

**CITY COUNCIL MEETING
CITY OF FRIDLEY
AUGUST 22, 2016**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:02 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
Jack Kirk, Parks and Recreation Director
James Kosluchar, Director of Public Works
Shelly Peterson, Finance Director
Scott Vonderharr, 5547 East Danube Road
Karl Breitbarth, 5477 East Danube Road
Rich Nye, 5477 East Danube Road
Leslia Zownirowycz, 5527 East Danube Road
Bridget Sullivan, 5457 East Danube Road
Bill Brown, 5457 East Danube Road

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

City Council Meeting of August 8, 2016.

APPROVED.

OLD BUSINESS:

- 1. Second Reading of an Ordinance Amending Fridley City Code, Chapter 220. Rental Property Maintenance and Licensing Code, Section 220.13.3.B. Reclarifying Inspection Fees; and Chapter 11. General Provisions and Fees, Section 11.11 Reclarifying Rental Inspection Fees.**

WAIVED THE READING OF THE ORDINANCE AND ADOPTED ORDINANCE NO. 1337 ON SECOND READING AND ORDERED PUBLICATION.

NEW BUSINESS:

- 2. **Claims (173635 - 173816).**

APPROVED.

- 3. **Estimates:**

Kuechle Underground, Inc.
P.O. Box 509
Kimball, MN 56302

2015 Street Rehabilitation Project No. 2015-01
Estimate No. 8..... \$ 328,502.95

APPROVED.

ADOPTION OF PROPOSED CONSENT AGENDA:

MOTION by Councilmember Barnette to approve 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:

Scott Vonderharr, 5547 East Danube Road, stated it appears there is a new home being developed. He asked for more information on the progress on that and how it will affect the surrounding properties.

Mayor Lund asked if he wanted to know if a building permit was issued or under what process the owner is building that home.

Mr. Vonderharr replied, correct.

Mayor Lund stated he knows that was a debated item years ago.

Mr. Vonderharr stated he was told his house will be flooded if the owner builds there, so it will be a debated item if it happens.

Mayor Lund stated he did not think the City has any information at this point. He referred to Mr. Kosluchar.

James Kosluchar, Director of Public Works, replied the Rice Creek Watershed District, in conjunction with the landowner, had a wetland delineation done and approved. He cannot tell him whether it has been surveyed, etc.

Scott Hickok, Community Development Director, stated a building permit application has been submitted. Plans have been reviewed and are ready to issue. There are soil borings as a requirement of the building permit, and it went through a standard building permit process. The lots were platted in 1971. The builders did go through quite an elaborate process to determine whether the lots would be buildable. There are two lots, Lot 5 and Lot 6. They are looking at building a home on Lot 5 and leaving Lot 6 unbuilt.

Mayor Lund asked Mr. Vonderharr where he learned that his home would be flooded with the construction of this house.

Mr. Vonderharr replied, many of the neighbors are original owners; and he guessed they went through a similar process years ago. They were told they should not be building on that lot and now they are.

Mayor Lund stated he does recall in the past years that the neighborhood was not happy about Haarstad building on that site, so he walked away from it. He did not want to live with hostile neighbors. The City certainly wants to make sure that their homes do not flood but, from what he is hearing, soil borings and all of those things have been taken care of to make sure there is not a problem with flooding either in the new house basement or in the neighbors' basements.

Mr. Vonderharr asked if he could get that documented, because his home has never flooded so he would like to have a recourse if and when it does.

Mayor Lund asked Mr. Hickok whether the soil borings, etc., that they submitted is public information.

Mr. Hickok replied, yes, after the permit has been issued. A stipulation of the permit is they get the soil borings so they would have to get those after the results come back in. However, before the home is signed off on they are going to need to have all the data to build. It would be public at that point.

Karl Breitbarth, 5477 East Danube Road, stated they live directly across the street. They as well have had dry basements, too. They are in the lowest part of the block itself. It is really a concern for them especially. They have lived there 21 years, and he just wants to make sure it is on record, they are bringing this up and, if something were to happen, who is going to be responsible for any of that. Certainly not them as a homeowner, but whoever is approving the plans to build on the property. They may remember 15 years or whenever they were all at City Hall before, with the dumping, etc.

Mr. Breitbarth stated one of their concerns with the plans is whether the covenant still applies that they have to be 30 feet back from the curb so that it looks consistent.

Mayor Lund replied they would have to meet that setback.

Mr. Breitbarth asked what the setback was.

Mr. Hickok replied 25 feet.

Mr. Breitbarth asked when it became 25 feet.

Mr. Hickok replied, probably about 12 years ago.

Mr. Breitbarth asked and how did that happen?

Mr. Hickok replied, through an ordinance amendment.

Mr. Breitbarth stated because that is going to be the only house on the block if they build with a 25 feet setback and it is on a curve. That is going to be off.

Mayor Lund stated the community is a little older now, with a lot of three-bedroom rambler typical homes; and the City found a lot of people were moving out because they did not have the housing they wanted. To move up housing and as a way to allow additions and the expansions of existing homes, the setback was reduced to 25 feet. There were a number of cases where people wanted to expand.

Mr. Breitbarth asked whether he can give them those examples.

Mayor Lund replied, specific ones?

Mr. Breitbarth replied, yes.

Mayor Lund replied he does not remember.

Mr. Breitbarth asked is it public information though so they can find out.

Mayor Lund stated to Mr. Breitbarth, the Council secretary is taking minutes and the meeting is also videotaped.

Mr. Breitbarth stated he just wanted to find out since the ordinance was passed 12 years ago, how many homes have been built.

