

**ANDOVER CITY COUNCIL WORKSHOP MEETING – SEPTEMBER 25, 2018  
MINUTES**

The Workshop Meeting of the Andover City Council was called to order by Mayor Julie Trude, September 25, 2018, 5:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Councilmembers present: Mike Knight, Sheri Bukkila, Valerie Holthus (arrived at 6:50 p.m.) and James Goodrich

Councilmember absent: None

Also present: City Administrator, Jim Dickinson  
Community Development Director, Joe Janish  
Director of Public Works/City Engineer, David Berkowitz  
City Finance Manager, Lee Brezinka  
Others

***COMMUNITY BUS TOUR (5:00 p.m. – 7:00 p.m.)***

The City Council toured the City with staff and discussed the following:

- Toured The Preserve at Petersen Farms, reviewed site where roadway and utilities will go in and what trees would be preserved.
- Toured Fox Meadows Park and viewed new soccer fields.
- Drove by a property that the City is working with to clean up. Possible nuisance abatement request to Council in October.
- Toured road construction projects by Crooked Lake.
- Toured road conditions on Goldenrod Street.
- Toured Prairie Knoll Park and discussed parking issues.
- Toured City Campus property where the new Public Works Maintenance Facility will be built.
- Toured Tower Drive and the potential Community Center Expansion area.

The City Council arrived back at City Hall at 6:45 p.m. and convened the Workshop Meeting

Councilmember Holthus arrived at 6:50 p.m.

***UPDATE/CITY CAMPUS MASTER PLAN PROJECTS/PUBLIC WORKS MAINTENANCE***

Mr. Berkowitz updated the Council on the Campus Master Plan Project and introduced Mr. Andrew Cooper with Oertel Architects and Mr. Brad Barickman with RJM Construction that

were at the meeting to update the Council on the design and current cost estimates. He noted at this time the project could be done with the wash bay for the projected budget of 10.8 million.

Mr. Brian Recker with RJM Construction was also at the meeting.

Mr. Cooper made a presentation to the Council.

Mr. John Wallace, Public Works Vehicle Maintenance Supervisor was at the meeting to answer any Council questions.

Councilmember Knight asked if the wash bay was not installed when the building is constructed what will the Public Works do for washing the City vehicles. Mr. Berkowitz stated they will be hand washed like they do now but the underbody will not be washed. He noted they need to wash the underbody of the vehicles in order to keep rust off them which will allow longer use of the vehicles.

Mr. Cooper noted with the proposed wash bay there will be an automated undercarriage wash. This would reduce the amount of staff time in washing the trucks.

Councilmember Knight asked what happens to the waste water. Mr. Cooper stated the waste water will go into the sanitary sewer service and goes through an entire code-based design to remove chemicals and other dangerous substances before the water goes into the sewer system.

Councilmember Trude stated because the cold storage building will be placed by the roadway it seems to be a budget buster and will need to look nice. She wondered if it would be more economical to have trees and fencing and put the building back and use some materials that look great at the curb. Mr. Cooper did not think this building was a budget buster with the size of it. It is a large building and costs a lot for the shell work. Just the size of the building is causing it to be more expensive. In general, the maintenance building as a whole is fairly complicated, in terms of systems and design just because of the way it operates. There are a lot of mechanical and electrical systems going into it. The building is the price it is at, but he thought maybe initially the site work was going to be a little less involved, but it has become more involved. They are doing quite a bit of stormwater retention to the north of Veterans Memorial Boulevard which is a large component of the site work.

Mr. Berkowitz noted the City is within their wellhead protection area, there are additional requirements and they also have a fuel island that has additional requirements as well which adds to the cost. He stated in regard to the structure itself, they are working through value engineering now with RJM Construction and Oertel Architects to lessen costs on tip up panels, this could save a few hundred thousand dollars. He noted it will still be an attractive looking panel but not as expensive.

Councilmember Holthus asked if it will look as nice as what is in the plans now. Mr. Berkowitz stated it would be the same look and color.

Councilmember Holthus asked if that will be a lesser quality to the point where it is going to look cheap. Mr. Cooper indicated it would not. They are still looking at something that will need to serve the City in the long term. He noted they are looking at a wall system that will take abuse from the elements.

Mr. Dickinson stated it was ruled out pretty early on that the City was not going to a post beam construction type of building. That is not an option. The City does not allow commercial buildings to be built that way in the community, so they will be matching what the City requires the commercial industry to do.

Mr. Cooper continued with his presentation on the cold storage building.

