

**CITY COUNCIL MEETING
CITY OF FRIDLEY
APRIL 11, 2016**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:00 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
Shelly Peterson, Finance Director
James Kosluchar, Public Works Director

PRESENTATION:

Al-Amal School Presentation – “Best School” Award 3 Years in a Row.

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF THE MINUTES:

City Council Meeting of March 28, 2016.

APPROVED.

NEW BUSINESS:

1. Approve Liquor License Renewals.

APPROVED.

2. Business Licenses.

APPROVED.

3. Claims (172067 – 172237).

APPROVED.

ADOPTION OF PROPOSED CONSENT AGENDA:

MOTION by Councilmember Barnette to adopt the proposed consent agenda. Seconded by Councilmember Varichak.

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

OPEN FORUM, VISITORS:

No one from the audience spoke.

ADOPTION OF AGENDA:

MOTION by Councilmember Bolkom to adopt the agenda. Seconded by Councilmember Saefke.

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

NEW BUSINESS:

4. Authorize Contract between the City of Fridley and BKV Group for Architectural Services for a Proposed New City Hall, Police, Fire and Public Works Building

Scott Hickok, Community Development Director, stated that on September 28, 2015, Council selected the former Columbia Arena Site for further consideration as the future site of a civic complex to include a new City Hall, Police Department, Fire Department, and Public Works facility. Staff viewed complexes throughout the metropolitan area to see both new and old and to view a more modern paradigm in civic complexes. Many efficiencies in design were noted. At that same time, due diligence was being performed on the site to be considered. Information such as a traffic analysis, geotechnical analysis, environmental analysis, an alta survey, and preliminary site plan all need to be done.

Mr. Hickok said a Request for Proposal (RFP) was prepared and distributed soliciting proposals for architectural services. The proposals were due back on March 4, 2016. Altogether, 59 RFP packets were requested; 38 firms attended the mandatory Q & A site visit in February; and 10 completed proposals were received. Interviews of the top six firms occurred on March 16 and 17, and the top firm was selected by an internal selection team after evaluating the interview information and proposals.

Mr. Hickok said the BKV Group was the preferred firm, and they clearly rose up through the process as the City's top candidate. BKV, along with a partner firm on their team, have completed municipal facilities in the categories Fridley is considering, including: 67 City Halls, 65 Police Stations, 51 Fire Stations and 223 Public Works facilities.

Mr. Hickok stated the contract between the City of Fridley and BKV Group is one that is based on an AIA Contract for Architectural Services. This contract template is a standard in the industry and clearly outlines the services that will be provided. Where variables such as cost are inserted, those terms were negotiated with the City. In this particular case, the agreed upon rate was 6.4%, or a dollar value of \$2,560,000.

Mr. Hickok noted that costs for this Architectural Service will come from CIP funds for maintenance projects on the existing facility that will be deferred pending the outcome of the civic complex analysis. If the project were for some reason not to move ahead, new maintenance funds would be required. This project/contract has been written in a manner that allows a pause between pre-design and moving forward toward construction drawings. At the point of pre-design completion, \$896,000 will have been expended, which is 35% of the contract amount.

Mr. Hickok said there is \$1,024,000 in the construction drawings portion of the contract, \$128,000 in bidding and negotiation fees, and \$512,000 in construction administration fees. If the project moves forward, the CIP funds expended can be replaced with funds from the bond. Staff recommends that Council approve the attached Architectural Services Contract, approving BKV Group as the Architects for the Fridley Civic Complex. This approval only allows the Architectural Services Contract to be executed. Additional Council action will be required to build the new complex.

Bruce Schwartzman, AIA, said they are very excited about the project and appreciate the trust from staff and Council.

Wally Wysopal, City Manager, noted that the services that are being asked for approval were only for the municipal site; not the overall complex.

Scott Hickok, Community Development Director, added the contract does talk about site improvements. The water feature and the overall feel of the project will have a consistent look throughout the development.

Councilmember Bolkcom said this is a site plan and not set in stone and it does not mean the City will bear the cost of other amenities. The idea behind the civil engineering is what we expect and what we need to have to build this complex. The developer will share costs in other areas.

Mr. Hickok said a private developer will help with some of the landscape architecture amenities. There will be some shared costs and a theme will be created for the development.

Councilmember Bolkcom said that at the planning meetings, all developers said there needs to be an overall vision for the area.

Mr. Hickok replied it helped for us to know what we wanted and citizens should feel good about this. They have helped shape the vision that this will eventually become.

Mr. Schwartzman added that laying the ground for the developers will also help to move forward.

Councilmember Bolkcom asked what the next steps were.

