation staff hasn't produced any online classes like coloring, sing-a-longs, and book reading. She was wondering why the list of potential things to do haven't been done in the past eight weeks.

Councilmember Holmes added that she didn't think we'll have a robust program in the fall. She is disappointed in the information provided for tennis and art classes because it doesn't include number of students and costs of the programs. While some of the duties on the list are important she thought they could be continued after August.

Councilmember Scott felt with the cancellation of summer programs he didn't think a second full time staff member could be supported and concurred in furloughing one staff member.

Councilmember McClung agreed.

Councilmember Holmes stated the Personnel Committee had requested the information from the Public Works Director but felt the entire Council should consider the options.

Councilmember Holden indicated there wasn't a need for someone in the Recreation department to do tree inspections or park and trail boundary inspections as Public Works is in the field.

Public Works Director/City Engineer Blomstrom noted that there is a certified tree inspector in Public Works and the Recreation Coordinator is also a certified tree inspector. He explained the process for boundary surveys for parks and trails requires someone documenting the encroachment so it can move to enforcement.

Council agreed that as a result of COVID-19 the Parks and Rec staff would need to be limited.

City Administrator Perrault requested that Council allow staff to discuss internally and decide how to curtail hours to the equivalent of one full time employee due to COVID-19. If they would like to consider a permanent change to the staffing model that would be a separate discussion.

Councilmember Holden stated the need to furlough one person.

Mayor Grant agreed.

Councilmember Holden wished to furlough one person full time. She said it's not fair to the taxpayers of Arden Hills to be paying salaries for no product.

City Administrator Perrault said the item can be brought for approval at the May 26 Council meeting.

Mayor Grant asked to have the Council informed of the staff's recommendation by Thursday.

D. COVID-19 Operations and Summer Hours Discussion

City Administrator Perrault stated the Governor's latest guidance allowed retail to open at a reduced capacity and allowed for groups of 10 or less to gather. Staff is continuing to work some staff remotely and some staff rotating in to the office, and following CDC guidelines. They are proposing new hours for the Public Works Department. He asked when Council may be ready to bring City Hall staff back and/or open to the public. Also, some cities are opening park playground equipment and staff would like direction for our parks.

Public Works Director/City Engineer Blomstrom requested support from the Council to move to a more efficient work schedule and bring the crews back to hours that more closely resemble normal work hours. They are proposing to keep staff split and staggered by one hour to provide for better social distancing. There would be different start, break, lunch and end times.

Councilmember Holden suggested the shifts start at 6:30 and 7:30 instead of 6:00 and 7:00.

Councilmember Holmes asked about seasonal staff taking their breaks inside with the other staff in hot weather.

Public Works Director/City Engineer Blomstrom said in an effort to reduce the number of employees at the Public Works facility they would try to keep seasonal staff in the field for breaks provided the weather was cooperative, but they would make accommodations on very hot days so they could come into a climate-controlled area for lunch. He can provide a schedule of lunch times.

Discussion ensued regarding the area mower and truck operations.

Councilmember Holmes wondered if the Public Works staff should wear a mask when less than six feet from each other.

Public Works Director/City Engineer Blomstrom said the plan could be amended to state that.

Councilmember Holden felt summer hours for office staff should be foregone.

Mayor Grant said they should discuss if staff should come back to the office.

Councilmember Holmes said the Governor's plan still says staff should work from home if they can.

City Administrator Perrault noted that one metric some cities are using to bring staff back is when retail operations are allowed to continue. As of May 18, retail is allowed at 50% capacity, and some cities are reopening their doors to the public and/or having staff come back per normal.

Mayor Grant felt they may have to forego summer hours but he did see staff back in the office but how much and when he didn't know.

Councilmember Scott agreed to dispense with summer hours but wondered about opening the front desk, at least partially. He proposed having customers coming into City Hall wear a mask.

Mayor Grant the decision may need to be left to the City Administrator with the general direction of encouraging more people to come into the office starting June 1.

