

**CITY COUNCIL MEETING
CITY OF FRIDLEY
FEBRUARY 8, 2016**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:03 p.m.

ROLL CALL:

MEMBERS PRESENT: Mayor Lund
Councilmember Barnette
Councilmember Saefke
Councilmember Varichak
Councilmember Bolkcom

OTHERS PRESENT: Wally Wysopal, City Manager
Darcy Erickson, City Attorney
Scott Hickok, Community Development Director
Paul Bolin, Assistant Executive Director, HRA
Julie Jones, Planning Manager
Kay Qualley, Environmental Planner
Rick Nelson, 4624 – 2 ½ Street N.E.
Pam Reynolds, 1241 Norton Avenue N.E.
Gordon Backlund, 5805 Arthur Street N.E.
Stephen Eggert, 1090 Hathaway lane
Dan McConnell, Minneapolis Building Trades Council
Roger Stene, 870 Pandora Drive N.E.

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

City Council Meeting of January 25, 2016.

Councilmember Saefke noted the following corrections:

Page 8 - Ms. Qualley stated landscaping this section would be nice for the thousands of tourists who pass ~~this into~~ **through** the Fridley community as part of the National Park Service. Fridley residents would also enjoy the trail.

Page 13 - Option 1 is to pay within 30 days. Option 2 would ~~be to it added~~ **add it** to your property taxes and pay it over 10 years.

APPROVED AS AMENDED.

NEW BUSINESS:

- 1. Resolution Requesting Municipal State Aid System Construction Funds for Other Local Use.**

ADOPTED RESOLUTION NO. 2016-11.

- 2. Approve Metropolitan Council Clean Water Fund Grant Agreement No. SG-0422**

APPROVED.

- 3. Approve 2016 Agreement for Residential Recycling Program between the City of Fridley and County of Anoka**

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

- 4. Appointment (City Employees)**

APPROVED APPOINTMENT.

- 5. Claims (171317-171517).**

APPROVED.

- 6. License.**

APPROVED THE LICENSE AS SUBMITTED AND AS ON FILE.

APPROVAL OF CONSENT AGENDA:

MOTION by Councilmember Barnette to approve the proposed Consent Agenda with the removal of Item No. 3. Seconded by Councilmember Varichak.

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

OPEN FORUM:

Roger Stene, 870 Pandora Drive, brought a concern of police brutality to the Council. He had reported his daughter missing and called 911 to let police know she came home. The police came and broke his front door and handcuffed him. The ambulance took his daughter to Unity when he had asked them to take her to Abbott. He did not feel that the way his family was treated was right and wanted to bring this to the attention of Council. Police should be a little more considerate.

Mayor Lund replied that he was sorry Mr. Stene had experienced this. Council will take his comments under advisement and discuss this matter with the police. Council will have a response to this concern at a future date.

ADOPTION OF THE AGENDA:

MOTION by Councilmember Bolkcom to adopt the agenda with the addition of Item No. 3. Seconded by Councilmember Saefke.

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

PUBLIC HEARING:

7. Consider Amending Ordinance Nos. 1095 and 1315 to Allow the Fridley Housing and Redevelopment Authority to Exempt their Proposed Commercial Revolving Loan Program From the Prevailing Wage Requirements (Continued January 25, 2016)

MOTION by Councilmember Bolkcom to re-open the public hearing. Seconded by Councilmember Saefke.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING RE-OPENED AT 7:13 P.M.

Paul Bolin, HRA Assistant Executive Director, stated that the HRA is seeking an exception to the prevailing wage ordinance for a new commercial loan program. This is consistent with Federal SBA and MN DEED MIF; not seeking a repeal of the prevailing wage ordinance. At the January 25 City Council meeting a public hearing was continued and new language proposed. “Any commercial loan program adopted by the Housing and Redevelopment Authority *provided a loan does not exceed \$150,000.*”

Mr. Bolin said that the HRA met on February 4 and reviewed the program and policies and Council’s recommended language. “The HRA’s prevailing wage Resolution No. 13-1997 shall not be applicable, *provided a loan does not exceed \$150,000.*” The loan program, policy and guidelines and Council’s suggested language was unanimously approved. Staff recommends, after closing the public hearing, holding the first reading of the amendment to Ordinance Nos. 1095 and 1315. The proposed loan program provides long-term benefits through increasing property values, retaining existing jobs, creating new jobs, and improving the appearance of the City’s commercial and industrial properties.

