

**CITY COUNCIL MEETING  
CITY OF FRIDLEY  
OCTOBER 14, 2019**

---

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:02 p.m.

**MEMBERS PRESENT:** Mayor Lund  
Councilmember Ostwald  
Councilmember Eggert  
Councilmember Bolkcom

**MEMBERS ABSENT:** Councilmember Tillberry

**OTHERS PRESENT:** Wally Wysopal, City Manager  
Scott Hickok, Community Development Director  
Dan Tienter, Director of Finance  
Jim Kosluchar, Public Works Director  
Jay Karlovich, City Attorney  
Pam Reynolds, 1241 Norton Avenue

**APPROVAL OF PROPOSED CONSENT AGENDA:**

**APPROVAL OF MINUTES:**

**1. City Council Meeting Minutes of September 23, 2019.**

Councilmember Bolkcom asked what was missing from the agenda.

Wally Wysopal, City Manager, replied the section on the consent agenda items.

**APPROVED WITH THE ADDITION OF THE CONSENT AGENDA.**

**NEW BUSINESS:**

**2. Receive the Minutes from the Planning Commission Meeting of September 18, 2019.**

**RECEIVED.**

**3. Special Use Permit Request, SP #19-02, by Machtron, Inc., to Allow Limited Outdoor Storage of a Storage Container in the Rear Yard of the Property, Generally Located at 1290 Osborne Road N.E.;**

and

**Resolution Approving Special Use Permit, SP #19-02, for Machtron, Inc., on Behalf of DJG Family Limited Partnership, the Property Owner of 1290 Osborne Road N.E. (Ward 2).**

**APPROVED SPECIAL USE PERMIT, SP #19-02, BY MACHTON, INC., AND ADOPTED RESOLUTION NO. 2019-55.**

- 4. Special Use Permit, SP #19-03, by Statewide Towing, Inc., to Allow a Towing Business on the Property, Generally Located at 7645 Baker Street N.E.;**

**and**

**Resolution Approving Special Use Permit, SP #19-03, to Allow a Towing Business for Statewide Towing Inc. and LDH Investments, the Property Owner of 7645 Baker Street N.E. (Ward 2).**

**APPROVED SPECIAL USE PERMIT, SP #19-03, BY STATEWIDE TOWING, INC., AND ADOPTED RESOLUTION NO. 2019-56.**

- 5. Resolution Adopting Assessment for 2019 Utility Lateral Repair Projects.**

**ADOPTED RESOLUTION NO. 2019-57.**

- 6. Approve Temporary Construction and Permanent Relocation Easement Agreement for the 53<sup>rd</sup> Avenue Lift Station Replacement Project with Target. (Ward 1)**

**APPROVED.**

- 7. Approve the 2019 Amended and Restated Joint Powers Agreement for a Coalition of Metropolitan Communities. (North Metro Mayors Association)**

**APPROVED.**

- 8. Acknowledge Receipt of Twin Cities Gateway 2020 Fiscal Year Annual Budget.**

**RECEIVED.**

- 9. Claims (186603 - 183864).**

**Pam Reynolds, 1241 Norton Avenue, asked for this item to be removed from the Consent Agenda.**

**THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.**

- 10. Licenses.**

**APPROVED.**

**ADOPTION OF PROPOSED CONSENT AGENDA:**

**MOTION** by Councilmember Bolkcom to adopt the proposed consent agenda with the removal of Item No. 9, receive the corrected minutes and change the interest rate in the resolution for Item No. 5 to 6.5 percent. Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**OPEN FORUM, VISITORS:**

**Pam Reynolds**, 1241 Norton Avenue, said she had questions about the language on Chapter 220 regarding rental property, that was changed in December 2018. The new definition raises a question that if she bought another home and did not sell her home in Fridley, if she could let her granddaughter and family live in it and document it as a relative homestead. According to this new language, she is wondering if she would need to have a rental license. She asked why the definition was changed and why there was no public hearing. All the details were discussed at a work session.

