

**ANDOVER CITY COUNCIL WORKSHOP MEETING – JULY 28, 2020  
MINUTES**

The Workshop Meeting of the Andover City Council was called to order by Mayor Julie Trude, July 28, 2020 at 6:00 p.m., at the Andover Public Works Building, 1900 Veterans Memorial Drive, Andover, Minnesota.

Councilmembers present: Sheri Bukkila, Valerie Holthus, Jamie Barthel, and Ted Butler

Councilmember absent: None

Also present: City Administrator, Jim Dickinson  
City Engineer/Public Works Director, David Berkowitz  
City Mechanic, Erick Sohr  
Others

***CITY CAMPUS CONSTRUCTION TOUR***

The City Council toured the new Public Works Maintenance Building, Cold Storage Building and the Community Center expansion projects.

The City Council reconvened the workshop at City Hall at 7:37 p.m.

***UPLANDER STREET/161<sup>ST</sup> AVENUE BUILDABILITY REVIEW/DISCUSSION***

Mr. Dickinson identified a section of land along Uplander Street NW near 161<sup>st</sup> Avenue NW. He explained the development dates back to the 1970's. The resident and members of their family own 8 lots along Uplander Street and are interested in doing something with the lots. They would like to sell them as buildable lots, but the lots have historically been considered unbuildable. Mr. Dickinson provided the following historical data:

- The lots on Uplander Street were created in 1970, these lots are metes and bounds.
- In December 1972, the Grow Township Board adopted an amendment to Ordinance No. 8 requiring 40,000sf for a lot to be buildable in an unsewered area.
- The developer then applied to rezone the lots to R-3: Single-Family Suburban and since the lots did not meet the 40,000sf requirement the rezoning was approved contingent upon the developer only developing every other lot until such time as the area was served by sanitary sewer.

The family has a letter from a former staff member that states the lots can be buildable. Mr. Dickinson stated staff is looking for direction from the Council on how to approach this.

Mr. Dickinson laid out potential options for the Council:

- As the City Code is currently written, the resident could sell the unbuildable lots to adjacent property owners and they could be combined with other existing properties through the lot line adjustment process.
- The City Council could direct staff to amend the City Code, and the conditions of the original rezoning application from 1972, in order to make all 8 lots buildable.

Mr. Dickinson stated if the area is to have sewer, the Rural Reserve would have to be developed first.

Mayor Trude asked if any Councilmembers were interested in offering an exception to build a single-family home on a smaller lot. Councilmembers did not express interest in providing an exception.

Mayor Trude stated similar cases in Andover may arise and this decision will set a precedence.

Councilmember Holthus expressed she did not feel the neighborhood would support new houses on the smaller lots with a septic system.

Councilmember Butler agreed that he is concerned about the neighborhood and the precedence it would set.

Council reached a general consensus to keep code as is and have the owner explore other options.

### ***2021-2025 CIP DEVELOPMENT DISCUSSION***

Mr. Dickinson stated staff are a little behind schedule due to COVID response but feels they have a comprehensive list of items for the CIP. Mr. Dickinson stated the Trail Fund is low on funds and the fund either needs to be increased or the projects need to be decreased.

Mr. Dickinson reviewed the CIP items for the Central Equipment Fund and explained the City is replacing 20-year-old trucks.

Mr. Dickinson reviewed the CIP items for the Community Center and explained the City plans for replacement reserve funds with the YMCA.

Mr. Dickinson reviewed the CIP items for Emergency Management and explained the Emergency Operations Center Improvements may be able to be pulled out and covered with COVID dollars.

Mr. Dickinson reviewed the CIP items for the Engineering Department. He stated the railroad underpass item can be taken out. Mayor Trude indicated there were dollars in last year's CIP that included funds for pedestrian crossings and noticed that it was not in the new CIP document. Mr. Dickinson explained that the funds were for a study and the trail study was completed in 2020. Mr. Berkowitz stated the study will be presented to Council and the item for Pedestrian Crossings is found under the Street section of the CIP. Mr. Dickinson indicated the large ticket item in

Pedestrian/Park Trail Reconstruction is Kelsey Round Lake Park with a full trail reconstruction. Mr. Dickinson showed the Trail Fund is in the negative, but with the elimination of a railroad underpass and selling back the land to the developer, the City may be able to tackle a project in 2021 or 2022

Mayor Trude noticed a mistake in the Trail Fund where funding was identified for a trail on the south side of the Andover Station Parkway. She recalled the item was requested to be removed at a September 2019 workshop meeting.

The Council reached consensus to remove the item from the Trail Fund.

Mr. Dickinson reviewed the CIP items from the Facility Management Department. Mr. Dickinson explained the generators listed for replacement in 2023 may not all need to be replaced at the same time. Councilmember Bukkila stated it is important for the City to be prepared for more than one emergency incident and having working and reliable generators is important. Mr. Dickinson replied that staff will evaluate the generators and make priorities for replacement.

Mr. Dickinson reviewed CIP items from the Finance Department which consisted of a finance system software upgrade.

Mr. Dickinson reviewed the CIP items from the Fire Department. He explained the engine replacement schedule and the shifting of engines between stations. Mr. Dickinson stated he felt it is important for the new engine to be placed where it will be used the most.

Mr. Dickinson reviewed the CIP items in Information Technology focusing on data security.

Mr. Dickinson reviewed the CIP items in Parks and Recreation Operations and Projects.