Dan McConnell, Minneapolis Building Trades Council, said he appreciated Council looking at this in a thoughtful manner. He does not like the idea of increasing the threshold, but the request is acceptable at this point.

Mayor Lund noted that protecting the prevailing wage is a practice of the City and this Council and it is not the intention to change the City ordinances. He understands Mr. McConnell’s

concern but the HRA is trying to reach out to the business community to see what can be done to help small businesses.

Mr. McConnell said he is aware the City is looking to build a new City Hall and with building larger projects he hopes prevailing wage will not be an issue.

Mayor Lund replied that Council has no intention of removing the prevailing wage for sizable projects.

Rick Nelson, 4624 - 2 ½ Street, said he appreciated what was said, but has concerns about the prevailing wage waiver. This is something that needs to be looked at closer to reassure that if new a building gets built people will monitor to make sure what you said holds true. He understands the need for this funding but believes the prevailing wage should stay in place.

Pam Reynolds, 1241 Norton Avenue, noted that the language has been changed so it reads as if these loans are only those secured from the HRA. On January 25, the presentation said they could be the 3rd or 4th lender on some of these loans. US Bank could loan a business \$1M and because of the \$150,000 HRA loan, no prevailing wage would be granted on a very large contract. She asked if the entire loan could be exempt from prevailing wage.

Mr. Bolin replied that there will always be other lending partners. This is to fill the gap which is why the Authority is asking for this exemption. US Bank does not have prevailing wage either. With larger projects, the HRA loan could potentially be the one that would cause the entire project to pay prevailing wage, which means local businesses would not borrow money from the HRA.

Ms. Reynolds asked if the work that was done could be in excess of \$150,000.

Mr. Bolin replied the maximum HRA loan is \$150,000 and the HRA could be one of other partners in these projects.

Mayor Lund added the project could have a greater scope or size of total funding but the HRA would only provide gap funding of \$150,000 max.

Ms. Reynolds said she thought Council should hold tight on the prevailing wage. If a business in Fridley needs to upgrade, there is no reason the prevailing wage should not be in place so the work that is done meets code and licensed contractors are doing the work. She asked if codes and licensed contractors were thrown aside because the businesses are taking out a HRA loan.

Mayor Lund replied contractors and businesses would still have to meet code and get the appropriate permits. This is a viable program and if the prevailing wage exemption does not go through it will make this program not work for businesses that may use it.

Steve Eggert, 1090 Hathaway Lane, stated he has done research on this and is involved in this request as a Commissioner of the HRA. Banks focus on bigger business and we can pull

together resources so small business can do the project. We are here to reach out to businesses and try to work with issues they face in growing their business, adding jobs and being profitable. The prevailing wage was adopted by the City in 1997 and at that time we exempted residential remodel loans. Currently you can get a loan from the HRA for improving your home in the City of Fridley. This is a similar attempt to reach out to Fridley businesses to develop a relationship with them and help them thrive into the future. This program is offered in other communities and the prevailing wage is waived as well. The City of Fridley doesn't want to hold something that isn't happening in other areas.

Gordon Backlund, 5805 Arthur Street, said he is also a Commissioner on the HRA and the Authority has been discussing this issue for several months. This program is intended to help businesses improve their operations within the city and provide a mechanism for them to create jobs and be more efficient in their business. It is possible these loans could be used with other funding to complete larger projects, although that was not the intent of this program. He would want to save the prevailing wage in those occurrences. The goal of this loan program is to allow small businesses to buy equipment, improve their store front, improve efficiencies and add people to the workforce. The question to reflect upon is this good for Fridley and its residents/businesses and does it protect the organized labor force? He believes it does.