Mr. Hickok stated the kick-off meeting with the architectural team and department managers was this week. Communication is key to making sure everything moves smoothly. One of the first tasks is to look at the area and space needs study and talk about what we see as essential. It will get more specific as the project advances forward.

Councilmember Bolkcom said that it is important the public realizes there will be more discussion.

Mr. Schwartzman said that they want to reach out to people. This is not just a facility; it will be the heart of the community.

MOTION by Councilmember Saefke to authorize the Contract between the City of Fridley and BKV Group for Architectural Services for a Proposed New City Hall, Police, Fire and Public Works Building. Seconded by Councilmember Bolkcom.

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

5. Authorize Solicitation of Proposals for Construction Management Services for Proposed New City Hall, Police, Fire and Public Works Building.

Jim Kosluchar, Public Works Director, said the project delivery selection has many project delivery methods. Most have advantages and disadvantages related to schedule, cost, quality and management of project risk. The design, bid and build is a traditional method that is excellent for standard projects delivered frequently when the schedule is controlled. It is not as good a method for singular large projects and requires an extremely robust design effort. The actual costs are not known until bids are received and opened.

Mr. Kosluchar said a Construction Manager Agency, usually acting as a general contractor, represents the owner during design and construction. They provide estimates and constructability of design, which reduces conflicts and risk of issues. The actual costs are not known until the bids are received and opened. The Construction Manager at Risk is integrated into the design team for cost-containment and constructability. They provide total guaranteed price of the project before bids are solicited. They accept risks on behalf of the owner and may be permitted to self-perform. Care must be taken to maintain competitive bid requirements.

Mr. Kosluchar noted that the construction manager – Agency has been used effectively at the Springbrook Nature Center. The “At Risk” method offers advantages for a much larger and complex Civic project due to its more significant size and lower tolerance for budgetary risk. The Construction Manager at Risk is a common project delivery method used in the private sector for substantial building projects. Select municipal projects have used it for approximately

10 years, including projects in Richfield, Edina, Elk River, and Eden Prairie. Services cost 2-3% of project costs and are typically offset by construction savings in design, changes, and schedule.

Mr. Kosluchar said staff seeks Council's authorization to solicit proposals for Construction Manager At Risk services. Such action does not authorize approval of services or construction. Staff recommends the City Council move to authorize solicitation for proposals for construction management services for the Fridley Civic Complex. If approved, staff will request and review proposals for these services with a goal of recommending approval to the City Council in May.

Councilmember Bolkcom asked what 2-3% of the project cost was and how someone would bid on that not knowing the final cost.

Mr. Kosluchar replied that the fees have been discussed and they are adjustable, so there is a range in mind, and the budget that will get refined over time. This is an opportunity for a lump sum proposal as in the architectural contract. The intent is to develop a proposal that is split with qualifications on one side and pricing on the other.

Councilmember Bolkcom asked if the average is usually 2-3%.

Mr. Kosluchar replied it is somewhere in the low 2 percent.

Councilmember Bolkcom asked if this can be done by May.

Mr. Kosluchar said that is the target date and proposals will open on May 6.

Wally Wysopal, City Manager, added that it is very helpful to have a construction manager on board at the time the architect starts designing the actual building, as they can add value to constructability. We will be at that point mid to late May. The difference here with the construction manager is that it is pretty straight forward. The construction manager will need substantial experience in building significant public buildings. This will be sent out and any construction firm has the opportunity to review the criteria and send in a proposal.

Councilmember Bolkcom asked if the City decides the project cannot be done, the construction manager and architect would get a percent of the funds.

Mr. Kosluchar replied yes, that is how the proposal would be written. The services would be provided through the end of the design phase. If the relationship is not working, there will be a way to modify the contract. If that should happen, a new construction manager would come on the project.

MOTION by Councilmember Saefke to authorize solicitation of proposals for Construction Management Services for the proposed new City Hall, Police, Fire and Public Works building. Seconded by Councilmember Bolkcom.

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

6. Resolution Providing for the Sale of \$6,210,000 General Obligation Water Revenue Bonds, Series 2016A.

Shelly Peterson, Finance Director, stated that as approved during the 2016 budget process, the Water Fund includes bond proceeds to fund the following infrastructure water projects:

2016 Projects

Utility Project - Distribution System Reconstruction	\$	500,000.00
Water Meter Replacement	\$	600,000.00
Upgrade Chem Feed & Storage System at Commons FTP	\$	165,000.00
Locke Park Plant Filters Media Replacement	\$	275,000.00
Locke Park Backwashing & Control System Update	\$	1,225,000.00
	\$	2,765,000.00

2017 Projects

Utility Project - Distribution System Reconstruction	\$	500,000
Water Meter Replacement	\$	720,000
Treatment Plant Retrofits	\$	370,000
	\$	1,590,000.00
	\$	4,355,000.00

Ms. Peterson said the City has the opportunity to save over \$100,000 with the advanced crossover refunding of the 2008B G.O. Water Revenue Bonds by combining with this new issuance.

Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	April 11, 2016
Distribute Official Statement:	Week of April 25, 2016
Conference call with Rating Agency:	Week of April 25, 2016
City Council Meeting to Award Sale of the Bonds:	May 9, 2016
Estimated Closing Date:	June 2, 2016
Redemption Date for 2008B Bonds:	February 1, 2017

Ms. Peterson said staff recommends the Council approve the attached resolution and begin the bond sale process.

Councilmember Bolkcom asked for more detail on this.

Ms. Peterson stated to continue the water meter replacement project of \$720,000 and water treatment plant retrofits of \$270,000, the two-year project will be a little over \$4.0 million. The City will bond for these funds and do a refunding of an existing 2008 GO water revenue bond. This will save the City about \$100,000 by doing advanced refunding. The bond advisor is recommending the refunding and combining that amount with the new debt.

Councilmember Bolkcom said this is a significant amount of money, and these projects need to be done to continue to have quality water. For several years projects were not done because of the levy limits and utilities are part of the levy limit.

Wally Wysopal, City Manager, said projects that need to get done will need to rely on consultant engineers to help draw up plans. Council will see projects come back for bids.

Jim Kosluchar, Public Works Director, said staff will start soliciting for engineers for the Locke Park plant once this is approved.

Mayor Lund asked if the plan is to continue to replace the water meters. We were replacing 500 meters a year. He also asked if a private service was going to be hired to complete the project over the next two years rather than it being an in-house project.

Mr. Kosluchar replied that staff looked at two different ways and they were fairly comparable.

Mayor Lund said since the project was in-house he does not see the dollar amount but knows there is a cost involved. He asked how many meters have been replaced so far.

Mr. Kosluchar replied that 3,500 meters have been replaced. There are around 4,500 to 5,000 left to replace.

Mayor Lund asked if the plan is still to go with mini towers that grab signals from the meter and send the data to City Hall. He asked if the towers were included in the bid.

Mr. Kosluchar said he does not anticipate installing new towers and but collectors are included in the budget.

Councilmember Bolkcom noted that people are still calling in their meter numbers. The new meters will help the City with water usage analysis.

Mr. Kosluchar said there are problems with some owners and some properties do not get read.

Councilmember Saefke asked if private installation contractors will be able to work later afternoon and early evening installs.

Mr. Kosluchar replied yes; and maybe even weekends.

Mayor Lund asked if staff had data about the accuracy. He said he knows it will be a cost savings on staff time.

Mr. Kosluchar replied that there has been a test for accuracy of the meters and it was pretty accurate. There are so many variables with consumption it is difficult to tell.

Mayor Lund asked how often the batteries needed to be replaced.

Mr. Kosluchar replied that the batteries have a 20-year warranty by the manufacturer.

MOTION by Councilmember Bolkom to adopt Resolution No. 2016-18. Seconded by Councilmember Saefke.

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

7. Resolution to Approve Grant Agreement Minnesota Department of Natural Resources LCCMR – Community Forestry Grant.

Kay Qualley, Environmental Planner, said the City has been awarded a DNR Grant of \$36,000 through the LCCMR (Legislative Citizen-Commission on Minnesota Resources) program effective April 2016 through May 2018. The grant is intended to help cities accelerate tree planting in parks and on municipal property by providing small trees and supplies for planting. Grant partners like the Conservation Corps, University of Minnesota, HandsOn Twin Cities and the Tree Trust will also provide training and education for community tree planting events for interested community volunteers.

Ms. Qualley said thousands of City ash trees are at risk of decimation by an insect pest, Emerald Ash Borer, which has been found in Anoka County. The DNR LCCMR grant focuses on low-cost solutions to increase the number of trees on municipal property. The grant provides tree-related landscape materials, irrigation supplies, educational outreach pieces and materials and labor for construction of a holding area for small trees.

Ms. Qualley noted the installation of trees on City property in key locations will be coordinated with City Forester Jeff Jensen in City parks. These plantings are a priority for many reasons. The large numbers of ash trees and the lack of young and mid-aged trees of other tree species in most parks created a need for diversifying the tree species on our public land. The grant award was reviewed with Parks and Recreation Director Jack Kirk and the Parks and Recreation Commission.

