

***ANDOVER CITY COUNCIL WORKSHOP MEETING – AUGUST 22, 2023
MINUTES***

The Workshop Meeting of the Andover City Council was called to order by Mayor Bukkila, August 22, 2023, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Councilmembers present: Jamie Barthel, Ted Butler, Rick Engelhardt and Randy Nelson
(arrived at 6:30 p.m.)

Also present: City Administrator Jim Dickinson
Director of Public Works/City Engineer David Berkowitz
Natural Resources Technician, Kameron Kytonen
Parks and Street Operation Manager Jason Baumunk

DISCUSS BOULEVARD TREE REMOVAL/MAINTENANCE//22-37

The City Council is requested to discuss options for future tree removal and maintenance in the boulevards and City rights-of-way.

Parks and Streets Operation Manager Baumunk reviewed the Staff report concerning boulevard tree maintenance and removal. He discussed the processes used by the City of Champlin, including having an ordinance in place and making all property owners responsible for the trees on their own property, which Champlin implemented in 2018. He requested direction from the Council.

Director of Public Works/City Engineer Berkowitz added that it is not sustainable for the City to continue to work on these tree areas given the current staffing levels. He noted that is the responsibility of these trees staying on the City they will need to request overtime pay to get this all done.

Councilmember Barthel asked if Champlin got a lot of resident complaints when they put their new processes in place. Mr. Baumunk stated that many of the Champlin residents were surprised that the responsibility for these trees was not already on to the property owner. He explained that in Andover, before they trim any trees in any neighborhoods, they put door hangers on the resident's doors letting them know what will be happening. He stated that a lot of the calls that he gets from these door hangers are asking if the residents have to trim these trees themselves and when they are told that the City does the residents are usually shocked.

Mr. Baumunk explained that during an average winter the City is able to do about a quarter of a zone at the most. He noted that there are nine zones in the City.

City Administrator Dickinson shared that the current focus of the tree maintenance is around

safety, in intersections and road signs.

Councilmember Barthel asked if the City would still maintain these trees in emergency situations. Mr. Baumunk said yes.

Councilmember Barthel stated that he supports this.

Councilmember Engelhardt shared support for this as well.

Mayor Bukkila requested this to move forward.

Mr. Baumunk shared that this includes tree trimming and tree removal of diseased trees.

Mr. Berkowitz explained that this is going to take a lot of Staff time and energy to be able to manage this. He stated that he is not sure how they will enforce this with residents.

Mayor Bukkila noted that there will be a public education component of this which will have to start with newsletters and communications.

Mr. Berkowitz asked if Champlin made this a policy or a code. Mr. Baumunk explained that they made it an ordinance. He shared that he does have a copy of their ordinance.

Mr. Baumunk explained that they can focus on one zone a year to manage this. He stated that he would come back to the Council with an ordinance for this.

Council consensus was reached to direct staff to put the responsibility of tree maintenance and removal on the property owners.

DISCUSSION EASEMENT ENCROACHMENTS

The City Council is requested to discuss drainage and utility easement encroachments along Crosstown Boulevard.

Mr. Berkowitz presented aerial views regarding easement encroachments along Crosstown Boulevard. He requested direction from the Council on how to approach these property owners concerning removing various trees in the easement. He discussed the individual properties in question. He noted that one of the property owners had a fence installed over a storm pipe with no permit and then sold this home.

Councilmember Barthel asked if there is any recourse against the previous owner for the fence. Mr. Berkowitz said yes, it is possible.

The Council gave direction to pursue removal of the fence.

Mr. Berkowitz discussed the next property which had a bunch of new trees planted in an easement.

He shared the potential issues with the roots of these trees growing into the joints of the pipes.

Mayor Bukkila asked if the current property owner is the one who planted the trees. Mr. Berkowitz said yes.

Councilmember Engelhardt asked if the tree planting restriction is noted anywhere. Mr. Berkowitz stated that it is in handouts and new resident packets.

Councilmember Barthel stated that he is okay with the trees on the high area of a pond, but the trees that affect the flow of water need to go. Mayor Bukkila agreed.

Mayor Bukkila added that anything within the drainage and utility easement should be removed. She stated that whatever the code states should go. She noted that she is okay with the upland trees but anything to the right of the pipe should be removed.

Mr. Berkowitz asked if the Council was okay leaving the trees that are outside of the 100-year floodplain but are within the easement. Mayor Bukkila stated that if this is something that is normally found to be acceptable then she is okay with it.