Councilmember Barnette said he thought the HRA came up with a compromise that is acceptable to him. The prevailing wage will apply to larger projects. He was on the Council when this was adopted in 1997 and is a strong supporter of the union as they provide projects by talented workers.

Mayor Lund asked what this financing was for.

Mr. Bolin replied that it is strictly for fixed assets, not for operating capital.

Mayor Lund said he recalled a conversation he had with a business owner of a small machine shop in Fridley that could not get a loan for a sophisticated piece of equipment. This business could have benefitted from this type of program. There are some benefits for this program and he applauds the HRA for looking into it. He understands the concern about prevailing wage and the City plans to keep the integrity of that program.

MOTION by Councilmember Bolkcom to close the public hearing. Seconded by Councilmember Barnette.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING CLOSED AT 7:42 P.M.

OLD BUSINESS:

8. First Reading of an Ordinance of the City of Fridley, Minnesota, Amending City Ordinance Nos. 1095 and 1315, the Prevailing Hours of Labor and Prevailing Wage Rate on Certain Projects for or with the City (Continued January 25, 2016)

MOTION by Councilmember Saefke to approve the First Reading of an Ordinance of the City of Fridley, Minnesota, Amending City Ordinance Nos. 1095 and 1315, the Prevailing Hours of Labor and Prevailing Wage Rate on Certain Projects for or with the City. Seconded by Councilmember Bolkcom.

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

3. Approve 2016 Agreement for Residential Recycling Program between the City of Fridley and County of Anoka.

Councilmember Bolkcom asked what LRDG meant.

Wally Wysopal, City Manager, answered Local Recycling Development Grant.

Councilmember Bolkcom asked with respect to #3, does this City have this now.

Kay Qualley, Environmental Planner, replied that the City of Coon Rapids has a full service drop-off center. Fridley does not have that option because we do not have the infrastructure and lot for those types of services. The City of Coon Rapids runs the recycling center from 9 a.m. to 3 p.m. Saturday and are also open during the week.

Councilmember Bolkcom asked what the textiles were as mentioned in No. 4 on page 81.

Ms. Qualley replied clothing--clean, dry clothing not suitable for charities. She said they do not collect textiles at Fridley's drop-off because it is hard to determine if the clothing is eligible.

Councilmember Bolkcom asked on page 82, #5 if Ms. Qualley was the representative who attended the meetings.

Ms. Qualley answered yes; she is the representative at this time.

Councilmember Bolkcom asked in (b) (ii) on page 82, regarding organics, would that be something for the City to pursue at some point.

Ms. Qualley replied that is the direction the State is heading, and funding could go up consistently to try to get cities to do pilot programs. Opportunities for Fridley could include Pumpkin Night and Fridley '49er Days.

Councilmember Bolkcom asked what SWMCB was.

Ms. Qualley answered Solid Waste Management Community Board.

Councilmember Bolkcom asked if Fridley encouraged businesses to recycle and why the County will not reimburse businesses to recycle.

Ms. Qualley replied the SCORE program is for promoting residential abatement. Businesses are mandated to recycle in three categories and Anoka County has a business recycle manager on staff which is why they chose to go that direction with business recycling.

Councilmember Bolkcom noted that page 78 recommends, if approved, only a July drop-off recycle event for Fridley; why not pursue other events?

Ms. Qualley replied July was added and is above and beyond other events to encourage recycling during dead summer months. It is an extremely successful event.

Councilmember Bolkcom asked with respect to the attachment for funding request on page 88, why doesn't Fridley do monthly events.

Ms. Qualley replied there are monthly and quarterly events. Fridley cannot have monthly service drop-off events because January, February and March are not as successful for a drop-off. The City could hire a private company and have monthly off-site drop-off events.

Councilmember Bolkcom asked if Fridley should do a test pilot with organics.