Mayor Lund replied he did not know if this was relative to his question.

Mr. Breitbarth stated he thought it was. He wanted to know why it passed. If it is public knowledge, he should be able to get that.

Mr. Hickok replied, practically speaking, every permit issued since then would have had to meet the 25-foot setback. He can validate the year it was passed, they would certainly be welcome to the documentation about the ordinance amendment and what discussion led them to an ordinance amendment. He is not certain without charging for staff's time to go back and analyze and research this whether staff would be able to give house-by-house analysis. He just wanted to make sure Council was aware there would be a time factor involved with this. It was not quite as simple as pulling up an address.

Mayor Lund suggested staff provide the reasons for the ordinance amendment. People wanted to expand their starter home, and it was a way to keep people in the community rather than having them moving to other suburbs. If Mr. Breitbarth wants anything beyond that, it is going to take some staff time and there may be a fee charged.

Mr. Breitbarth stated it would probably be easiest to find out if any had been done within six months of that ordinance passing.

Councilmember Bolkcom asked what the purpose was. It is an ordinance which has been in place for some time, and whether it be in Mr. Breitbarth's or anyone else's neighborhood, there have been homes built back for some time.

Rick Nye, 5477 East Danube Road, stated they filled it in.

Councilmember Bolkcom stated he is misunderstanding her question. She does not think City staff should be spending a lot of time researching this. They can give Mr. Breitbarth the ordinance information. It would take a lot of staff's time to go back and look at every home that has been rebuilt or remodeled since the ordinance was adopted.

Mr. Breitbarth stated understands. He is concerned about his block, because it is an established neighborhood. He is concerned it is not going to look correct in that area. Do they know the style of the home? Is that a requirement? The property values and taxes are finally going back up. However, if you put in a \$200,000 house vs. the ones at \$325,000, it is going to hurt everybody in the area. He wants to make sure it is going to fit and that it is going to be a single-family home and not a duplex or twin home. He asked if it had been approved.

Mayor Lund said it is in an R-1 district. The building permit was issued but there are certain requirements.

Councilmember Bolkcom said they have the opportunity to build a home. The City cannot regulate whether they put in a \$200,000 vs. a \$400,000 home. It is not a neighborhood where you have to put "X" amount in there. She understands Mr. Breitbarth being concerned about the flooding, etc., but they cannot say the City is not going to allow someone to build a home on a lot that is buildable.

Mr. Breitbarth stated if the City does allow that or if those are the plans, it is going to hurt the values of the rest of the homes.

Councilmember Bolkcom asked why it would hurt the neighborhood.

Mr. Breitbarth stated if you put a \$200,000 home next to a bunch of \$350,000 homes, it is going to hurt the values. If you are going to put a house there that does not fit, how is that not going to affect the neighborhood? He wanted to bring up these concerns. When the values start dropping, the City will be getting a lot of backlash.

Mr. Kosluchar stated his understanding about the lot was that it was filled and the landowner was directed to remove the fill which may or may not have been done. Looking at the wetland delineation results, it is fairly consistent with the 1991 wetland inventory done by the City of Fridley. It may not be exact and it has been a while since he has looked at those documents, but he can get back to Mr. Breitbarth with more information on that.

Mr. Breitbarth stated they have been there since 1995, and he thinks the fill came in probably in the late 80's or early 90's. They would appreciate anything the City could do.

Councilmember Bolkcom stated she does not want Mr. Breitbarth to get false expectations that the City can say someone has to build a \$400,000 home in a neighborhood that has a buildable lot.

Mr. Breitbarth asked if there is square footage requirement or anything like that for an ordinance.

Councilmember Bolkcom replied sure.

Mr. Breitbarth stated that would accomplish what they are looking at.

Councilmember Bolkcom replied it is not going to be one of those tiny homes.

Mayor Lund asked Mr. Breitbarth and Mr. Nye and Mr. Vonderharr to give their e-mail addresses to Mr. Kosluchar and he can get them the information and copy Mayor Lund.

Mayor Lund asked Mr. Vonderharr to also give Mr. Kosluchar his e-mail address.

Leslia Zownirowycz, 5527 East Danube Road, stated she lives right across the street from the lot and has been living there since 1986. Originally when they purchased their property, they were told by the realtor that the property that is across the street from them would not be built upon because it was not a buildable lot. If a home is built there, then they will have a flooded basement.

Ms. Zownirowycz asked Council for a letter stating, if they receive any water damage, the Council will be responsible for it. They have brought their concerns to Council. They have been at previous meetings, and shared their concerns. Now Council has made a decision that they can build on that lot.

Mayor Lund stated he remembered this discussion some years ago. The neighbors did not want it back then. It was approved for the owner to build then and he elected not to. It is platted as a buildable lot.

Ms. Zownirowycz stated they need to get a letter from Council stating that if they have water in their basement, they will be responsible.

Mayor Lund replied he cannot imagine that Council would send her that letter.

Ms. Zownirowycz replied she did not think they should build there.

Mayor Lund replied it is not up to him.

Councilmember Saefke stated he has lived in his house on Fifth Street for 40 years. He has never had water in his basement until the wet year, and then the water seeped down and came in. That was the only time. The City had nothing to do with it. It was nature that provided that extra water.

Ms. Zownirowycz stated they are not talking about nature. They are talking about a piece of property where the City is going to be placing a building on that property, and they were told that it was going to create water damage for them.

Councilmember Saefke stated the City is not putting anything on that property.

Ms. Zownirowycz replied the City is approving a building to go onto that property.