Councilmember Holthus presented examples of interpretive signage that she would like implemented in Kelsey Round Lake Park. Mayor Trude asked Councilmember Holthus to head a committee to research and present options for interpretive signs for Kelsey Round Lake Park. Mr. Dickinson estimated \$5,000 - \$10,000 for the signage. Councilmember Bukkila asked staff to return to Council with estimated costs and if it is feasible, the project will be sent to the Park and Recreation Commission to discuss.

Mr. Dickinson reviewed the Park Improvement Fund and stated the revenue is contingent upon development and Park Dedication Fees charged to developers. Mr. Dickinson referred to the revenue from the cell towers at Rose Park and stated it may go away as cellphone companies consolidate their towers.

Mayor Trude reported she has had many inquiries about outdoor pickleball courts and people have not been impressed with the City's options. Mr. Berkowitz stated the pickleball community is highly active and has high standards for courts.

Mr. Dickinson reviewed the CIP items in the Sanitary Sewer Fund and expansion to the Rural Reserve. Mr. Dickinson reviewed the CIP items in the Storm Sewer Fund.

Mr. Berkowitz reviewed the CIP items in the Streets Department for equipment and roadways. He explained the City has invested significantly in streets. Mr. Berkowitz stated the Municipal State Aid Route projects are more difficult to get due to the number of projects being requested. Councilmember Holthus pointed out that some street construction projects have the assessment at 25% of the total cost and some have a higher percentage. Mr. Berkowitz replied the intent is to have the assessments budgeted at 25% of the project cost. Councilmember Holthus explained it is difficult for people to pay higher than 25%. She also said homes with well and septic are much more expensive to maintain than homes on City sewer and water.

Mr. Berkowitz stated the City needs around another \$1 million for overlays. Mr. Dickinson stated staff will bring forward a request for Council to move \$1 million from the 2019 General Fund to the Road & Bridge Fund. Mr. Dickinson explained the City has taken an aggressive approach to funding streets and tackling reconstruction and maintenance of streets noting \$28 million dollars in expenditures over 5 years. Mr. Dickinson reviewed the revenue sources for the Streets and Roadways Fund. Mr. Berkowitz asked Council if there was interest in assessing overlays at 30% instead of 25%. Councilmember Bukkila stated she is willing to talk about it but prefers not to put more weight on residents during these economic times.

Councilmember Butler asked about the plan for Crosstown Boulevard and Crosstown Drive. Mr. Berkowitz explained there was a plan and that it eventually fell off the budget. Councilmember Butler stated if there was a plan to help traffic and pedestrian access, he would like to review it. Mayor Trude requested the item be added to a future Council Workshop.

Mr. Dickinson reviewed the CIP items in the Water Fund. Mr. Dickinson stated the water meter reading system is antiquated and explained the proposed electronic water meter reading system. He stated the new system is important because the old system is running out of system and product support. Mr. Dickinson reported the City is proposing an increase in the water rate by 2%, no increase in sanitary sewer rates, and a 5% increase in storm water rate.

### ***2021 BUDGET DEVELOPMENT***

Mr. Dickinson reviewed Council's budget goals and the status of achieving them, noting significant changes. Mr. Dickinson stated the preliminary Anoka County Assessor estimated taxable market value figures for the City of Andover are reflecting close to a 3.5% increase in total taxable market value instead of the 4.5% originally estimate. Mr. Dickinson stated the fund balances are in a good state and the City is on track to remain at an AA+ bond rating.

Mr. Dickinson updated Council on the Community Center Assistant Manager position and stated the timing of the hiring is dependent on the construction schedule. Mr. Dickinson explained the Engineering and Fire Departments have submitted requests for new staff. Mr. Dickinson pointed out there will be a number of retirements in the next few years. He stated the City is focusing on

succession planning, internships, cross-training, and realignment of resources.

Mr. Dickinson reviewed personnel factors that influence the 2021 budget such as step increases, cost of living, and health insurance.

Mr. Dickinson indicated there is a 1%-2% increase proposed in the City Attorney contract. He stated the Law Enforcement budget item is projected to increase by 1.28%.

Mr. Dickinson stated the Recycling Center has seen a significant increase in usage because other Cities have closed their sites due to COVID. He explained the City has proposed to the County for the City to receive more funds from the SCORE grant.

Mr. Dickinson reviewed the membership and contribution items included in the 2021 budget, some of which come out of the General Fund and others out of the Charitable Gambling Fund.

Councilmember Bukkila asked about the Facility Maintenance Levy and asked if it is no longer needed. Mr. Dickinson stated the levy is needed to cover items at City Hall, Public Works, parks buildings, and other facilities. Councilmember Bukkila asked that the levy be reviewed to make sure that it is not more than the City needs. Mr. Dickinson stated the City will need it and he will give Council a list of items that are included based on a study that was done in 2018.

Mr. Dickinson stated the gross levy would increase by 4.08% and the tax rate increase from 35.756 to 36.14 if what is currently in the draft budget was approved.

Mr. Dickinson presented the 2020 General Fund Balance Analysis starting at \$9.3 million from the 2019 audit. He explained funds are proposed to be transferred to the Road & Bridge Fund and identified other funds and where the balance will be applied.

Mr. Dickinson stated staff will return with information about Council's questions and present progress reports on the budget at the next workshop meeting.

***OTHER BUSINESS***

There was none.

***ADJOURNMENT***

***Motion*** by Barthel, Seconded by Bukkila, to adjourn. Motion carried unanimously. The meeting adjourned at 9:53 p.m.

Respectfully submitted,

Shari Kunza, Recording Secretary