Councilmember Holden said the City Administrator should figure out what he needs and decide who he needs in the office but to maximize the number of staff working from home.

Administrator Perrault indicated that during the Stay at Home and Safe at Home time periods there haven't been any complaints about City Hall being closed but he thought once the order gets lifted we may see complaints. Retail opening may not be a good metric but he thinks people will see it as having more freedom to move around and feel they should be able to enter public buildings. From his perspective more staff could be rotated in more frequently. If Council has a hard date when they would like full staff back or the doors open he would like that direction.

Councilmember Holmes thought they could bring more staff back only if we open the doors.

Councilmember McClung suggested the City Administrator be given authority to bring additional staff in as needed and revisit opening the building closer to June 1.

Mayor Grant suggested scheduling a short work session on May 28 assuming the Governor will be making more announcements by that time and until then staff could be encouraged to come in if they choose but the doors will remain closed to the public.

City Administrator Perrault wondered if Council would like to reopen City playgrounds.

After discussion it was decided to open playgrounds but post that they are not disinfected and to use at your own risk.

E. COVID-19 Impacts on City Budget

Finance Director Bauman stated that staff has been looking into potential impacts on the City's finances related to COVID-19. The first topic is liquor licenses and what length of time the Council would like to consider possibly waiving the license fees. Each week of credit for liquor license fees equates to \$745.

Mayor Grant said the time frame would be from when they were told they had to close until they could have drive-up sales.

Finance Director Bauman explained that City Hall rent had an estimated loss of \$1,000, revenue loss on Park Facility rental fees is about \$4,000. Unemployment costs are mostly for temporary seasonal employees, based on notifications to date the maximum amount the City would be liable for is \$9, 212 over the next 52 weeks. In regard to utility revenue, commercial usage is expected to drop and residential usage is expected to increase. They are unable to determine impact, if any, until the quarterly billing. They are not proposing waiving late fees but have delayed processing them. Recreation programs are projecting a net impact on the budget of \$10,000. MSA state street aid could drop in future years as gas tax collections have decreased. There will be a delay in the totality of the first-half of property taxes collected but that won't have a cash flow impact on the City at this time. Permit fees and revenue are up over that last two years so she is not projecting much of an impact. Total budget impact could be up to \$33,000. If emergency funding is made available to the City, we would currently be eligible for up to \$11,712.

Council agreed to not waive late fees on utility bills. There was no other discussion on other items.

F. HVAC Discussion

City Administrator Perrault reported this was a follow up to the February work session where Council directed staff to solicit independent design proposals for the HVAC replacement at City Hall. Requests for proposals were sent to six firms and proposals were received from five. The proposals range from \$46,200 to \$99,780. Staff's recommendation is to move forward with Paulson and Clark who scored the highest. The City currently has \$350,000 budgeted for this project in the Equipment, Building, Replacement Fund but the final cost for purchasing equipment

and installation is unknown at this time. If Council wants to move forward, staff would notify Paulson and Clark and bring to a Council meeting for formal approval.

Discussion ensued. Staff was directed to bring the Paulson and Clark design and project management proposal forward.

G. Clean Up Day Discussion

Moved to a future meeting.

H. B2 Discussion

Moved to a future meeting.

I. Work Order System Update

Moved to a future meeting.

J. Internship Discussion

Councilmember Holden suggested an intern make a grant database.

Councilmember McClung was supportive of that.

Mayor Grant stated the internship would be paid for by the College of St. Benedict.

Councilmembers Scott and Holmes agreed to the internship possibility.

Mayor Grant directed staff to pursue the internship possibility.

K. Council Tracker

No discussion.

2. COUNCIL COMMENTS AND STAFF UPDATES

None

ADJOURN

Mayor Grant adjourned the City Council Work Session at 8:01p.m.



Jolene Trauba
Deputy City Clerk



David Grant
Mayor