Councilmember Saefke stated it is zoned R-1. If it is zoned R-1 and it meets all of the requirements for an R-1 structure, they cannot just arbitrarily tell a property owner they cannot use that piece of property. That is like telling Ms. Zownirowycz she cannot have a blue house or she cannot put in a driveway. There are only certain things the City can do.

Ms. Zownirowycz stated they have been paying taxes and she is sure the whole area is up to date on their taxes every single year. She is really, really disappointed the City was going to be doing that. The property taxes are going to go down, and they are going to lose any equity in their homes.

Bridget Sullivan, 5457 East Danube Road, stated they are hearing that it is going to be very, very noisy.

Mayor Lund asked if she was talking about the lot on Danube that everybody else is talking about.

Ms. Sullivan replied right.

Mayor Lund stated there is some construction noise. The City does have ordinances that relate to when they can start and when they have to stop. Just like construction anywhere else.

Ms. Sullivan asked are they not going to have special trusses or whatever for the water. She had walked across the street and talked to one of the builders, and he said they have to build special trusses or something because they cannot have a basement because of the water.

Councilmember Bolkcom stated maybe its pylons.

Mayor Lund asked if the water table was high in that area. Does he know what predicates not having a basement in a home?

Mr. Kosluchar replied he thought it was relatively high. A pile foundation may be included with a slab on grade for the footing.

Ms. Sullivan stated she wanted to know about the noise because they said it was going to be louder than a normal house being built. She asked if the house was going to be built and then going on the market and being sold or was it a private builder.

Mayor Lund said he did not know. Originally at one time Haarstad, who was the developer of that whole area, was going to have his own family living there.

Bill Brown, 5457 East Danube Road, stated this may not be a question they can answer. His concern is whether it is going to be just a home, a duplex, or rental property.

Mayor Lund replied it cannot be a duplex. It has to be a single-family home.

Wally Wysopal, City Manager, stated as a recap, the City received a building permit application. As a part of that building permit review, they conduct due diligence to look at the zoning and make sure the lot does meet the minimum standards of the Zoning Code. Through that process of review, there are many questions that are asked by the Building Official as far as any foundation issues. Setbacks are looked at by the zoning people. The only thing he did not hear any review about is impact of water that would travel off of that site. He asked if staff looked at that at all.

Mr. Kosluchar replied they do. They look at a grading plan and that gets approved with the building permit.

Mr. Hickok replied they did do a wetland delineation and there was a wetland delineation back in the 1990's he believed. However, because it was over three years old, they require another wetland delineation which basically says the home was able to be built and was not in a wetland. This is done by an independent examiner that they hire to go out and determine where the wetland edge is. If the home was planning on being built on any part of that wetland, they would have an issue with that, but it is not. It is able to be built outside of the wetland delineation.

Mayor Lund asked when they make an application for a structure, do they have to submit the plans for what the home will look like.

Mr. Hickok replied a floor plan and elevations.

Mayor Lund asked under the Code what does the City have as far as part of the material exterior wise. He is certain that is what people's concerns are.

Mr. Hickok replied, on the elevations which are those drawings that show the exterior of the home, there are leaders pointing to materials and telling you what those materials are.

Mayor Lund asked is all that public knowledge if they want to stop in and take a look at it.

Mr. Hickok replied as of today, the permit is ready to issue so it is. During the investigation and as they are gathering materials, it is an incomplete application.

Mayor Lund stated as to the people in the audience who had some concerns, should they make an appointment with Mr. Hickok if they want to go through those drawings?

Mr. Hickok replied they certainly could. People can take a look at those drawings. If they wanted a copy of them, there would be a nominal fee.

Mr. Wysopal asked staff if they can explain the process as to when the building begins as far as the City's responsibility to do due diligence that what was proposed to be built is built that way.

Mr. Hickok replied, they do have an obligation to make sure the building is built according to the Building Code. The framing of the building will be checked to make sure it meets the Building Code requirements, electrical, plumbing, all of those utility elements that go into a house. When a home is completed, they can rest assured that it meets all the standards of the Uniform Building Code; and all the City's inspectors make sure that happens.

Mr. Wysopal asked about the drainage plan.

Mr. Kosluchar replied basically the Building Official is charged with a single-family residential to ensure that the drainage plan is correct. City staff will occasionally be on site looking for erosion issues, those kinds of things. He believed there was some tree clearing that was done. That was an allowable activity. There was a report of disturbed soils, and City staff went out there and verified there was no illicit discharge. Even so, the contractor put up a perimeter control just to be sure.

Mr. Wysopal asked if the ponding area on the property is something that is connected to Farr Lake, for example, as part of the rivers and streams in Fridley.

Mr. Kosluchar replied correct. Eventually that water is destined for Farr Lake through a series of ponds and pipes.

Mayor Lund replied he has heard that people are concerned that their nearby homes or basements will flood from that. Some of the pervious surface now that will become impervious surface--the driveway, the roof areas--part of that drainage plan has to be that they either contain that water or absorbed adequately by the runoff into the street storm system.

Mr. Kosluchar stated generally the driveways are graded by the City staff so they are down-sloping toward the street.

Mayor Lund stated would the roofline then have some potential for sloping off into the rear part of it into that drainage pond?

Mr. Kosluchar replied that is correct.

Mayor Lund stated and does that drainage pond have an outlet? Obviously it is a containment area for watershed for the neighborhood. When it gets to a certain elevation there must be ducting or an outlet.

Mr. Kosluchar replied when it reaches a high level it does. He does not believe they have reached that level in recent years.