Ms. Qualley replied some of Fridley's licensed recycling vendors have not developed the sophisticated collection method needed for organics. More discussion needs to happen on how to collect and other details would need to be worked out.

MOTION by Councilmember Bolkcom to approve the Approve 2016 Agreement for Residential Recycling Program between the City of Fridley and the County of Anoka. Seconded by Councilmember Saefke.

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

NEW BUSINESS:

9. First Reading of an Ordinance Amending Chapter 6 of the Fridley City Charter Entitled "Administration of City Affairs."

Deb Skogen, City Clerk, stated the Fridley Home Rule Charter is the fundamental law defining the powers the citizens agree to give the City. The Charter Commission reviewed Chapter 6 of the Fridley Charter for over a year and presented their report and recommendation to the City Council to amend the Charter by ordinance. Minnesota Statute Section 410.12, Subd. 7, allows for charter amendment by ordinance upon recommendation of Charter Commission. An

amendment requires notice of public hearing and publication of the full text amendment at least two weeks prior to public hearing. It was published in 4 weekly editions of the *SunFocus*.

Ms. Skogen said the public hearing was held on January 25, 2016. The proposed amendments were non-substantive and made to clarify the language to make it easier to understand. This requires a unanimous vote of the Council for official adoption of ordinance. If the vote is unanimous, the ordinance becomes effective 90 days after publication.

Ms. Skogen reviewed the proposed amendment and indicated that most of the proposed changes rearranges or changes a few words with the exception of:

Section 6.02

(b) changes the process of appointing employees from the City Council to the City Manager on the basis of qualification and requires the City Manager to provide written notice to the City Council of appointment.

(e) adds language defining the City Manager as an ex-officio member of the City Council.

(i) adds language requiring the City Manager to appoint a designee in their absence and forward the name of the designee to the City Council in writing.

Section 6.06, Contracts How Let.

Amends the language from the requirement of the lowest responsible bidder to the option of lowest responsible bid or the best value bid allowed by state law

Ms. Skogen said staff recommended holding the first reading of the proposed amendment.

Councilmember Bolkcom asked in the last sentence on that page; if it needed to say “on behalf of the city.”

Ms. Skogen replied that language was used before and explains that someone is signing as an individual and on behalf of the City of Fridley.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Varichak.

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

10. First Reading of an Ordinance Amending Chapter 205. Zoning; Section 205.03 Definitions; Section 205.05 Administration and Enforcement; and Section 205.06 Establishment of Districts, of the Fridley City Code

Julie Jones, Planning Manager, stated the purpose of this amendment is to update definitions and existing language to clarify ambiguities in the City Code, provide a process by which property owners may be able to expand legally non-conforming structures, separate the variance and appeal procedures, and adjust right-of-way vacation procedures.

Section 1: Definitions

Assembly Facility, Business, Manufactures Home, Multi-Story Parking Structure, Accessible Parking Stall, Public Right-of Way and Structure.

Section 2: General Provisions

Expansion permit still requires other applicable permits, any landscaping or irrigation in an easement needs to be replaced at property owner's expense and clarified terms and references in land alteration permit section.

Section 3: Zoning Administration

Added some MSS language to variances application requirements, clarified Record of Action requirements, Clarified Appeal request expectations and further defined the Vacation: Process description.

Ms. Jones said staff is satisfied with the first reading changes and recommends scheduling a second reading. The changes will help clarify the City Code, update the Zoning Code definitions, recognize Active Transportation Plan and create a new expansion permit process.

Councilmember Barnette asked on page 165 where it states that any landscaping or irrigation must be removed and replaced at the property owners expense, if that applied to the Safe Routes to School sidewalk that will be installed. Would the property owner have to pay for the reinstallation of the irrigation system?

Ms. Jones answered that refers to an easement; in that situation there is not an easement in place and we are talking about commercial property and easement for a future sidewalk or trail. If a property owner's irrigation system was on City property and a sidewalk or trail would be built, they would have to replace the system.

Councilmember Barnette thought the irrigation was in the easement.

