



Approved: September 14, 2020

**CITY OF ARDEN HILLS, MINNESOTA
SPECIAL CITY COUNCIL WORK SESSION
AUGUST 10, 2020
4:30 P.M. - ARDEN HILLS CITY HALL**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Grant called to order the Special City Council Work Session at 4:30 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 Fran Holmes, Dave McClung and Steve Scott

Absent: Councilmember Brenda Holden (Excused)

Also present: City Administrator Dave Perrault; Public Works Director/City Engineer Todd Blomstrom; Finance Director Gayle Bauman; Community Development Manager/City Planner Mike Mroska; and City Clerk Julie Hanson

1. AGENDA ITEMS

A. Coronavirus Relief Funds Discussion

Finance Director Bauman stated on June 25 Governor Tim Walz announced a plan to distribute \$853 million in federal funding to Minnesota communities impacted by the COVID-19 pandemic. The funds are now available and the City is required to expend all of its funds by November 15, 2020.

Finance Director Bauman reported COVID-19 mitigation efforts have led to increased costs and have required the reallocation of resources to respond to the emerging threat. The federal government has allocated CRF funding to help address local financial burdens caused by COVID-19. The City continues to monitor estimates for revenue losses related to COVID-19. It was noted the revenue losses currently appear to be mainly in the areas of parks, recreation, rentals, and utilities. Staff reviewed a list of known reimbursable expenses that were eligible for CARES Act dollars. It was noted this list was being updated regularly as invoices are received. She explained staff would like the Council to consider purchasing another truck in order to assist with social distancing efforts for staff.

Finance Director Bauman commented on how the City could utilize a portion of the CARES Act funding to assist local businesses and recommended the Council set aside \$150,000 for such a program. She reported staff was recommending financial assistance be offered to local businesses to prevent closures, preserve employment and to encourage long-term viability in Arden Hills. It

was noted that all housing assistance requests would be referred to Ramsey County. She reported staff would need additional feedback from the Council regarding the truck purchase along with input on the draft parameters for the small business assistance program.

Mayor Grant explained the Council put a plan in place that required staff to be in separate trucks. He asked how the Council felt about using CARES Act dollars to purchase a truck to assist with social distancing.

Councilmember Scott questioned if this vehicle would be above and beyond the truck purchase that had already been deferred.

Finance Director Bauman reported this was the case.

Councilmember Scott explained he supported the purchase of the truck.

Councilmember McClung agreed stating the truck purchase made a great deal of sense.

Councilmember Holmes supported the City purchasing a truck with the CARES Act dollars.

Mayor Grant also supported the truck purchase. He requested staff provide the Council with additional information regarding the small business assistance program.

Community Development Manager/City Planner Mrosia reviewed the eligibility and proposed parameters for the small business assistance program. He explained he drafted this program document from other communities and asked if the Council supported the City using \$150,000 in CARES Act dollars for this program.

Councilmember Scott asked if \$150,000 was the remaining balance of CARES Act funds.

Mayor Grant stated this was an amount staff was recommending out of the CARES Act funds. He noted the remainder would be the amount set aside for police and fire.

Councilmember Holmes commented she did not support the City having a specific amount set aside for this program because it would limit the number of businesses that could be helped. She stated if the grants were set at \$10,000, 15 businesses could be helped and if the grants were set at \$5,000 then 30 businesses could be helped. She wanted to see the grant amounts have a flexible range in order to help all of the businesses in need.

Community Development Manager/City Planner Mrosia explained that if the grant requests exceeded \$150,000 staff could request additional dollars from the Council.

Councilmember Holmes suggested there be two rounds of grants.

Mayor Grant questioned how many businesses in Arden Hills would be eligible for grants.

Community Development Manager/City Planner Mrosia stated this would be difficult for staff to determine because the City did not have employee counts for each business. He estimated there would be 50 to 100 businesses that may fit the program criteria. He indicated Shoreview had 35

grants in the first round of their program. He reported businesses would not be able to apply to cover the same expenses twice.

Mayor Grant asked if businesses could also apply for County grants.

Community Development Manager/City Planner Mrosla reported this would be allowed.

Councilmember Holmes questioned if the City would be asking businesses if they applied for County grants.

Community Development Manager/City Planner Mrosla stated this was a question on the City's application.

Councilmember Holmes asked what would happen if the City received more grant applications than the \$150,000 would cover. She inquired if the City would be able to support a second round of grants.

Community Development Manager/City Planner Mrosla commented a second round of funding could be considered if funding was available.

Mayor Grant supported the grant amounts having a limit of \$7,500.

Councilmember Scott recommended the grants have a maximum amount of \$10,000.

City Administrator Perrault indicated staff was proposing \$150,000 in order to gauge interest from local businesses. He stated if additional funding was necessary a second round of grants could be considered. He hoped to have a better idea on Ramsey County Sheriff's Office COVID related expenses in the next week or two.

Councilmember McClung explained he supported \$150,000 to get the grant program started and recommended the grants be limited to \$5,000 or \$7,500.

Mayor Grant commented it may be safer to reduce the grant amount to \$5,000 as this would allow businesses to reapply if they have additional expenses.

Councilmember Scott questioned how much overhead this program would cost the City.

Mayor Grant reported these expenditures would be covered by CARES Act dollars.

Councilmember Scott stated he supported the higher grant amount because this would reduce the amount of staff time spent on the program.

Mayor Grant indicated the City could market this program having multi-rounds.

Community Development Manager/City Planner Mrosla explained other cities have taken this approach.

Councilmember McClung supported the City starting with \$5,000 grants and going from there.

Councilmember Holmes agreed.

Council consensus was to have the grant limit be set at \$5,000.

Community Development Manager/City Planner Mrosła commented further on the small business assistance program parameters noting the Council had several options. He asked if home based businesses should be included.

Councilmember Holmes explained she supported Option B. She believed Option C was too restrictive.

Councilmember McClung stated he also supported Option B.

Councilmember Scott indicated he was more lenient and noted he could support Option A.

Mayor Grant commented he supported Option B and those businesses that have been excluded could approach the County.

Community Development Manager/City Planner Mrosła requested feedback from the Council on the maximum and minimum number of employees' businesses can have.

Mayor Grant supported the maximum being set at 40.

Councilmember Scott recommended the maximum be set at 50.

Councilmember McClung believed the maximum should be set at 40.

Councilmember Holmes stated she would like to see the maximum set at 50.

Mayor Grant suggested the maximum be set at 45 as a compromise. The Council supported this recommendation.

Community Development Manager/City Planner Mrosła requested the Council provide staff with input on the minimum number of employees.

Councilmember Holmes supported setting this limit to 3.

Councilmember McClung agreed.

Council consensus was to set the minimum number of employees at 3.

Councilmember Holmes requested the language within the program be amended to state a second round may be considered based on need.

City Administrator Perrault asked if the Council wanted to be involved in the review process for the grants.

Mayor Grant recommended the Council be kept in the loop via the Admin Update.

B. Lake Johanna Fire Department Station Cities Agreement

City Administrator Perrault stated on July 13, 2020 The City Council discussed and provided direction regarding the LJFD cities agreement that will be needed prior to moving forward with the acquisition of land off Pine Tree Drive for a future fire station. The major changes that were made following that special work session are noted below:

- (Section 2.3) The City Council agreed that one of the three cities, if needed, will bond for the construction of the new station. Furthermore, future debt service payments on the bonding will be made in accordance with the cost share formula, which is updated annually.
- (Section 2.5) The no later than construction date will be June 30, 2026.
- (Section 2.7) The Council agreed to language regarding a successor organization utilizing the station should LJFD cease to serve the cities.

City Administrator Perrault reported these changes were preliminarily discussed with the LJFD Board, and there appeared to be general agreement between the three cities. At the board meeting, additional language (section 2.8) was requested regarding the sale of the land should the new station not move forward. This language is included in the draft for tonight's review. If Council is comfortable with this updated agreement, the three cities will bring this document forward for formal approvals. Following approval of the agreement, the fire department can move forward with the land acquisition. The fire department is still in its due diligence phase through August 21, 2020 and would need to close by September 21, 2020. Following the land acquisition, the fire department would have a construction start date of no later than June 30, 2026; other than this date, there is not a timeline for construction of the new station.

Mayor Grant questioned what would happen if the LJFD were to dissolve or stop providing services to Arden Hills.

Councilmember McClung reported this was addressed in Section 2.8.

Further discussion ensued regarding the reimbursement language within the agreement.

Councilmember Holmes stated she was troubled by the existing language and recommended an appraisal be completed on the fire station before reimbursements were made.

Mayor Grant suggested the reference to the Consumer Price Index be changed to the Inflation Index.

Councilmember Holmes asked if a real estate broker or real estate lawyer had reviewed this language.

City Administrator Perrault commented this language had not changed since the Council reviewed this document in July. He noted this language originated from himself and City Attorney Jamnik.

Mayor Grant indicated he supported the proposed language.

Councilmember Scott stated he agreed with Councilmember Holmes and he would like there to be a reference to the “fair market value” versus a flat inflationary rate.

Mayor Grant recessed the August 10, 2020 Special City Council Work Session at 5:25 p.m. until following the adjournment of the 7:00 p.m. Regular City Council meeting.

Mayor Grant reconvened the Special City Council Work Session at 8:00 p.m.

Councilmember Holden was present for the continued Special City Council Work Session. She explained she had no issue with the language within the agreement.

Councilmember Scott reported he could support the inflation index language.

Councilmember Holmes commented she was not personally comfortable with the language but noted she would defer to the Mayor.

Mayor Grant asked if the City wanted the right to buy the property outright.

Councilmember Holmes supported the City having this option.

Mayor Grant questioned if Met Council or census bureau numbers.

Councilmember Scott recommended Met Council numbers be used because they were updated more frequently.

Community Development Manager/City Planner Mroska supported this recommendation noting the Met Council updates their numbers annually and sometimes twice a year.

Councilmember McClung agreed the Met Council numbers should be used.

Councilmember Scott questioned if Shoreview supported initiating the bond.

City Administrator Perrault commented staff would ask Shoreview to initiate the bond, but explained this would not be a requirement.

Council consensus was to direct staff to move forward with this agreement.

COUNCIL/STAFF COMMENTS

Councilmember Scott questioned if the crime that was occurring in the Valentine Hills neighborhood involved forced entry.

Councilmember Holmes stated it appears the majority of the crime was occurring in vehicles or homes where doors have been left unlocked, but two of the crimes involved forced entry.

ADJOURN

Mayor Grant adjourned the Special City Council Work Session at 8:16 p.m.



Julie Hanson
City Clerk



David Grant
Mayor