Mr. Hickok replied one thing he would like to point out, not just for the neighborhood but as kind of a cautionary note and a balance to discussion here, it is a bit unfortunate that years ago a realtor said those lots were not going to be built and if they were built there would be water problems. That has caused a lot of anxiety in the neighborhood. Here is an owner who owns a lot, has gone through the process to have a wetland delineation done, to have filling and compacting done, to have soil borings as a requirement to building the home and so forth; and they are spending the necessary money in order to make sure the neighborhood is protected and that they can actually build a house there. They may not look at it as making sure the neighborhood is protected, but that is certainly one of the things staff is always concerned about. If they build their home according to all the standards of the State and the City, the neighborhood should not have a problem.

Mr. Hickok stated it is important to know that if you own land and you want to build on it, it is your responsibility to determine what the laws are for the State and the City. State laws include the Department of Natural Resources, a number of different agencies, the Watershed District and other places. It is no simple task to build a home. There is a lot of work going into the analysis.

Mr. Nye asked whether they took a look at the water behind there that was going into Farr Lake.

Mayor Lund stated staff indicated that it ducts out.

ADOPTION OF AGENDA:

MOTION by Councilmember Bolkcom to approve the agenda with the order of items changed in the agenda as follows: Item 7 being renumbered Item 6; Item 8 being renumbered Item 7; and Item 6 being renumbered Item 8. Seconded by Councilmember Saefke.

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

NEW BUSINESS:

- 4. Resolution Authorizing Staff to Enter into a Construction Management at Risk Services (AIA A133) with McGough Construction for the Preconstruction Services of the Proposed Civic Complex to be Constructed at 7099 University Avenue N.E. (Ward 1).**

Scott Hickok, Community Development Director, stated McGough Construction was chosen earlier this year as the clear choice by a scoring team for what is called the City's "at risk" part of the construction management process for the City's civic center on the redevelopment site of Columbia Arena.

Mr. Hickok stated there are three types of contractors. There is Design, Bid, Build; Construction Manager, Agency; or Construction Manager at Risk (CM@Risk). McGough is what is called CM@Risk. This is a method of project delivery involving the hiring of a construction manager to oversee construction and portions of the project. The role of this CM@Risk is to bring the project in on time and on budget. The risk in the case of a CMAR is that CMAR will bring the project in at that guaranteed price and time or they hold the risk in making up the difference.

Mr. Hickok stated the project work includes all services necessary to manage and oversee the specific tasks in the preconstruction phase of the City-owned facility.

Mr. Hickok stated Jim Frisell is the principal of this team, Ken Peterson is the preconstruction manager, Greg Hedlin is the senior project manager, Andey Rasmussen is project manager, Chris Wilde is the project superintendent, and the resident vice president is Daniel Malecha.

Mr. Hickok stated as with the architect, the contract is drawn so there is a break between the preconstruction and the construction contract. It can end if the project does not advance. The preconstruction value contract is \$95,000; and it is a not to exceed value. The overall contract for construction will come back to Council in a subsequent meeting, and that approval would be 4.35 percent of the overall project cost.

Mr. Hickok stated it is staff's recommendation to approve the contract with McGough Construction Company, Inc., as the Construction Manager at Risk for preconstruction services of the proposed civic complex. It would be constructed provided it meets all the demands of the City and comes in at the price and expected timeline and would be constructed at 7099 University Avenue NE.

MOTION by Councilmember Saefke to adopt Resolution adopting Resolution No. 2016-35. Seconded by Councilmember Barnette.

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

5. Resolution Authorizing Changes in Appropriations for the General Fund for 2016; and Approving Transfers from the General Fund to Capital and Internal Service Funds.

Shelly Peterson, Finance Director, stated this is a request for a transfer of fund balance from the general fund to several other funds. Fund balance is the net worth of a fund; and in the general fund this is primary working capital.

Ms. Peterson stated the fund balance policy is to maintain 35 to 50 percent of next year's budgeted expenditures in fund balance. The reason for this is it provides cash flow for expenses for the first half of the year until the first half tax settlement comes in July.

Ms. Peterson stated it is the City's policy to have a balanced budget, which is revenue equaling expenditures. In the past five years, actual expenditures have been less than budgeted, primarily because of position vacancies. In 2015, revenues passed estimates because of a significant weather event. As a result, the fund balance has been increasing over the past several years. She presented a graph showing the 15-year history of the general fund balance.

Ms. Peterson stated they can see that during the last five years, the City has exceeded its fund balance policy.

Ms. Peterson stated staff recommended a transfer of \$900,000 from the General Fund to funds that have unfunded projects in future years or have experienced reductions in fund balance over the years. These changes are in keeping with Chapter 7 of the City Code. A transfer of \$900,000 from the general fund would bring the fund balance down to approximately 50 percent of next year's anticipated expenditures.

Ms. Peterson stated staff recommended a transfer to the Information Technology Fund, a capital fund. This fund will see a reduction in reserves with projects planned in 2017 and 2018. Without a stable revenue source, the fund balance would drop below \$100,000 and not allow for enough funding for future years' projects.

Ms. Peterson stated staff recommended a transfer of \$500,000 to the Building Improvements Fund. This fund will be depleted at the end of 2016 with the architect and construction manager costs associated with the potential new civic campus. These funds would be reimbursable with bond proceeds. Without bonding, there would be no reserves in this fund for delayed projects to City Hall, the Public Works facility, and the parking ramp.

Ms. Peterson stated staff recommended a transfer of \$100,000 to the Self-Insurance Fund which is an internal service fund used to account for expenditures associated with the \$50,000 deductible in the City's general liability policy. This would put the fund balance back to a level

it had been at approximately three years ago. In the past, this fund was funded with administrative fees from the departments. In recent years these fees, as a cost-saving measure, were suspended in all the funds but the Enterprise Fund.

Ms. Peterson stated, finally, staff recommended a transfer of \$100,000 to the Employee Benefit Fund which is also an internal service fund. This fund was used to account for expenditures associated with providing fringe and pension benefits to employees. Right now the labor negotiation contract has not been done for 2017 and, in addition, staff is still unsure what the health insurance premiums will come in at. With no increase in the 2017 levy, it would be beneficial to transfer to this fund in the event the initial projects are low.

Ms. Peterson stated with no levy increase in the general operations for 2017, staff is anticipating expenditures will exceed anticipated revenues in the general fund. Rather than using fund balances to fund basic operations, the plan is to shift more Local Government Aid back to the general fund to balance that budget. This transfer would increase reserves in funds that have project type expenditures and continue to maintain a healthy fund balance in the general fund.

Ms. Peterson stated staff is recommending budget adjustments and a transfer as follows: a transfer out of the general fund of \$900,000 and a transfer into the Information Technology Fund of \$200,000; the Building Improvement Fund of \$500,000; Self-Insurance Fund of \$100,000; and Employee Benefit Fund of \$100,000.

Mayor Lund stated he does look at this as being a short fix. He said he does not like the idea that the City's revenues will be deficient in taking care of business, especially hearing they will not have any levy increase. It is good news for a lot of people that we have low inflation. It does not help them though with low inflation to increase the levy as needed to fund the City's operations. He sees this as a relatively short fix over several years, and the City will be looking at new creative ideas in future.

MOTION by Councilmember Barnette to adopt Resolution No. 2016-36. Seconded by Councilmember Saefke.

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

6. Resolution Approving the Execution of Proposed Cooperative Construction Agreement No. 1002337 between the City of Fridley and the State of Minnesota for the Main Street Rail Bridge.

Jim Kosluchar, Public Works Director, stated as part of the project MnDOT requires identification of both construction and maintenance responsibilities for the bridge over Interstate 694. The trail bridge is part of the project.

Mr. Kosluchar stated MnDOT typically identifies these through cooperative construction agreements and No. 1002337 is presented for approval. This identifies the City as a responsible party for both construction and ongoing maintenance to the bridge, so it is a relatively one-sided

agreement. It is a City-initiated project, but this is typical with this type of project. The City Attorney was at the 11th hour able to successfully negotiate to revise the Section 8.1 with agreement of the State's attorney. That was provided as a handout for tonight's agenda, and the single sheet is just Section 8.1 with the highlighted language that was added.

Mr. Kosluchar stated staff recommends Council's approval. Staff will convey the executed agreements to MnDOT.

MOTION by Councilmember Bolkcom to adopt Resolution No. 2016-38. Seconded by Councilmember Saefke.

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

7. Resolution Approving the Execution of Limited Use Permit #0285-0031 With the State of Minnesota for the Main Street Trail Project.

Jim Kosluchar, Public Works Director, stated this is related to the trail limited use permit (LUP) and it is part of the same project. MnDOT must permit both the construction and maintenance before the trail segments within the I-694 right-of-way. MnDOT typically uses limited use permits for this purpose. They did try to get the language with their attorneys into the cooperative agreement, but it just does not work for MnDOT so they have a separate permit.

Mr. Kosluchar stated Limited Use Permit #0285-0031 is presented for approval. This permit also identifies the City as a responsible party for road construction and ongoing maintenance--in this case, for the trails maintenance within the right-of-way on Interstate 694. The City Attorney was able to request revisions of the LUP as presented in the Council's packet.

Mr. Kosluchar stated MnDOT requires that the City request renewal of the LUP every ten years. That is notable. Staff asked to get that changed but were not successful. The intent of that as he understands it from MnDOT is just to authorize it to continue to exist. Otherwise what they want to do is come out and make sure the conditions are okay, that there is not an issue, and presuming that if they find an issue that the City would be noticed to correct.

Councilmember Bolkcom stated going back to the Agreement, this terminates as of 11:59 p.m. on 6/9/2026 subject to the cancellation with or without cause. That is on page 64. First of all, how are they going to keep track of that? The City has to give notice no later than 90 days. They may renew it for a period of up to ten years providing permittee delivers to MnDOT not later than 90 days prior to the date in a written request. It seems so odd they are spending all this money and, if the City does not do it at least 90 days before, they could just pull the plug. Is this some sort of standard?

Mr. Kosluchar replied that is what it basically is. The City asked for 20 years or even 50 years, as they know the bridge is going to be there for some time. Their staff understood the City's dilemma with it being kind of a one-sided notification. He does not think they were willing to take on the responsibility themselves.

Councilmember Bolkcom asked what they would to make sure the City did this within a reasonable time. ?

Mr. Kosluchar stated his understanding is renewal of this is upon written request and agreement. They can either send the City a letter saying they agree to extend the term for another ten years or ask the City to go through another approval. He has thought about flagging those now and is not sure whether the software they have now is going to be the same. His guess is that this will be something that MnDOT keeps track of as well.

Councilmember Bolkcom asked if the City is okay with Section 4, Maintenance. The City will not be putting in any signs? It states no signs shall be placed on any MnDOT or other governmental agency sign post within the area. They do not anticipate any signage here at all?