**Mayor Lund** said he would talk to staff and get back to Ms. Reynolds.

**Ms. Reynolds** also asked if she put her property in a trust for the family to use if that would need a rental license.

**Mayor Lund** replied that if the property was in a trust and assigned to the heirs, they would become owners of that home and they could either live there or sell it. This should be a legal question between the attorney and the city.

**Ms. Reynolds** also noted that she searched for Ordinance 1364 and it is not published yet on the website.

**ADOPTION OF AGENDA:**

**MOTION** by Councilmember Bolkcom to adopt the agenda with the addition of Item No. 9. Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**PUBLIC HEARING/NEW BUSINESS:**

**11. Consideration of an Ordinance Repealing and Replacing in its Entirety Fridley City Code, Chapter 407A. Cable Television Franchise.**

**MOTION** by Councilmember Bolkcom to waive the reading of the notice and open the public hearing. Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING OPENED AT 7:21 P.M.**

**Wally Wysopal**, City Manager, asked Council to continue this public hearing to November 25, 2019.

**MOTION** by Councilmember Bolkom to continue the public hearing to November 25, 2019. Seconded by Councilmember Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING WAS CONTINUED TO NOVEMBER 25, 2019.**

**12. Consideration of Adopting the Assessment for Street Improvement Project No. ST-2017-21;**

**and**

**Resolution Adopting Assessment for Street Improvement Project No. ST-2017-21.**

**MOTION** by Councilmember Bolkom to open the public hearing. Seconded by Councilmember Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING OPENED AT 7:23 P.M.**

**Dan Tienter**, Finance Director, stated that Minnesota Statute §429.021 and City Charter, Chapter 8.03 authorize the City Council to finance certain public improvements through special assessments. Special assessments are generally considered a form of tax levied by a local government against benefiting properties. Consistent with City Code, Chapter 7 and other policies, the City of Fridley typically levies special assessments as part of most street improvement projects. Minnesota Statute §429 outlines a specific process for a local government to levy a special assessment. Consistent with this process, the Council completed the following steps:

- Ordered a preliminary report;
- Conducted a project workshop (not required);
- Accepted a preliminary report, called for public hearing;
- Conducted the public hearing;
- Accepted the feasibility study, ordered improvements and called for bids;
- Received bids and awarded a contract;
- Declared the costs to be assessed, ordered the proposed assessment roll and scheduled a public hearing; and
- Conducted the public/assessment hearing (this evening).

With substantial completion of the project, the City may now proceed with the final portions of the assessment process by conducting the public/assessment hearing; and adopting the proposed assessment as final.

**Mr. Tienter** said during the public/assessment hearing, Council may receive public comment on the proposed assessment; and may approve the assessment roll after its closure. As part of the assessment process, those subject to the assessment may appeal it by filing a written objection with the City Clerk prior to the public/assessment hearing; or the presiding officer of the public/assessment hearing on the date of the hearing. Only those property owners providing such an appeal or objection may proceed to District Court. To date, the City Clerk's Office has not received any such appeals; and approximately 8 comments.

**Mr. Tienter** said the special assessments under consideration pertain to the rehabilitation of streets identified in the Street Resurfacing Plan. Street Improvement Project No. ST-2017-21 includes the reconstruction of West Moore Lake Drive, including curb and gutter, along with the installation of a trail. Only the street construction portion of the project is subject to special assessments. Per City policy, the assessment for Street Improvement Project No. ST-2017-21 totals approximately \$120,370 levied again 34 properties within the project area. The project costs totaled \$704,550, including a construction cost of \$584,180. The assessments for this project are consistent with the Roadway Major Maintenance Financing Policy.

**Mr. Tienter** said per City policy, property owners may repay the assessment over a 10-year period at an interest rate of 7.25%. Property owners may pay their assessment, interest free, for 30 days after the adoption of the assessment roll. Per Chapter 7 of the Fridley City Code, any person may pay all or at least half of the assessment, provided that the partial payment exceeds \$100. Any remaining balance, with the interest as accrued from the date of City Council adoption, will be certified to the County for collection with property taxes. The remaining balance may be paid in total by November 15 annually. Per City policy (Resolution No. 14-1995), a retired or disabled property owner may defer their special assessment under certain circumstances. The property owner must:

- Own the property as a qualified residential homestead;
- Be at least 65 years of age or older; or be disabled/retired and payment would be considered a hardship;
- Make application within 30 days of approval of the assessment roll by the Council; and
- Meet certain income standards (i.e., annual payment exceeds 1% of adjusted gross income).

**Mr. Tienter** stated based on the process to date, staff recommends Council open the public/assessment hearing to accept public comment regarding the assessment as proposed. Following the public/assessment hearing, staff also recommends Council adopt the resolution to adopt the proposed assessment roll as final for the Street Improvement Project No. ST-2017-21. Upon approval, the City Clerk will transmit a certified copy of the resolution to the county auditor by November 29, 2019.

**Councilmember Bolkcom** asked is the dirt area by the school was part of this project. There is nothing growing there.

**Jim Kosluchar**, Public Works Director, replied there is a potential to add that to the project if there is no growth in that area.

**MOTION** by Councilmember Eggert to close the public hearing. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING CLOSED AT 7:32 P.M.**

**MOTION** by Councilmember Eggert to adopt Resolution No. 2019-58. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**9. Claims (186603 - 183864).**

**Pam Reynolds**, 1241 Norton Avenue, asked about the US Bank PCard, how many staff had cards, and if there were any rules on what they can be used for. All charges are made to the general fund. She asked if someone went back and charged specific departments.

**Dan Tienter**, Finance Director, replied there are a variety of policies in place that outline the level of purchasing that is used. When a staff member is issued a card, they need to sign an agreement that they will use it properly. He did not know the number of PCards issued but the requests are made by the department director or city manager. Each card holder has their own account number, monthly limits and is responsible for submitting a claims list and documentation to be approved by their supervisor.

**Councilmember Bolkcom** asked what Ms. Reynolds question was regarding the PCards.

**Ms. Reynolds** replied that there were \$22,000 charges in two weeks which is about \$500,000 a year that was charged to the general fund and not back to specific departments.

**Mr. Tienter** replied the individual transactions are charged to specific funds.

**Ms. Reynolds** asked about the entry for Kimberly Horn & Associates for the 57<sup>th</sup> Avenue bridge study due from the HRA. She asked if they were still looking at the bridge over the Burlington Northern railway yards for better connection for emergency vehicles.

**Mayor Lund** replied they are still looking at it, and it was not just for emergency vehicles.

**Councilmember Bolkcom** added that this is part of the Comprehensive Plan and a lot of people talked about it in the corridor study.

**Ms. Reynolds** asked about the Breezy Point charges for AMEM Emergency meeting.

**Mr. Tienter** replied that it was for a conference they attended.

**MOTION** by Councilmember Bolkom to approve the Claims (186603 - 183864). Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**NEW BUSINESS:**

**13. Resolution Certifying Certain Delinquent Utility Services and Unpaid Charges to the County for Collection with the 2020 Property Taxes.**

**Dan Tienter**, Finance Director, stated that Minnesota Statute §444.075, and various sections of the City Code, authorize the City Council to certify delinquent utility services and unpaid charges. Upon certification, these charges become a lien against the property and payable in the same manner as property taxes. The City also charges a 10% penalty for certification. Prior to certification, the City notifies the “past due” account holders of their status. Staff will often work with account holders to address any outstanding issues.