Council consensus was reached to direct staff on the easement encroachments.

DISCUSS PROPOSED 2024 PLAYGROUND REPLACEMENT

The City Council is requested to discuss the proposed 2024 playground replacements.

Mr. Baumunk reviewed the Staff report regarding the proposed 2024 playground replacements and the six playgrounds that are on the schedule for replacement over the next two years. He noted that none of the playgrounds are overdue for replacement but are due to be replaced as the average lifespan of these playgrounds is approximately 15 years.

Councilmember Butler asked if they were to decide on refurbishing rather than a replacement if they would need to reach out to the neighbors in the area. Mr. Baumunk said yes and explained that when they survey the public there are often many expensive requests. He noted there are also not many people who respond to these surveys.

Mayor Bukkila asked about the plan per year moving forward. Mr. Baumunk explained that they can build two parks in certain years and three in other years which will help maintain all parks and get them on the schedule every 17 to 18 years.

Mayor Bukkila asked where the \$200,000 per year for parks would come from. Mr. Dickinson explained that it would be a levy that goes straight to the park improvement fund for replacements.

Mayor Bukkila asked if the \$200,000 is the correct amount for this. Mr. Baumunk explained that for a standard playground, the cost is anywhere from \$80,000-\$120,000 for a full replacement. He noted that full refurbishment can cost around \$50,000. Mr. Dickinson noted that the funds not

used in a certain year can be carried over to the next year.

Councilmember Butler added that this can help set the right incentives to the Parks Commission as they are thinking about these things.

Councilmember Barthel emphasized that part of having these funds be able to be rolled over to future years means that the Parks Commission can save up to buy some of the discounted equipment in the future.

Mayor Bukkila stated that she likes this and would love to hear more as this process continues.

Mr. Baumunk explained that if he were able to, he would buy all the equipment for next year's playgrounds as they are all currently discounted and available.

Councilmember Butler shared that he has heard from the community that there is not a lot of variety in the parks within the City. He suggested that when they go into a full replacement that they look at other, more creative options.

Mr. Baumunk noted that the playgrounds are categorized as small, medium, or large. He stated that there are very few small playgrounds, 32 medium playgrounds, and nine large playgrounds. He added that the square footage of the site determines how much stuff can fit in the playground.

Mr. Baumunk shared that there is a GameTime grant available right now that he would like permission to apply for. The Council gave permission to apply.

Mayor Bukkila shared that her goal with parks is to target more consistency. She stated that neighborhoods should not be treated entirely differently. She requested that the Council receive periodic reports on the progress of these parks.

Councilmember Engelhardt asked if they are getting feedback on parks that are being refurbished. Mr. Baumunk stated that they would not reach out for feedback on a refurbishing project; however, they likely would on a replacement.

Mr. Berkowitz explained that they are getting negative feedback as they are putting in structures that were smaller than before.

Mr. Dickinson gave the example of a city in the surrounding area that has a multi-million-dollar park and shared that this could be the expectations of residents when they see other communities with parks of that size. He noted that this city does have a park bond like those communities.

Councilmember Nelson requested adding the possibility of a park bond to a community survey to get the residents' feedback.

Council consensus was reached to direct staff to continue to move forward with the plan for replacement and refurbishing of the parks.

2024-2028 DRAFT CIP DISTRIBUTION/DISCUSSION

The City Council is requested to review the draft of the 2024-2028 CIP.

Mr. Dickinson presented the Staff report and reviewed the drafted 2024-2028 CIP. He requested a public hearing for the draft of the CIP in September. He added that almost all 2023 projects are already in progress.

Councilmember Nelson asked about the mitigation for the water treatment plant and if the \$1,300,000 was for an air exchange. Mr. Berkowitz said yes and explained that their consultant on this has changed and they are bouncing off a lot of different ideas at this time, so things are not going as well as they hoped. He added that they have put ventilation in the clear well which has helped in certain spaces.

Mr. Dickinson explained that the water treatment plant was built in 2003 and 2004 for around \$9,000,000, but if the same plant was built today would be around \$30,000,000.

Councilmember Nelson asked about the Red Oaks Neighborhood. Mr. Dickinson noted that this is still identified in the budget. He stated that this has moved into the CIP for next year at \$6,100,000.

Mr. Dickinson reviewed the projects in the CIP. He shared that these projects would come back to the Council for formal approval before they move forward.

Mayor Bukkila stated that she wanted to touch base with Pine Hills North building and shelter that is on the schedule for next year and asked if it will come before the Council. Mr. Baumunk stated that the preliminary sketch of the project went to the Park Commission at their last workshop. He stated that now they have feedback from the Park Commission so they can get some real quotes and sketches, it will come back to the Council as soon as they have them. He reviewed the preliminary sketch.

Mayor Bukkila asked about the all metal structure versus the wood structure. Mr. Baumunk explained that the drawing is more for decoration. He noted that now that they have a layout, they can get quotes for different materials.

Councilmember Nelson noted that when the wood gets wet it weathers and discolors. Mr. Baumunk stated that it will likely be a brick or stone material.

Mayor Bukkila stated that she would like this to be functional and require little maintenance. Councilmember Butler agreed.

Mr. Baumunk reviewed the water main improvements, including the improvements along Crosstown. He shared the proposal for running a trail from Hanson to Xeon.

Councilmember Nelson asked about the trail going over the railroad crossing and if there was

something that would stop pedestrians from going over the crossing when a train is coming. Mr. Baumunk said yes and stated that there is one on Bunker Lake Boulevard.

Mayor Bukkila asked Mr. Berkowitz to get back with the Council on a cost for a pedestrian crossing on the railroad. Mr. Berkowitz stated that he can and added that costs have increased 20-30%.

Councilmember Nelson asked if there is currently a watermain to the railroad track. Mr. Berkowitz explained that the water goes to the railroad track but not under the railroad track. He shared that they have always intended to run a loop main through here.

Mr. Dickinson shared for road and bridge funding the goal was to get the tax levy to \$2,000,000 in 2029 after the current road bonding is paid off. He noted that based on the current plan they will be able to achieve this goal. He discussed the park improvement fund and that fund's Community Center contribution progress.

Councilmember Nelson asked about how the current road and bridge levy will increase to \$2,000,000 in 2029. Mr. Dickinson explained that the levy has and will continue to increase by around \$100,000 per year, plus the current debt service levy will move to road and bridge.

Mr. Dickinson reviewed the trail fund and shared that this is the fund that is hurting the most financially. He also discussed the natural disaster recovery fund, which has \$350,000 in it. He noted that if this were beyond that amount, they would need to come to the Council to declare an emergency to ask for broader funds.

Mayor Bukkila asked about the minimum damage amount to access these funds. Mr. Dickinson explained that it depends on the region and then the State determines this.

Mr. Dickinson reviewed the water and sewer system's financial projections, both of which will have rate increases.

Councilmember Nelson asked about trail maintenance. Mr. Dickinson explained that there is a dollar amount in the levy that goes specifically for trail maintenance.

Councilmember Nelson asked if they are budgeting for new trails or just maintenance. Mr. Dickinson stated that the maintenance levy is just for maintenance, the trail fund is to fund new trails as part of the city's regional trail system, the trails fee is not enough to fund the desired projects.

Mayor Bukkila explained that the trail fee goes to specific projects approved by the Council.

Councilmember Nelson asked about raising the trail fee. Mr. Dickinson stated that the development community already cringes at the park dedication fee. He noted that there are also other commissions that want part of the current park dedication fee as well.

Mayor Bukkila noted that from a priority standpoint they are trying to stabilize what they have before they continue to expand.

Mr. Dickinson added that in 2023 they put in \$400,000 of ARPA funds into trail projects. He noted that they have transferred close to \$1,000,000 into this fund over the course of the last five to six years, Mr. Dickinson questioned if the trail requests should be pared back.

Mr. Dickinson explained that there are some trail dollars that are not being spent this year, he noted that they will start with the projects that have been prioritized by the Council.

Mr. Berkowitz added that there is enough funding to do the trail on Crosstown Boulevard all the way to the Millers Woods development.

Mayor Bukkila shared that she thinks it is important to remember that nothing in the CIP is cemented and the years can always be adjusted or a project can be removed.

Councilmember Nelson stated that he hates to see a deficit.

Mr. Dickinson explained that the CIP is planning a tool and in any given year if they do not have the money to do the project then it will not be done. He stated that if projects keep getting added to the list, then then the projection will be a deficit.

Mr. Berkowitz stated that the Crosstown trail has been in the plans for 10 years and has not been completed because there have never been funds available for it.

Mr. Dickinson noted the projects on the trail list can apply for outside grant dollars.

Mayor Bukkila added that by keeping projects on the CIP it maintains the expectations of when these projects can get done after being reviewed by the commission and Council.

Mr. Berkowitz stated that instead of the funds going towards trails they have been going towards roads, which certainly need funding.

Council consensus was reached to direct staff to move forward and schedule a public hearing for the second meeting in September.

2024 BUDGET DEVELOPMENT UPDATES

a. PREVIEW PROPOSED 2024 PRELIMINARY TAX LEVY

The City Council is requested to discuss the 2024 budget with updated and review the proposed preliminary tax levy.

Mr. Dickinson reviewed the Staff report concerning the updates to the 2024 budget since the last discussion. He stated that they will be following the guidelines that have been established, having to do with the tax capacity rate, general fund fund balance, debt levy, capital equipment

replacement, financial models, the strategic plan, and the overall management philosophy. He discussed prioritizing retaining staff. He noted that they have hired a full-time assistant Fire Chief and expanding the duty crew model for the Fire Department. He stated that if they cannot make things work with the Fire Department duty crew staff, they may need to look at more full-time staffing, which he is not ready to commit to yet as they cannot afford this in the budget. He shared that he has looked at committing to some additional administrative support to the Fire Department.

Councilmember Butler asked if there is enough incentive for people to want to be on the duty crew. Mr. Dickinson explained that they are currently looking at some modifications to this. He added that they have a weekend duty crew; however, pay is an issue on the weekends. He stated that they do not have as much of an issue filling the shifts during the week. He shared that they have discussed cutting back the duty crew hours during the week as well.

Mr. Dickinson discussed the requested contribution from the relief association for funds from the City. He noted that they do get 2% of the money that comes from insurance premiums via the State.

Councilmember Nelson asked what the relief association was asking for from the City. Mr. Dickinson shared that they are requesting \$1,000 per current firefighter, \$39,000.

Mayor Bukkila clarified that the \$1,000 goes into an investment fund so that when the firefighter is vested and retires they can request this cash out for their years of service. She explained that the basis was originally to take an empty fund and build it quicker at the beginning of the Fire Department origination. She stated that now the City has grown and the fund is healthy. She stated the question is if the request is still justified and can it be justified to taxpayers to add to the fund that is already getting a large contribution.

Mr. Dickinson explained that the call volumes for the Fire Departments have gone up. He noted that talking about ambulance service issues will be coming up during the next legislative session.

Mayor Bukkila suggested putting ambulance services on as a discussion during a workshop meeting to discuss system wide impacts.

Councilmember Butler asked about the grant that had been previously discussed to pursue additional full-time positions. Mr. Dickinson stated that they looked at this grant and looked into applying for the grant. He explained that in order to get the grant they would need to meet a required federal standard and the City would need to bring on nine more firefighters to meet the standard, taking that over in three years is currently not attainable under current budget constraints.

Councilmember Nelson added that after the three-year grant, the City would have to pay fully for the new firefighters.

Mr. Dickinson noted that they are currently pursuing training and equipment grants. He continued his presentation by discussing personnel items, including the market study which will be discussed at the next meeting. He added that there has been a tentative agreement with the Public Works

union that will be going to member vote in September. He discussed employee health insurance, which will likely have an increase. He reviewed the contractual departments and contracts up for renewal. He noted that some time will need to be spent discussing the Law Enforcement contract. He stated that they did approve the contract at the last Council meeting; however, they are not looking to sign that contract at this point. He explained that there have been a lot of questions about school resource officers and the new law concerning the school resource officers. He explained that this is putting the Sheriff's deputy at risk. He stated that he expects to have a letter tomorrow that will say that the County will not put an officer in the school based on the current law.

Mayor Bukkila asked if they have received anything from the school district concerning this. Mr. Dickinson said not at this time.

Mr. Dickinson explained that the effects of the new law limit the use of force towards pupils in situations where it is necessary to prevent bodily harm or death and prohibits the use of restraint compressive constraint; however, if the call is an officer that is not under contract with the school, then they do not have to follow the same law. He added that this applies anytime police services are contracted with the school district.

Councilmember Nelson noted that there is no use for a school resource officer if they are not allowed to do anything. Mr. Dickinson stated that there is still plenty that the officer can do; however, this increases the risk of the situation. He explained that these officers will function as they are trained and if they cannot function as trained, it puts the officer in an extremely liable position. He stated that the cities will not be going down this path.

Councilmember Nelson asked who implemented this. Mr. Dickinson said it was the State legislature. He stated that the only way this can be changed is through a law change, possibly a special session.

Councilmember Barthel asked if there is a timeline on the proposal from the Sheriff's office where the number is no longer in effect. He asked if they removed the school resource officer from the contract if this would change the proposal amount. Mr. Dickinson suggested changing some verbiage in the contract that indicates that in the event that a school resource officer is not available, the City will receive credit back or will not be invoiced for.

Mr. Dickinson explained that they are currently under contract with the Sheriff's office for the school resource officers. He noted that if they do not go into the schools, they are discussing how they will temporarily reassign them.

Mayor Bukkila stated that they do not have a contract with the school to provide this service for the coming school year. She added that this would need to be brought before the Council for approval or denial before they enter into a contract with the school district.

Mr. Dickinson shared that they will be looking at modifying how they would use the school resource officer. He stated that they currently use the school resource officer in the summer months

and for all city compliance tests. He added that this officer time could also be utilized at the Community Center. He stated that they may get some credit back for this. He explained that for next year he would not look at taking this off the budget as this could be fixed in the meantime.

Councilmember Nelson asked if there is an officer in the middle and high school. Mr. Dickinson said yes.

Mr. Dickinson suggested leaving the budget for next year as is, as things could change.

Councilmember Barthel asked if they should move forward and sign the contract. Mr. Dickinson stated that he will add in language that ensures that they are not committing to anything with the school. He noted that the school has yet to give the City a contract proposal.

Mayor Bukkila asked if the contract that was voted on is on standby and if they are looking to amend the contract for approval. Mr. Dickinson said yes.

Councilmember Nelson asked if the schools typically wait this late to send their contracts. Mr. Dickinson shared that staff has been asking the school for this and that they usually receive it by the beginning of July. Mr. Dickinson stated that from a risk management perspective, this is not a position he wants to put the City in as they could get sued.

Mr. Dickinson continued his review by discussing capital projects, including increases in the road and bridge levy, the trail maintenance fund, and the park improvement fund. He reviewed the market value chart. He stated that they ended last year with a fund balance of \$9,900,000 and what they would be setting aside for next year which would leave \$512,469 available for adjustment. He requested that \$200,000 of this go towards the central equipment fund, leaving over \$300,000 still available.

Mayor Bukkila asked if the available funds could buy down the levy. Mr. Dickinson stated that they are already buying down the levy by \$680,000.

Councilmember Barthel asked if they are required to have 45% of their expenditures in the fund balance. Mr. Dickinson explained that the auditor suggests 50%; however, there is no specific regulation. He stated that they are following the 50% suggestion that the auditor has.

Councilmember Barthel shared that he was asking because they will be spending money for the Red Oaks neighborhood next year that will be reimbursed but asked if they will need to increase their fund balance to make up for these expenditures. Mr. Dickinson said not as that is done through a capital fund.

Mr. Dickinson stated that they do not need to decide on that right away. He noted that if they wanted to go to 45% it would make \$750,000 more dollars available.

Mayor Bukkila asked about the percentage of the snow emergency and public safety facility managements. Mr. Dickinson stated that it is targeted at 3% of the operating budget.

Mayor Bukkila asked if even though these are designated per department they could be used collectively on an event. Mr. Dickinson said yes.

Mr. Dickinson reviewed the levy. He noted that the park's repair and replacement items have all been set aside and will go into a separate fund. He stated that the gross levy is \$18,000,000 which is a 6% gross levy increase. He noted that the fiscal disparities numbers did not come back as well as they had thought, and they will only be getting \$1,700,000 back. He explained that this will result in a 3.5% tax capacity rate increase.

Councilmember Nelson asked how much this will affect each homeowner. Mr. Dickinson stated that it will vary by home values.

Mayor Bukkila asked if the Council is comfortable with this as the worst-case scenario. The Council was comfortable with this.

Mr. Dickinson stated that he will still bring items back to Council, including the market rate adjustment changes, working through the school resource officer items, and some minor changes to the CIP to accommodate some of the changes discussed. He added that there is some public safety aid that will be coming in the future. He stated that these are not recognized in the budget as they are only a one-time use fund and they will be budgeted as they are used.

OTHER TOPICS

None.

ADJOURNMENT

Motion by Barthel, Seconded by Nelson, to adjourn. Motion carried unanimously. The workshop meeting adjourned at 7:54 p.m.

Respectfully submitted,

Ava Rokosz, Recording Secretary