Mayor Lund said it is in the right of way.

Councilmember Barnette asked staff to explain to the homeowner so he knows he does not have to pay for replacement.

Scott Hickok, Community Development Director, stated when improvements are made in the public right-of-way, they are done at a risk. In this case the irrigation is in the right-of-way and if the City uses the right-of-way, it will need to be replaced at the homeowner's cost.

Councilmember Bolkcom asked what an erosion fence was on page 151.

Mr. Hickok replied it is a black fabric type fence with wooden stakes. This is a temporary fence to keep silt and other contaminates from getting into the storm system.

Councilmember Bolkcom asked on page 155, #69, Parking Stall, if a parking space is different from a parking stall.

Mr. Jones replied that is defined in the zoning code as an improved hard surface. This gives City staff leeway to approve pavers that withstand the weight of a vehicle. There is an allowance to approve that for improved hard surfaces.

Mr. Hickok added that the pavers are concrete.

Councilmember Bolkcom asked on page 158, #86, Speculative Building, if that meant she could build a building and not tell the City what the building was going to be used for.

Mr. Hickok replied yes; some builders like John Allen will build a building and fill it up with blue chip tenants. The use would need to fit the zoning; industrial and other permits would be pulled depending on how the building fills up.

Councilmember Bolkcom asked on page 164, Appeals; why there was no time limit on the building expansion permit.

Mr. Jones answered that is referring to requirements in Chapter 205.57. There is a time limit of 20 days.

Mr. Hickok added that staff does not want to put a time limit for people to talk to Council, the permit clock stops if they want to come to Council. If there is a live and active permit, they will have to act within the time frames.

Councilmember Bolkcom asked if this section was related to expansion permits.

Mr. Hickok replied that it could happen if the application is denied. The information would be put in writing and the time clock would be stopped; then there would be no time limit to come to Council.

Councilmember Bolkcom said is misunderstanding the appeals part; if the application is complete and they can say they cannot do it?

Mr. Hickok replied that they must have a complete application for a legitimate expansion; then staff does not have the ability to tell them they cannot do it. They must follow the provisions of the expansion permit.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Bolkcom.

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

11. First Reading of an Ordinance Amending Chapter 11 of the Fridley City Code Pertaining to General Provisions and Fees.

Julie Jones, Planning Manager, said since the public hearing when staff suggested a fee of \$150, staff noticed the proposed code language requires the City to file the documents regarding the permit at the County. That cost will be about \$50, so staff has modified the proposed newly created permit fee to be \$200, not the \$150 proposed at the public hearing. At the October 21, 2015, Planning Commission meeting, a public hearing was held for TA #15-06. No one from the public addressed the Planning Commission on this amendment.

MOTION by Councilmember Bolkcom to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Saefke.

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

12. First Reading of an Ordinance Amending Chapter 6.06, Appeals Commission, of the Fridley City Code, Pertaining to Variance and Appeal Procedures

Julie Jones, Planning Manager, stated the purpose is to remove any conflicts and redundant language between Chapter 6 and the Zoning Code regarding the Appeals Commission's role in processing code enforcement appeals and variance applications. The changes since the public hearing include a shortened Purpose statement on page 192 and also clarified Request for Appeal section on page 193.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Varichak.

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

13. Informal Status Reports.

Wally Wysopal, City Manager, stated Anoka County will be hosting a public informational open house on Tuesday, February 9, from 7 to 9 p.m. at Woodcrest Elementary. Potential improvement ideas include converting the roadway to a three-lane section, as well as intersection traffic control applications such as roundabouts. This is the section from University Avenue to Highway 65. The Fridley Environmental Quality and Energy Commission has changed their meeting venue to this location in order to attend the open house during their regularly-scheduled meeting at 7 p.m. on Tuesday, February 9. Questions on the Osborne Road improvements or the open house can be directed to Jack Forslund at 763-862-4230.

ADJOURN:

MOTION by Councilmember Barnette to adjourn. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:36 P.M.

Respectfully Submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor