

**REGULAR ANDOVER CITY COUNCIL MEETING – JULY 16, 2019  
MINUTES**

The Regular Bi-Monthly Meeting of the Andover City Council was called to order by Mayor Julie Trude, July 16, 2019, 7:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Councilmembers present: Mike Knight, Sheri Bukkila, Valerie Holthus and Jamie Barthel

Councilmember absent: None

Also present: City Administrator, Jim Dickinson  
Community Development Director, Joe Janish  
Director of Public Works/City Engineer, David Berkowitz  
City Attorney, Scott Baumgartner  
Others

***PLEDGE OF ALLEGIANCE***

***RESIDENT FORUM***

No one wished to address the Council.

***AGENDA APPROVAL***

Mayor Trude noted the supplemental information received:

Item #15 – Updated Documents to Consider Approval of 2019A General Obligation Tax Abatement Bond Sale (Supplemental).

***Motion*** by Holthus, Seconded by Bukkila, to approve the Agenda as amended above. Motion carried unanimously.

***APPROVAL OF MINUTES***

*July 2, 2019, Regular Meeting:* Correct as written.

***Motion*** by Knight, Seconded by Barthel, to approve the July 2, 2019, Regular meeting minutes as presented. Motion carried 3 ayes, 0 nays, 2 present (Holthus and Trude).

***CONSENT ITEMS***

- Item 2 Approve Payment of Claims
- Item 3 Approve Letter of Support/Rum River Stabilization Project Grants
- Item 4 Approve Removal of 4 Way Stop Sign/133<sup>rd</sup> Lane NW & Poppy Street NW
- Item 5 Approve Removal of 3 Way Stop Sign/135<sup>th</sup> Avenue NW & Gladiola Street NW
- Item 6 Approve Removal of 4 Way Stop Sign/135<sup>th</sup> Lane NW & Gladiola Street NW
- Item 7 Accept Resignation of Mike Wegner, Streets Maintenance Worker
- Item 8 Declare Surplus Equipment
- Item 9 Approve Debt Service Payments
- Item 10 Accept Contribution/Cherri Drum/Andover YMCA Community Center (See Resolution R059-19)
- Item 11 Approve Collective Bargaining Agreement/Public Works
- Item 12 Receive June 2019 City Investment Reports
- Item 13 Receive June 2019 General Fund Budget Progress Report

**Motion** by Bukkila, Seconded by Knight, to approve of the Consent Agenda as read. Motion carried unanimously.

#### ***ANOKA COUNTY SHERIFF'S OFFICE MONTHLY REPORT***

Commander Paul Lenzmeier provided a report including 1,615 calls for service during the month of June. He described significant events, noting there has been an increase in the number of domestic assaults and arrests. Commander Lenzmeier provided details on a significant incident at Walmart that resulted in arresting an employee for making terroristic threats. He stated over June 28-29, they made 3 DWI arrests, with a total of 8 DWIs in June. Commander Lenzmeier described summer events hosted by the Sheriff's Department and scam warnings provided to residents.

Mayor Trude thanked Commander Lenzmeier and the Sheriff's Department for warning residents of scams, which often target senior residents. She noted that door-to-door solicitors are required to have a City license that includes a background check conducted by the Sheriff's Department. She complimented staff for making information available on the City's website so residents can check whether a solicitor's license has been issued. Mayor Trude also complimented Commander Lenzmeier on the new report format that includes additional information.

Councilmember Bukkila concurred and stated it is helpful to have an idea of who is coming and going, and the Sheriff Department's level of contact.

#### ***CONSIDER APPROVAL OF 2019A GENERAL OBLIGATION TAX ABATEMENT BOND SALE***

City Administrator Dickinson noted a summary memo is included in the meeting packet and invited Todd Hagen, Ehlers & Associates, to provide information on the bid opening.

Mr. Hagen referenced the sale day report that provided a snapshot of what transpired when the bids were opened at 10 a.m. this morning. Also included were the bid tabulation, bond schedule, rating report, bond buyer index graph, and bond resolution drafted by Briggs & Morgan for the Council's consideration.

Mr. Hagen reviewed the information with the Council, indicating ten bids were received, which may be a record number for Andover. The low bid was received from Piper Jaffray of Minneapolis at a true interest rate of 2.5284%, almost 1% under what was projected in the presale report. All of the bids came in at a premium, creating \$1.6 million more proceeds. In addition, staff scaled back the project cost by \$200,000 to get to the tax impact that was supported by the Council. Because of the premium bid, the City would not be issuing \$17,570,000 but \$15,770,000. Mr. Hagen reviewed the bidding companies and the location of each. He noted that Andover maintained its AA+ bond rating, as detailed in the submittals, because of the City's reserves, strong financial performance, and the financial management plan is in order, which projects confidence for the rating agencies.