**Mr. Tienter** said the City certifies a delinquent account and not just disconnect or “shut off” the service to:

- Eliminate concerns during cold weather (i.e., cold weather rule)
- Eliminate the need to investigate the occupancy of the residence or unit
- Avoid issues with laws that limit disconnection (e.g., military personnel)
- Protect the interest of the City upon the sale or forfeiture of a property
- Eliminate confusion in joint ownership situations
- Prevent the City from carrying large delinquent balances
- Prevent the need to use collection agencies or similar services
- Prevent damage to older infrastructure.

The City mailed notice to 1,162 account holders. As of October 11, 2019, 810 accounts remain outstanding, or about 30% less than the initial notice, which accounts for about \$497,900 of unpaid charges. At present, about 52% of the current certification list were also certified last year. Annually, the overall delinquency rate for the utility funds totals approximately 5% by the certification date. In order to further reduce delinquency rates, staff plans to consider a variety of strategies, including, but not limited to modifying the billing cycle from quarterly to monthly, implementing an automated reminder system, and engaging more directly with those certified over multiple years.

**Mr. Tienter** said based on the process to date, staff recommends the City Council adopt the resolution to certify certain delinquent utility services and unpaid charges to Anoka County for collection with the 2020 property taxes. Upon approval, the City Clerk will transmit a certified copy of the resolution to the county auditor by November 29. Account holders may pay their delinquent balances until November 15, 2019, to avoid certification.

**Councilmember Bolkcom** asked if it would take additional staff time if the city went to monthly statements.

**Mr. Tienter** replied it would be additional staff time and mailing costs. The amount of customer bills would be less, but they would have to pay on a more frequent basis.

**Councilmember Bolkcom** asked what surrounding cities did for billing cycles.

**Mr. Tienter** replied it varies, many do quarterly, and some do monthly.

**Councilmember Bolkcom** noted that the delinquent bills were lower than the year before and asked why the numbers were better.

**Mr. Tienter** replied that it depends on when the initial notice letter was sent. Sometimes they have been sent in September and other times, in October. He said in the future, they will be more particular when the letters are sent to create more predictable data over time.

**Mayor Lund** asked if they could send monthly statements to those who are chronically late.

**Mr. Tienter** replied that would create an administrative burden.

**Mayor Lund** asked how much would have to be certified.

**Mr. Tienter** replied that the estimate for certification for 2020, 477 accounts for a value of \$356,000 to be certified at the end of this year.

**Mayor Lund** noticed that one resident delinquent by \$6,000. He asked how that happens.

**Mr. Tienter** replied that they try to avoid carrying over large bills. If a property has a large bill there are a few things to check like leaks, more people living on the property, activities going on in the site in question or whether they were rental properties.

**Councilmember Ostwald** asked how many are experiencing hardships or how many are taking advantage of some type of income support or utility assistance programs.

**Mr. Tienter** said he did not think staff would have access to that information. He could check to see if any households receive those types of services.

Councilmember Bolkcom stated that this data would likely not be publicly available information...(or something to that effect).

**Wally Wysopal**, City Manager, said he appreciated Council's questions about the carrying costs and they do add to the operating costs. The City needs to wait for this revenue, and it is applied to the homeowner's taxes. He asked when the City could expect to receive these funds.

**Mr. Tienter** replied that the City receives payments that are part of the tax settlement twice a year, so it would be paid in full this time next year.



**Mayor Lund** noted that some could choose to not pay their taxes, so we wait until it falls into tax forfeiture.

**Mr. Tienter** said the City's lean is not satisfied until the property is sold. Often monies come from the HRA when they acquire homes and pay the utility bill.

**MOTION** by Councilmember Bolkcom to adopt Resolution No. 2019-59. Seconded by Councilmember Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**14. Approve a License Agreement between the City of Fridley and BNSF Railway for Storm Sewer Crossing.**

**Jim Kosluchar**, Director Public Works, stated the Oak Glen Creek Stormwater Improvement Project included construction of a stormwater treatment pond on Treehouse Foods property, located at 7350 Commerce Drive. Treehouse Foods donated the property to the City of Fridley to construct this first phase of the project, which was intended on mitigating flooding and improving water quality. As part of the second phase of this project, the City agreed to mitigate stormwater flooding that has occurred at Treehouse Foods' loading dock by installing a new drainage crossing under the BNSF Railroad Tracks.