Mr. Kosluchar replied correct. They do not want any signage out in the right-of-way of I-694. They are talking about some pretty short segments which are about 20 feet on either side of the bridge. That is what this LUP applies to. There was some talk of having some sort of monument. They just have to make sure that it is outside of the right-of-way.

Councilmember Varichak asked, regarding the timing issue, there is no penalty or fee that would be charged against the City if they do not renew after ten years.

Mr. Kosluchar replied, no, there is no charge for the permit. It is basically a permit agreement. As a practical matter MnDOT has no interest in eliminating the City's license to use this.

Councilmember Bolkcom stated but truly if you did not do it at least 90 days before, this does say that someone at MnDOT could be nasty and say you did not do it before 90 days.

Mr. Kosluchar replied correct. He may check with some other cities and maybe do a service letter.

Mayor Lund stated it seems to him the intent is pretty obvious here why they want that. They want to make sure if the City has been negligent in maintaining that bridge, they do not want any liability on MnDOT's part. They want to see the City revisit it every ten years.

MOTION by Councilmember Barnette to adopt Resolution No. 2016-39. Seconded by Councilmember Varichak.

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

8. Resolution Approving Plans and Authorizing a Call for Bids for the Main Street Trail and Bridge Project No. ST2015-21 (SP 127-020-029 / SP 0285-68).

Jim Kosluchar, Public Works Director, stated the project they have been talking about so far with the agreements is a federal highway-funded project for a shared use trail on Main Street

including a separated trail bridge across I-694. The existing Main Street bridge that is used for vehicular traffic does not provide a safe crossing. There is no separation from traffic, there is a one and one-half foot shoulder and limited visibility because of the crest or crown of the bridge. The design of this project has been completed and now needs authorization for bidding. Construction could begin this fall if authorized by Council.

Mr. Kosluchar displayed some renderings. The reason they talk about the lighting not being part of the project is the estimate showed the project is above budget because of soils for the bridge and bridge abutments and upgrades that are needed there. There are bridge paint and mesh panels. Relocation of the highway exit sign that is on the Main Street bridge will need to be done as part of this project. There is also the relocation of an unexpected traffic management system, basically the conduits for the camera that MnDOT has out on Main Street. The camera is on the east side, but the cables run underneath the project area. They have impacts to private fencing they did not expect to be quite as extensive and they have some stormwater management upgrades. These are the additional costs. There is nothing terribly substantial. The foundation due to soils is the biggest line item at \$150,000. The remainder are below \$70,000 each but they all add up. The anticipated cost without those additions would have been \$1.664 million and they are about \$450,000 over that.

Mr. Kosluchar stated the City has held trail funding for multiple years in the CIP for just this contingency knowing there was some risk with this project and knowing those funds could be allocated here. If the City does allocate Trail Funding through 2017 the budget shortfall can be abated.

Mr. Kosluchar stated additional elements such handrail lighting and bollard lighting, could be contingent upon bids, and they could be alternate items. This could also be budgeted from street reserves or constructed at a later date. While staff finds it difficult to solicit bids with an estimate that is higher than the City's original budget, they believe the bid climate is very favorable at this time. They want to take advantage of the climate and would like to prove that the estimate is high. Therefore, staff requests City Council approve the attached resolution. If approved staff will advertise the project and will present the results at the September 26, 2016, City Council meeting.

Councilmember Bolkcom stated as they talked about in one of their conference meetings, this is a favorable time, and without the bonding bill going in, it sounds like the time is beneficial for sure. If the bids come back way above, what would happen?

Mr. Kosluchar replied they would have to look at ways to minimize project costs. Potentially, it could be a rebid of the project scaled back.

Mayor Lund asked what kind of time restraint does the City have with the funding that is outside of the City's scope.

Mr. Kosluchar replied a bid needs to be awarded within nine months of authorization. Authorization was provided on July 1.

Councilmember Bolkcom stated as far as people living in this area, do they anticipate how they will notify them when the City goes out for bids? Will there some type of notification? Also, what kind of impacts does he think the businesses will have in the neighborhood there?

Mr. Kosluchar stated that is one thing the City needs to do is walk up and down the corridor. They have spoken with a number of business owners, but they do need to discuss the project with all of them. Some may lose a couple of trees and they may have irrigation systems that are down for a period of time, etc. It will be very similar to the walk project they did north of here on Main Street between 57th and 61st Avenues.

MOTION by Councilmember Bolkcom to adopt Resolution 2016-37. Seconded by Councilmember Saefke.

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

9. Resolution Ordering Preparation of Preliminary Report, Plans and Specifications for 2017 Street Rehabilitation Project No. ST2017-01.

Jim Kosluchar, Public Works Director, stated each year the City of Fridley performs major rehabilitation of selected streets in a planned neighborhood according to its pavement management plan. The proposed project in 2017 is in the Parkview and North Park neighborhood. Originally, the resurfacing plan included a much larger area that could be managed basically within budget. Staff looked at the street segments that needed to be repaired and that was well beyond what the City would have gotten in its CIP currently and the mileage was close to double. The plan has been updated to defer an area west of Highway 65 until 2021. As a matter of fact, staff looked at a number of street segments within that westerly area that were in better condition.

Mr. Kosluchar presented a map of the area. Staff will evaluate streets in the area and consider conditions, utility improvements, and other typical elements that may be incorporated into this street project. Portions of the following streets are included in the proposed project: Hathaway Avenue, Hathaway Lane, Lynde Drive, Polk Street, Regis Drive, Regis Lane, Hillwind Road, and Filmore Street.

Mr. Kosluchar stated if Council agrees with this project, an open house will be scheduled for September, at which time preliminary information will be presented to property owners and residents affected by the construction. Staff likes to do that really early in the process so they can gather any feedback and incorporate it into the feasibility report which is presented to Council after that.

Mr. Kosluchar stated staff requested Council adopt the resolution. If approved, staff will advertise the project open house and let Council know when it is and prepare a feasibility report.

Councilmember Bolkcom asked if he had any idea when the open house would be and how much the project would cost.

Mr. Kosluchar replied the open house would be in late September. He has to work with his staff and see what their schedules are going to be. Notices will be sent to advise the residents about the City's street project and will include information on the special assessments policy.

Mr. Wysopal asked if the homeowners on Lynde from 1000 to 1171 would receive those letters.

Mr. Kosluchar replied yes, typically what they will do is notify them just because they are in that project area and there are going to be trucks going up and down the streets. Staff wants to notify them just because of the construction, but they do get kind of a different mailer saying that according to the City's policy they are not subject to assessment for this project. Even as the project is ongoing, the City's construction flyers will typically go to a gap street like this in the middle of a project, just so they can be aware.

MOTION by Councilmember Varichak to adopt Resolution 2016-40. Seconded by Councilmember Barnette.

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

10. Resolution Ordering Preparation of Preliminary Report, Plans and Specifications for West Moore Lake Trail and Resurfacing Project No. ST2017-21.

Jim Kosluchar, Public Works Director, stated the City wants to initiate the West Moore Lake Trail Resurfacing Project No. 2017-21. As part of the City's approved Active Transportation Plan which identified gaps in walking and biking connectivity in the City, staff applied at the end of 2015 to fund both a bicycle and walking trail facility on West Moore Lake Drive from Medtronic Parkway to Trunk Highway 65. It runs north and south up to the school and then east and west after that.

Mr. Kosluchar stated there are three distinct segments of this project. One is a road diet south of 58th Avenue and that would basically reduce the roadway by 10 feet and allow for an off-road trail adjacent to the roadway. North of 58th Avenue there is room across from the Fridley High School for an offroad trail which would connect at 61st Avenue to on road bikes lane that could be provided. The City will have walks on both sides of the roadway, so pedestrian facilities are not needed to be upgraded.

Mr. Kosluchar stated there are three distinct segments. As part of that project and particularly looking at West Moore Lake Drive from Medtronic Parkway to 58th/59th Avenue, resurfacing of the street is a possibility just because they will be breaking into the street with the curb relocation. They had this originally scheduled within the City's project area for 2017. Staff moved the neighborhood to 2021, but they would like Council to allow them to consider at least in a feasibility report to make a determination whether they want to resurface West Moore Lake as part of this project, in conjunction with a separate project or in a combined project.

Mr. Kosluchar stated staff would like Council to allow them to perform a similar evaluation of utilities conditions, and then continue on with the project open house. The project is scheduled to begin as early as state fiscal year 2018 which is July 1 of 2017. The City could advance the project with approval of the State. Basically, they would not be advancing it much. It may start in June and say the City's first bill is due after July 1 anyway so they are not really carrying any construction cash flow beyond what the City normally does. Again they are looking at a late September date for a project open house. It would not necessarily be the same night as the 2017 project. His intent would be to have them one week apart. They would present the information to property owners and get their feedback.

Mr. Kosluchar stated staff is requesting adoption of the resolution which initiates this project, orders preparation of a preliminary report, plans, and specifications for West Moore Lake Road Trail and Resurfacing Project No. ST2017-21. If approved, staff will advertise the project open house and prepare at least a feasibility report for presentation to the City Council. They do declare in a resolution that the segment is from Medtronic Parkway to Highway 65; however, they are not contemplating resurfacing between 61st and Highway 65. It is the designation of the overall project.

Mayor Lund stated they are narrowing the width of West Moore Lake Drive from Medtronic Boulevard to 58th Avenue, allowing for an onstreet for that. Then it is off-road. He asked about the blue line on the map near West Moore Lake. Is that street going to be significantly reduced, too, because they are talking about having a walkway added on both sides of the street on that one? Is that going to be on the boulevard?

Mr. Kosluchar replied, the section that is proposed for West Moore Lake Drive from 61st to Highway 65 includes eliminating one-side parking so this would now be continuous throughout the project. That would basically be the inward side or the lake side. They need to hear from the neighborhood and get feedback to make a determination if that is the correct side. If you were looking eastbound and you went from left to right, it would be parking lane, bike lane, through lane, through lane, and then bike lane. It is very similar to the Main Street section they just referred to from 57th to 61st where there is parking on one side and bike lanes adjacent to the travel lanes and walks.

MOTION by Councilmember Saefke to adopt Resolution No. 2016-41. Seconded by Councilmember Bolkcom.

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

- 11. Approve Change Order #5 (FSB-03/09-1-1) with Maertens-Brenny Company; Change Order #1 (FSB-08-1-1) with Indianhead Glass, Inc.; and Change Order #2 (FSB-09-6-2) with Steinbrecher Painting Company for the Springbrook Nature Center Improvements Project (Building Addition, Remodel, and Site Improvements).**

Jack Kirk, Parks and Recreation Director, stated he is asking for Council's approval of three change orders for the Springbrook Nature Center project. The first one has a number of work adjustments related to it. It is Change Order No. 5 with Maertens-Brenny Construction Company. They were the largest contractor. It is in the amount of \$38,331.61. This was to make some adjustments to the framing and soffits for the operable partitions in the multi-purpose room. It also added some drain tile and a filter blanket on the east retaining wall which was part of the original building. It also included supplying and installing some copper counter flashing on the building to help with proper drainage. They also needed to lower and make some adjustments to the manhole cover that was in the existing parking lot.