Mayor Trude read several of the complimentary statements included in the bond rating report.

Mr. Dickinson stated the City's strong budgetary flexibility and ability to adapt is also identified in the bond rating report, which reflects a strong local economy. He stated Mr. Hagen identified the difference with the premium bid and the other analysis is that the annual debt service is lowered over \$100,000. Staff looked at whether the property tax impact on construction and operations would be under \$100 on a \$250,000 valued home. Now, due to the good interest rate and premium bid, both will be lower so the property tax impact will be about \$95 per year with operations and total debt issuance.

Councilmember Holthus asked if the project had waited a year, would the bond sale have been less desirable. Mr. Hagen stated that is hard to predict but construction costs generally go up. He stated there is now a flight to quality, which means municipal bonds are popular and because the new tax bill allows higher wage earners to deduct less, they are also looking for places to invest. Because of those factors, the City received competitive bidding. He explained that all of the money will be in the City's account on August 1<sup>st</sup> and the funds will be laddered by the investment folks to earn interest on this money for a temporary period. He noted there is not much holding the City back from a AAA bond rating except for the economy and that is out of the City's control.

Mr. Dickinson noted the City's bond rating puts it in the top 10% of municipalities throughout the United States.

Mayor Trude stated the Council has not discussed how much to expand operations. She stated the construction dollars will be \$83.40 on a \$250,000 home annually, noting that is more than 20% less than discussed six months ago.

**Motion** by Holthus, Seconded by Knight, to adopt Resolution No. R061-19 Accepting Offer on

the Sale of \$15,770,000 General Obligation Tax Abatement Bonds, Series 2019A, Providing for their Issuance and Pledging Tax Abatements and Levying a Tax for the Security and Payment Thereof.

Mayor Trude thanked staff and Ehlers & Associates for their work and wisdom bringing in these competitive bids.

Motion carried 4 ayes, 1 nay (Bukkila).

Mr. Dickinson stated the City will close on the sale August 1<sup>st</sup>. Bids have been awarded and contracts are in the process of being signed. He described construction phasing that will start with the east side parking lot followed by the west side parking lot mid-September to provide temporary parking. There will also be additional parking available on the south side.

Mayor Trude asked staff to post this information on the City's website so the public is aware of the status. Mr. Dickinson stated staff has started that process and is also working with the construction manager to assure good traffic flow. He stated the YMCA has announced there will be a project and is close to formally releasing project plans, which will also complicate the process. The YMCA intends to complete footings and panels before winter weather sets in.

***CONSIDER INTERIM USE PERMIT (IUP 19-04) — LAND RECLAMATION — 16576 HANSON BOULEVARD NW***

Community Development Director Janish stated the applicant located at 16576 Hanson Boulevard is requesting an Interim Use Permit (IUP) for land reclamation in order to mitigate the noise caused by traffic on Hanson Boulevard NW. He displayed a project map depicting locations of the fill and potential wetland and referenced Code 12-2-2 that relates to land reclamation estimate of 600 cubic yards with the potential to add 700 yards based on the applicant's drawings. Since the applicant met with staff, the applicant continued to stockpile fill and grade the site without obtaining the required permits. Therefore, the applicant is requesting an IUP retroactively to bring the property into compliance with City Code.

Mr. Janish stated the area where the fill is to be deposited was planted with trees that were removed due to disease. The fill is dirt from within the applicant's property and the applicant has indicated that no fill will be transported outside of the property lines. Mr. Janish reviewed details of the application including slope requirements, silt fencing and vegetation, haul route, and coordination with other permitting agencies. He stated the Planning and Zoning Commission considered the IUP standards and held a public hearing at its July 9, 2019, meeting. Four residents were in attendance and expressed support for the applicant's request as it would increase property values in the area. The Planning and Zoning Commission held discussion on what triggered this application, which was the amount of fill used on the property. The Planning and Zoning Commission also discussed nonconformities and home occupations and asked the applicant about future intentions. The applicant indicated no home occupation is occurring at his property. The applicant also indicated he is satisfied with the project as submitted and has no plans related to future expansion of the land reclamation. The Planning and Zoning Commission

discussed impacts on surrounding wetlands and recommended approval on a 5-0 vote with two members being absent.