**Mr. Kosluchar** said City staff has spent many months in negotiating a permit with BNSF, and the resulting agreement that is attached will allow the completion of the project. Under the agreement, the City must pay a \$2,362 contract fee, and provide insurance in accordance with the terms of the agreement. The agreement has been reviewed by the City attorney, and while all terms of the agreement are not optimal, the agreement as presented is necessary for the project to move forward. The City Attorney has concurred with this assessment. Staff requests the City Council approve the agreement between the City of Fridley and BNSF Railway Company for execution by the Mayor and City Manager. If approved by the City Council, staff will provide payment, proof of insurance, and the executed agreement to JLL, agent for BNSF Railway Company.

**Councilmember Bolkcom** asked where the water would end up going when this is done.

**Mr. Kosluchar** replied a small holding area by the former A & W then it crosses East River Road and down to Oak Glen Creek.

**Councilmember Bolkcom** asked if the volume was increasing at Oak Glen Creek.

**Mr. Kosluchar** replied that more water would be flowing at a faster rate early in storms but that would not affect the peak runoff rate.

**Councilmember Bolkcom** asked about the noise at the railroad crossing.

**Mr. Kosluchar** replied that CenterPoint is working there now and when the construction crew is within the right-of-way, the trains have an obligation to blow their horns.

**Councilmember Bolkcom** asked how long the project would take.

**Mr. Kosluchar** replied three weeks or less.

**Councilmember Eggert** said he noticed that the railroad insurance requirements are pretty hefty and asked if the City was able to handle the requirements with our insurance or opt to pay the fees.

**Mr. Kosluchar** replied that Attorney Karlovich discussed this, and it is less expensive to purchase from BNSF at this time.

**Councilmember Eggert** said this license will allow the City to have this pipe there for 25 years and then renew the license.

**Mr. Kosluchar** replied that it will not be easily removed or blocked, the term triggers a condition assessment and we will re-evaluate in 25 years. The City has a number of pipe crossings that were established years ago. Some require a license, and others do not.

**MOTION** by Councilmember Bolkcom to approve a License Agreement between the City of Fridley and BNSF Railway for a Storm Sewer Crossing. Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**15. Approve Appointment to the Fridley Housing and Redevelopment Authority.**

**MOTION** by Councilmember Eggert to appoint Rachel Schwankel to the Fridley Housing and Redevelopment Authority with her term ending in June 2020. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**Councilmember Eggert** made a motion to appoint Ryan Evenson to fill the vacancy on the Planning Commission caused by Rachel Schwankel's appointment to the HRA. Seconded by Councilmember Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**16. Informal Status Reports:**

**Councilmember Bolkcom** thanked all who participated in the new resident mixer event on Saturday. This was a good networking opportunity for the people that attended. She also thanked all who came to the last three street meetings.

**Jim Kosluchar**, Public Works Director, noted that an event is scheduled for October 26 to discuss with the public to review the possibility of a trail and/or walk down 53<sup>rd</sup> Avenue from Target to Main Street. This will be a kid-friendly event for Fridley and Columbia Heights residents from 10 a.m. to 12 p.m.

**Mayor Lund** reminded people of Pumpkin Night in the Park at Springbrook Nature Center on Saturday, October 19, from 6 to 10 p.m. Tickets can be purchased at the event or online.

**ADJOURN:**

**MOTION** by Councilmember Ostwald to adjourn. Seconded by Councilmember Eggert.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:16 PM.**

Respectfully submitted,



Krista Peterson  
Recording Secretary



Scott J. Lund  
Mayor