Ms. Qualley reviewed the two phases:

2016 (Phase 1) would include spring projects such as tree planting in Commons and Community Parks and construction of a tree holding-bed (the later would be done by the Conservation Corps, a grant partner). The bed would be located near the community gardens and Public Works facility. In fall, the trees in the holding bed would be planted in the community. This would provide for installation of 135 trees in 2016.

2017 (Phase 2) would focus on planting container trees in other priority locations in City Parks and municipal properties, and cultivating a second season of smaller trees in the holding bed. Approximately 150 trees would be planted in 2017. The holding bed can be re-located, if required by future construction near the Public Works facility.

Ms. Qualley stated the DNR associated partners for the grant support efforts to contact businesses and service organizations who have expressed an interest in volunteering for projects and plantings recently. HandsOn Twin Cities sets up business events and provides tools and scheduling help. The University of Minnesota provides expertise for service organizations who might volunteer if they had some technical help in a tree planting or young tree pruning project. The Tree Trust works with youth groups for planting and maintenance projects.

Ms. Qualley said the cash match contribution requirement is for \$2,250 in each grant year, 2016 and 2017 for the purchase of small trees. The Public Works operation budget will not need to be changed or augmented since a small number of large balled and burlap trees will not be purchased and instead, this expenditure will be transferred to the purchase of a slightly larger number of small trees. City in-kind match commitment of \$2,250 per year for 2016 and 2017 will be met by City staff through activities such as mapping the new trees' locations, purchasing and watering of new trees as well as some event-oriented volunteer coordination with the grant partners and the use of any City equipment.

Ms. Qualley stated staff recommends the City Council adopt the attached resolution in acceptance of the DNR LCCMR Improving community Forest Grant of \$36,000 for 2016-2017, for trees, associated supplies and community volunteerism capacity-building with the grant partners. The grant also will boost tree education in the community and aid in air quality and storm water absorption as per goals in the 2030 comprehensive plan.

Mayor Lund asked when General Mills were planting the trees.

Ms. Qualley replied April 21 from 9 a.m. to 12 p.m. in Community Park.

Councilmember Barnette was surprised at how many ash trees were in Melody Manner.

Ms. Qualley agreed. She said the neighborhoods most impacted need a good plan and private planting will need to be done. Other areas may not show up as concentrated but that is because there are a lot of trees.

Mayor Lund asked who planted the trees on the boulevard. He did not think the City plants trees in those areas.

Ms. Qualley replied that a common practice with ash trees being removed is to replant trees on rights of ways and boulevards. About 100 trees per block will need to be planted to regenerate our forest. With the tornado and straight line wind damage that has happened in the last few decades, the common fast-growing tree with no waste to plant was an ash tree.

Mayor Lund asked if the trees on the boulevard were the responsibility of the City to remove them.

Jim Kosluchar, Public Works Director, replied that a liability for the City and that will be covered in the plan.

Mayor Lund noted that some cities are taking preemptive measures with respect to ash trees to help preserve them with chemicals. Other cities are taking down ash trees but try to preserve a percentage of them. He asked what Fridley's plan was.

Ms. Qualley replied that the trees are rated and if the tree is pretty healthy, they look at the condition report and prioritize the trees. As far as treatment, some trees are injected with insecticides to prevent the tree from getting Emerald Ash Borer but the chemical is a bee killer. Some cities are banning this chemical.

Mayor Lund asked what the price of the trees would be at the April 30 event.

Ms. Qualley replied they are tiny starter trees in the \$20 to \$25 range.

Mayor Lund asked if these were bare root trees.

Ms. Qualley replied yes.

MOTION by Councilmember Barnette to adopt Resolution No. 2016-19. Seconded by Councilmember Varichak.

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

8. Informal Status Reports

Wally Wysopal, City Manager, said this week is severe weather awareness week, and Thursday at 11:45 a.m. and 6:45 p.m. the tornado sirens will sound. Monday, April 25 is the Board of Appeals and Equalization meeting. If you feel your property is not valued or classified correctly by the assessor, you can attend the meeting. The Board will review the valuation and classification and make any corrections as needed. Any questions contact Pat at 763-572-3536. Also, the Recreation Brochure is out and can be found at City Hall or online.

Councilmember Bolkcom noted that there is a Block Captains meeting tomorrow night. There was a huge turnout for the Crime Watch meeting last week.

Scott Hickok, Community Development Director, said Recycling Day coming up on May 7.

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 8:58 P.M.

Respectfully Submitted,

Krista Peterson
Recording Secretary

Scott J. Lund
Mayor