Mayor Trude asked what else the Council needs to know about this project. Mr. Dickinson stated staff would like to talk about the budget with the Council. They have 9.8 million available and the project estimates are coming in at 10.8 million. Mayor Trude stated a few years ago they talked about putting five million into the Community Center and five million into Public Works and now they are possibly spending ten million on both.

Mr. Dickinson stated a few things they are running into is the site is lending itself to some higher quality than being able to bury a simple post beam building within a site which may have been envisioned a number of years ago. Veterans Memorial Boulevard will be done as a State Aid project and opening the site up to be a feature site will require additional landscaping to it. As far as the building he thought they needed to look at it. The maintenance garage, staff is looking at minimum functionality for long term. That maintenance building is priority one. Priority two is the cold storage building and priority three is the wash bay. The new fuel pumps are also a main priority and should be considered as part of the maintenance facility. The pumps need to get out of that front and center location where they are at now. He thought they were also hitting a construction marketplace that is a little high. What he sees is a marketplace where the contractors versus what they dealt with five to six years ago when they were looking at costs and how to keep their business going, the demand in the marketplace for construction is really up there right now. The commercial sector has taken off which is good for the economy, but it is driving up costs. He believed the longer they wait the more it will cost for all projects. He still thought they needed to package the entire components and hopefully on bid day the costs will come in lower.

Mr. Barickman stated the cost of materials has consistently been going up for the last ten years. The market is busier now than it has ever been. He thought the team has done a really good job on trying to reduce costs in certain areas. The biggest component on a project like this is the enclosure. They looked at four or five different enclosure options, mostly from an aesthetic standpoint and not necessarily structurally or performance wise. They have done a really good job of trying to reduce costs in that area. He stated the complex project is what is driving the cost and the size of the site is also driving the cost.

Mayor Trude asked if they were trying to compact it too much. Mr. Barickman stated they are

touching a lot of the surface area on the site.

Councilmember Knight asked what the life of the building is. Mr. Berkowitz indicated it was fifty or more years. Mr. Cooper stated the design with the precast wall panels have a high level of insulation in them. They have a steel structure with a high level of insulation on it, so they have an energy efficient long living building that has more energy saving costs. He stated they are looking at a minimum of thirty years for the building and realistically these buildings last longer than that. He stated this is a multi-phase approach. They are looking at the main facility lasting that long and maybe in ten to fifteen years if necessary, that second phase happens and would be another thirty to fifty-year building. Nothing is trying to be done just to get space built on the cheap because then the City is stuck paying for something sooner than anticipated.

Mayor Trude stated they have not talked about the repair garage very much, but it was the driving force to relocate the building. She asked if the project managers worked closely with staff to get through check list items and organize the work space in an efficient way. Mr. Berkowitz stated they had discussions with Mr. Wallace to design the space.

Mr. Wallace stated they have been actively involved with the team on how high things have to be and to construct a safe work environment.

Mr. Berkowitz stated as far as priority, Mr. Dickinson mentioned about the vehicle maintenance center being priority one, cold storage is priority two and the wash bay as being priority three. He sat down with Mr. Wallace and the other supervisors at Public Works and talked through that in detail about what they feel is the most important and cold storage did come before the wash bay but Mr. Wallace and himself were really pushing for the wash bay but the cold storage was priority one to get a lot of the tools and equipment they have from being stored outside to stored inside. He stated they want to emphasize the importance of the wash bay for the longevity of the vehicles.

Mayor Trude thought the City could go longer term on the bond payment plan if it would be cheaper to include everything now than construct later. Mr. Dickinson stated the City is looking at taking out 25-year bonds for the project. Mayor Trude wondered if they could extend the bond life so they can get the wash bay in at the same time and the City would not be waiting for another bond cycle and costs doubling. Mr. Dickinson stated staff will look at this from the approach that they can extend the years. There was talk about potentially bonding earlier in the year but with some of the unknowns of the project sizing, so they may be looking at bonds next year instead. If there is another project the City would do a separate type of bond issuance and may be able to consolidate them together. He stated the other thing is staff is challenged to find other ways to pay for this. They have a levy component and can look at other components that could probably provide for the debt payment. He noted they are already using State Aid dollars for the road work. They are utilizing existing dollars to take care of cleaning the site. This is a multi-faceted approach to deliver an end product. His question is do they deliver the right product at the most cost-effective time of building it all at one time or do they look at this point to say they should truncate a component and not put themselves through that challenge to try and produce that product. From a staff perspective, Administration, given the challenge they will try

to find a way to make the project as a whole happen.

Councilmember Holthus asked what if they are not able to do it, what does that mean. Mr. Dickinson stated staff will have to recommend that a component will need to be done. He believed if they hit the market at the right time they will see some financial benefit.

Mr. Barickman stated they are confident in the numbers they have. He stated they have multiple numbers in all of the categories and there are contingencies in the plan right now. They have design contingencies on the number as the design evolves there are details that are unknown when they are pricing it right now to become clearer. The thought is that contingency covers any ups and downs that they might see. He noted there is a 4% contingency in the design.

Councilmember Holthus asked if staff is looking at certain revenue sources and thinking that if some of those do not pan out or is staff thinking the cost of the structure is going to be too much.

Mr. Dickinson stated if they are at more than a million dollars off at bid day, then a component should be cut. If they are less than a million dollars short on bid day, then he thought they should find a way to get the project done.

Mr. Dickinson stated as staff starts to bid this out they can always reduce their bond sale. He stated they have the ability to manipulate that, so trying to hit the bond market at the right time is also necessary. Mayor Trude thought staff was on the right path.

Mr. Berkowitz reviewed the schedule of the project with the Council.

Mayor Trude asked once the maintenance building project is finished could Public Works use the existing Public Works building for storage and to free up some space in the bone yard. Mr. Berkowitz stated that is correct. He stated the current vehicle maintenance facility will become the parks area with the ability to store more equipment in there and be more efficient.

Councilmember Knight asked how this is going to be handled publicly. Mr. Berkowitz indicated there was already an open house on this project and had some good feedback on the way they are presenting the Veterans Memorial Boulevard corner. He stated staff focused on the look of the building to make sure it was aesthetically pleasing, and they also looked at berm and landscaping. He thought once this is done the corner at Veterans Memorial Boulevard will be a nice attractive corner for people to see. Mayor Trude stated all the public feedback was positive both at Fun Fest and the open house.

Mr. Berkowitz noted there will be a trail on the south side of Veterans Memorial Boulevard from Nightingale Street to Tower Drive.

Mayor Trude thought the Council was in favor of moving forward with this project and did not hear any reluctance from the Councilmembers to not go ahead with that plan as a whole. She thought the Council would like to see the entire project happen.

The Council concurred.

Mr. Berkowitz stated they will bid this the same way with alternates. The Council agreed.

Mr. Dickinson stated there is a Master Plan meeting on October 9<sup>th</sup> to go over the project estimates on the potential Community Center expansion, which by then staff will have all of the components put into it. Part of that will be multipurpose, parking around the building, gymnasium/fieldhouse expansion, meeting room space, senior/teen space and some office space. That is what they are looking at on the City side. He stated the YMCA was meeting on their side and talking about doing some design work. He reviewed a few possibilities the YMCA is looking to do.

### ***2019-2023 “DRAFT” CIP REVIEW/DISCUSSION***

Mr. Dickinson reviewed the 2019-2023 CIP with the Council. He noted Administration/Finance has been working with department heads to prepare a draft 2019-2023 CIP.

Councilmember Holthus asked under facility maintenance, if all of the replacement items listed for their existing facilities were really necessary because they are building the new public works building. Mr. Dickinson stated some will be because some of those buildings will be remaining for a number of years.

Councilmember Bukkila thought the City went digital on the water meters so why are there still people walking the yards. Mr. Berkowitz stated the City went digital with commercial properties. Mr. Dickinson stated the water meter replacement project is proposed by the Utility Department and based on the cost to reading the meters it is hard to spend 1.2 million when they pay \$30,000 a year for meter reading. It would be about convenience.

Councilmember Holthus asked if all of the water expenses listed are paid for by the residents. Mr. Dickinson stated all of the users on City water are paying for these expenses.

Mayor Trude thought the City should have some sort of hydrant access fee for the residents who have well water but benefit from being close to City hydrants. People would pay for the maintenance of the hydrants and pipes running to them. Mr. Dickinson stated it would need to be something like the storm water utility fee.

Mr. Berkowitz wondered if there would be a process for a hydrant fee because they had to go through a process for the storm water utility fee. Mr. Dickinson stated it would have to be set on the fee schedule and determine a benefit area. He noted the fee cannot exceed the benefit. He stated staff will look into this if the Council wants further information.

Councilmember Holthus stated on page 25, where are the security camera's listed. Mr. Dickinson stated those are security camera on the Community Center roof. Councilmember

Holthus asked if it was working. Mr. Dickinson stated the break-ins are less in the parking lots.

Councilmember Holthus stated the tunnel under Crosstown Boulevard on page 97, 2022 is the date for construction. Mayor Trude stated that was part of the discussion they had with the round-about by Nightingale Street.

Councilmember Holthus stated on page 123, she wondered what the \$10,000 for a training tool for the Fire Department was. Mr. Dickinson stated it is a safe mobile training tool.

Councilmember Holthus stated on page 155, projected commitments, a six-foot bituminous trail and boardwalk along Crosstown Boulevard for \$680,000, is it still that cost. Mr. Dickinson stated it is. Mr. Berkowitz stated that is the total project cost. He reviewed the cost with the Council.

Mr. Dickinson stated in regard to the Trail Fund, the City is funded for trail projects through 2019 but not beyond.

Mayor Trude stated she wants something to be done with the north parking lot at Prairie Knoll Park to help people know where to park. Councilmember Holthus asked if they can allow parking on the west side of Prairie Road only so the kids are not running across the road. Mr. Dickinson did not think there was any no parking posted on Prairie Road. Mr. Berkowitz stated it is only posted on the corners. They proposed no parking on the east side of Prairie Road, but it was not accepted, and they were directed to work with football to get their games spaced out.

Mayor Trude stated the issue is with the number of fans going to watch the kids play football and everyone drives.

Mr. Dickinson asked what the previous bid was to pave the north parking lot at Prairie Knoll Park. Mr. Berkowitz thought it was around \$120,000 at the time but would probably be around \$150,000 now. Mayor Trude stated she talked to football association people if they thought their charitable gaming would contribute something and they felt that would be something they would support, some contribution to that. She stated they still have the issue of a trail connecting that lot to the east field where the major games happen.

Mr. Dickinson asked if staff should pipe and chain the north parking lot which would show people where they can park and open up the center isle for parking. He asked if this was an item staff should add back in the CIP. Mayor Trude stated she wants to have the north lot added back in to the CIP in the next couple of years. She thought there would be a possible partnership with the Football Association to get the parking lot paved.

The Council and staff discussed the Park and Recreation Commission budget.

Mr. Dickinson stated for 2019 staff is proposing a rate increase and 4% increase in connection fee for the Water Utility Fund. Sanitary sewer has a zero percent increase and Storm Sewer is

being proposed to increase 5%.

***2019 SPECIAL REVENUE, DEBT SERVICE, CAPITAL PROJECTS, ENTERPRISE & INTERNAL SERVICE FUNDS BUDGET DISTRIBUTION & DISCUSSION***

Mr. Dickinson explained the Council has had a number of reviews of the 2019 Proposed General Fund Budget that will be supported by the 2019 Tax Levy.

Mr. Dickinson reviewed the fund balances with the Council.

Councilmember Holthus asked if one fund is healthy and there is carryover, can that carryover be transferred to another fund that needs more revenue. Mr. Dickinson stated you can do it. The revenues that went into that fund were generated for that specific purpose and he would recommend that Special Revenue Fund balances remain.

Mr. Dickinson stated at the end of 2018 the Charitable Gambling Fund is estimated to have \$68,000 in the fund. He anticipated seeing close to \$60,000 in revenue added to the fund in 2019.

Councilmember Bukkila thought rather than having the City join in with the Fire Department for a donation they could take a portion of their Charitable Gambling Fund monies and donate it directly to the Hope 4 Youth program. Mayor Trude stated the City has other groups they support and thought it could be added to that list.

Mr. Dickinson reviewed the City contributions they provide to the different organizations.

Councilmember Bukkila thought they could allocate \$1,000 to that program. The Council concurred.

Councilmember Holthus stated she would really like to see something for the under 18 youth homeless in the community. She would like to see a place for them to sleep.

Councilmember Knight thought they should consider raising the tobacco buy age to 21. Mayor Trude thought they could discuss this at the next workshop meeting. Mr. Dickinson stated the City would need to change their City Code to raise the age. Mayor Trude stated they would need to look at the pros and cons for this and why a City would do this because these types of things are usually regulated at the State level. Councilmember Bukkila stated it is hard to regulate. Mr. Dickinson stated he would get some information and bring back for Council discussion. Mayor Trude stated she did not detect there is interest in changing the City Code for that.

Mr. Dickinson reviewed the Debt Service Fund and Capital Project Fund. He also reviewed park dedication funds with the Council.

***2018 BUDGET PROGRESS REPORTS***

Mr. Dickinson reviewed the 2018 budget progress with the Council.

***2018 CITY INVESTMENTS REVIEW***

Mr. Dickinson reviewed City investments with the Council.

***OTHER TOPICS***

There was none.

***ADJOURNMENT***

***Motion*** by Goodrich, Seconded by Bukkila, to adjourn. Motion carried unanimously. The meeting adjourned at 9:00 p.m.

Respectfully Submitted,

Sue Osbeck, Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*