Mayor Trude asked if staff is comfortable with the conditions protecting the wetlands. Mr. Janish answered in the affirmative.

Councilmember Holthus asked if there is a drainage ditch. Mr. Janish used a map to identify the location of the home, area of fill, and gas line.

**Motion** by Bukkila, Seconded by Barthel, to adopt Resolution No. R060-19 Granting an Interim Use Permit for 16576 Hanson Boulevard NW. Motion carried unanimously.

### ***RESCHEDULE NOVEMBER 5, 2019, COUNCIL MEETING***

Mayor Trude noted staff is asking the Council to reschedule the November 5, 2019, Regular Meeting due to Election Day.

The Council discussed available dates.

**Motion** by Knight, Seconded by Barthel, to reschedule the November 5, 2019, Regular Meeting to Wednesday, November 6, 2019, at 7:00 p.m. Motion carried unanimously.

### ***ADMINISTRATOR'S REPORT***

City Staff updated the Council on the administration and city department activities, legislative updates, updates on development/CIP projects, and meeting reminders/community events.

**(Administrative Staff Report)** Mr. Dickinson stated permits have been issued for 75 new homes, which is well ahead of the projected budget of 50 homes. He stated this week he will be attending meetings with the QCTV Board and attended two Metro Cities committees last week. Staff has actively been working to keep the Community Center project moving forward, CIP items, Fun Fest, and budget. He thanked staff for their work on these events.

Mr. Dickinson stated he is also meeting with neighboring communities for updates on their activities and to share ideas. Mayor Trude suggested Mr. Dickinson also meet with Ham Lake. Mr. Dickinson stated they are on his list.

**(Public Works/Engineering Department Report)** Mr. Berkowitz provided project updates on the University Avenue project, which went well and was completed three weeks ago, Veterans Memorial Boulevard extension will be opened to provide better traffic flow for Community Center patrons and construction materials, fabrication of the boardwalk galvanized railing is in progress, the 2019 street reconstruction project, delay in the Public Works maintenance facility, coordination of the Community Center project, construction of the east parking lot, Lift Station #10 construction, Hanson Boulevard reconstruction, start of the sealcoat projects, and multiple

development projects that are in various states of progress. Mr. Berkowitz thanked Park Maintenance Supervisor Jason Grode and the Public Works and Parks staff for their work with coordinating the Family Fun Fest.

Councilmember Knight asked if there were 14 power outages yesterday from the storm. Mr. Berkowitz stated he is unsure of the exact number but knows one of the Fire Stations lost power.

**(Community Development Department Report)** Mr. Janish stated the Community Development Department continues to work on Code enforcement, which has improved response times due to the efforts of Associate Planner Jake Griffiths.

Mayor Trude asked about lot inventory. Mr. Janish and Mr. Berkowitz listed the developments currently under construction, noting the number of vacant lots is adequate.

#### ***MAYOR/COUNCIL INPUT***

**(Fun Fest)** Councilmember Holthus thanked all who worked on Fun Fest to assure it went smoothly. Councilmember Barthel gave a huge shout out to Family Fun Fest volunteers who made it a wonderful event, noting the bounce houses were well used.

**(YMCA Contribution)** Councilmember Holthus gave a shout out to Cherri Drum for her contribution to YMCA Center. She noted Ms. Drum has been retired for a few years, it is a joy to see her at the YMCA, and she is a walking advertisement for the YMCA.

**(Nightingale Street Speeding Concern)** Mayor Trude stated a resident contacted her with concerns about the speed of traffic on Nightingale Street and asked if a speed study should be done. Councilmember Bukkila recalled that staff had recommended holding off on a speed study until after the buildings were constructed, it may be better to wait until there are peak traffic flows. Mr. Berkowitz stated that is correct and once open, the speed study will be done at that time. Mayor Trude suggested staff ask the Sheriff's Department to conduct directed speed patrols as walkers are concerned with the speed of traffic in that area.

**(Trail Slope Concern)** Mayor Trude stated she was contacted by a retired resident who is concerned with the 156<sup>th</sup> Lane and Nightingale Street intersection and felt the slope from the trail should be improved. She asked staff to look at the slope from the trail into the neighborhood to see if it needs to be regraded.

#### ***ADJOURNMENT***

**Motion** by Holthus, Seconded by Barthel, to adjourn. Motion carried unanimously. The meeting adjourned at 7:53 p.m.

Respectfully submitted,

Carla Wirth, Recording Secretary

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