Mr. Kirk stated there was some preparation for a new trash enclosure just on the north side of the parking lot. They needed to supply and certify some wood door frames and casings. They had to change and upgrade those to certified wood, as it was a requirement of the project as this was a State project. It was something called "B3" which is sustainability requirements. He believed B3 stands for benchmarks, building, and beyond.

Mr. Kirk stated they asked them to supply and install a chain link fence over the original building. The new trail alignment went right to the north side of the roof and if somebody walked off the trail they could have walked right up the roof of the old earth shelter building and then right up on to the new roof. From a safety standpoint and also to protect that investment they asked to have that done.

Mr. Kirk stated in consultation with the architects and also the construction manager, they asked them to do some higher grade exterior venting. They eliminated the acoustical finishing, some soffit areas as it was not going to make sense. That actually resulted in a deduct on the project.

Mr. Kirk stated they had them do some demolition of sheetrock walls. This had to do with the original building. They did not necessarily intend to do those but found the insulation had deteriorated over the years.

Mr. Kirk stated the next one was replacing an underground supply duct. This was something that this company actually accidentally damaged from another contractor and then had to pay for the restoration of it.

Mr. Kirk stated they installed six-foot sidewalk parallel to the northeast edge of the parking lot. That was something after the fact and it turned out very well. With respect to the entrance area, the area with the paver stones, the specs on that were completed after the original bids were there. They asked them to do some additional work on that.

Mr. Kirk stated the second change order was Change Order No. 1 with Indianhead Glass in the amount of \$2,980. This was to supply and install eight pieces of glass on the curved storefront area in the reception area. There were some changes in sizes that were needed to make this curved wall have the proper appearance.

Mr. Kirk stated Change Order No. 2 with Steinbrecher Painting Company was for a decrease in their contract amount of \$1,865. It was to eliminate painting on the multi-purpose classroom ceiling. They decided that for that large space, they were really concerned about the acoustics, so they had an acoustical treatment put on instead and, therefore, the painting was not needed.

Mr. Kirk stated the funding for all of these change orders would come out of the project contingency. Staff recommends approving Change Order No. 5 with Maertens-Brenny Construction in the amount of \$38,331.61; approving Change Order No. 1 with Indianhead Glass in the amount of \$2,980; and approving Change Order No. 2 with Steinbrecher Painting in the amount of \$1,865 as a decrease in their contract.

Mayor Lund asked these change orders have to be diminishing the project's reserve. He asked how much was left.

Councilmember Bolkcom replied \$47,475.60.

Mr. Kirk replied they still have a pretty reasonable contingency. All of the items they are dealing with now are punch list items. There might be some charges for touch-up paint, replacement of hardware and adjustments to lock sets. The one item they are still working on is the outdoor area in front. The torrential rains have created a number of washouts. They are still working on what needs to be done. They are working with landscape architects on figuring out what would be best for a long-term solution so they do not continue to have washouts. There was a contingency that was set up to handle things like this, and they still have dollars available.

Councilmember Bolkcom asked with respect to No. 1, Change Order No. 5, making adjustments to the framing and soffit. It was built and then redone?

Mr. Kirk replied, no, they bid on it a certain way and they had some issues with the duct work that had to go in. They had to adjust some of the soffits and with the portable partitions there was actually additional work they had to do over and above what they had bid on. It was reasonable what they asked them to change. Having an extra price was what the construction manager thought were reasonable dollar amounts.

Councilmember Bolkcom asked and as to No. 13, as people buy pavers is there a cost to add those pavers in? She asked how that worked.

Mr. Kirk stated if people buy them now, they are already installed. The company will come out and engrave them on-site. They actually will be having them come out at the end of September. The Foundation set a next deadline for potential donors of September 1.

Councilmember Bolkcom asked if there would be an opportunity for someone after that date.

Mr. Kirk replied, yes, there is. The Foundation will continue to promote those pavers and if they get 20 more say by February of next year, early next spring, they would have them come out again.

Councilmember Bolkcom asked if he felt confident they were going to stay within budget.

Mr. Kirk replied he does. The construction manager has done a great job. They feel this project will end up under budget. Right now they are there.

MOTION by Councilmember Bolkcom to approve Change Order #5 (FSB-03/09-1-1) with Maertens-Brenny Company; Change Order #1 (FSB-08-1-1) with Indianhead Glass, Inc.; and Change Order #2 (FSB-09-6-2) with Steinbrecher Painting Company for the Springbrook Nature Center Improvements Project (Building Addition, Remodel, and Site Improvements). Seconded by Councilmember Saefke.

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

12. Informal Status Reports:

Mr. Kosluchar stated at the last Council meeting they discussed the signal at East River Road/Northern Stacks. They have been in contact with Mortenson Construction and a lot of their construction has been slow to get underway just because of utility conflicts, etc. Most of those are out of the way, and he is expecting an updated schedule from them this week.

Mr. Kosluchar stated Met Council Environmental Services, after its August 8 meeting, has issued an August 10 update so folks can find that at www.metrocouncil.org. If you search for "Fridley" you will find the sewer construction Fridley project. This is the one along the railroad tracks near Community Park. That address also gives you contact information if there are construction issues in regard to Hickory. Their staff and the City's staff have looked at the road independently. There is a meeting tomorrow to discuss a solution. He should be able to bring something back to Council next week.

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 8:42 P.M.

Respectfully submitted by,

Denise M. Johnson
Recording Secretary

Scott J. Lund
Mayor