I. CALL TO ORDER

Mayor Furlong called the meeting to order at 6:30 p.m.

II. THE PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

III. ROLL CALL

Mayor Furlong stated Council Member Petersen had planned to participate in the meeting from a remote location in Orange Beach, Alabama, but was unable to connect due to technical difficulties.

Present: Council Member Thorsen
         Council Member Walczak
         Council Member Sonnek
         Mayor Furlong

Absent: Council Member Petersen

Staff: Interim City Manager Scott Duddeck, City Engineer Morgan Dawley, City Planner Molly Just, Director of Electric Utilities Brian Frandle, Administrative and Community Services Director Debra Gustafson.

IV. ADOPT AGENDA

On motion by Council Member Walczak, seconded by Council Member Thorsen, with all present voting aye, Council Member Petersen absent (4-0), motion carried to approve the agenda as submitted.

V. PRESENTATIONS

Brian Frandle, Electric Utilities Director, Clean Power Energy Program

Director of Electric Utilities Brian Frandle reviewed the City’s renewable energy program, which is administered by the Minnesota Municipal Power Agency (MMPA). Currently, 17% of the energy purchased and used by the City of North St. Paul’s residents comes from renewable resources. The City of North St. Paul gives its residents and businesses the option to purchase additional renewable energy options for a small fee.

Mr. Frandle stated there are 12 member cities in the MMPA, of which the City of North St. Paul has the 3rd highest public participation. He added City Staff are proud of this low-cost program and the potential renewable energy options that are available to the City’s residents.
Council Member Sonnek asked how the program works. Mr. Frandle stated the City purchases renewable resources from various wholesale markets and makes it available to residents. He added there are enough renewable resources for the City’s residents to be 100% renewable through MMPA. He noted there have been similar discussions at the State level.

Mayor Furlong thanked Mr. Frandle for his presentation.

VI. APPROVAL OF CONSENT AGENDA

Mayor Furlong stated Consent Agenda Item H related to Electronic Reader Board Sign Policy will be removed and tabled.

*On motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye, Council Member Petersen absent (4-0), motion carried to approve the consent agenda, Resolution No. 2019-027 consisting of:*

A. March 5, 2019 workshop meeting minutes  
B. March 5, 2019 regular meeting minutes  
C. General accounts payable: $1,150,174.34  
D. HRA accounts payable: $2,400.92  
E. Application for a City (local) Charitable Gambling Permit for an event to be conducted by North Metro Flex Academy, Friday, May 17, 2019. Resolution No. 2019-028.  
F. Application for a Charitable Gambling Permit to conduct lawful gambling in the form of Raffles by the Sons of The American Legion, Post #39 on May 4, 2019. Resolution No. 2019-029.  
H. Electronic Reader Board Sign Policy - Tabled

VII. MEETING OPEN TO PUBLIC

*John Schmahl* presented a pamphlet from the City of Maplewood regarding their solid waste removal program. He added their service fees are much lower than the City of North St. Paul. He requested that the City Council consider why residents have been paying so much more than the residents of Maplewood.

*David Nelson* expressed concern about noise and congestion from motorcycles that come to North St. Paul for rallies at Neumann’s Bar as well as the Friday night Car Shows. He added the motorcycles are loud and their drivers do not obey traffic signals. He asked what will be done about the noise situation at Neumann’s Bar and K&J, and whether the owners will be contacted. He noted he would support a permit process for motorcycle rallies, as well as a paid City Police Officer to direct traffic during high volume times.
Mayor Furlong stated a meeting is planned with the owners of Neumann’s Bar and K&J, and the meeting will be published. The meeting is scheduled for Saturday March 23, 2019, at 9:00 a.m. at Luther Auctions.

Mr. Nelson stated that meeting will be held to address issues related to the car shows, but not motorcycle noise and congestion.

Interim City Manager Scott Duddeck agreed to look into this issue and report back to the City Council.

Shawn Rivet, 2483 2nd Avenue East, thanked the City Council for their quick response to his recent email regarding flooding in his home, and their help and support.

Mayor Furlong recognized members of Optimus Club in the audience and invited them to address the City Council.

The two audience members stated they are students at North High School. They started an Optimus Club, which is affiliated with an international organization that strives to make a positive impact through community involvement. They attended the City Council meeting to find out what is happening in North St. Paul and how Optimus Club members can get involved.

**VIII. PUBLIC HEARINGS**

There were no scheduled hearings.

**IX. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS**

A. **Conditional Use Permit Request for an Adult Day Care at 2090 11th Avenue**

City Planner Molly Just reviewed a request for a Conditional Use Permit (CUP) for an Adult Day Care facility at 2090 11th Avenue. The applicant plans to occupy an 8,000 square foot space that is currently vacant, and operate 7 days a week from 7:00 a.m. – 8:00 p.m. The applicant is currently seeking a State License for up to 60 clients, and CUP approval is required. The facility and its programs will be regulated by the Minnesota State Department of Health.

Ms. Just stated the Planning Commission reviewed this issue at their March 7, 2019 meeting and held a Public Hearing, after which approval was unanimously recommended.

Council Member Walczak requested clarification regarding the required parking spaces, and whether the spaces will be marked. Ms. Just stated there will be a drop-off area, and parking spaces for the facility would be located in the larger parking lot. She added most individuals will be dropped off by family members and minimal parking will be needed. She noted the City Council can recommend that City Staff review parking on an annual basis and add any conditions or requirements as necessary.
Council Member Walczak asked whether Hmong House was contacted regarding the parking requirements. Ms. Just stated Hmong House was notified of the Conditional Use Permit and they did not provide any feedback.

Khosrow Daivari, co-owner of Target Plaza, stated there are approximately 300 parking spaces at Target Plaza, and another 80 spaces across the street. He added the proposed use will require very little parking.

Council Member Walczak asked whether parking requirements should be included in the Resolution, since it is a CUP application. Ms. Just stated the CUP application, including dedicated parking spaces, will become part of the record.

Mayor Furlong welcomed the applicant and invited her to address the Council.

Blia Vang, the applicant, stated she has been running the facility out of her home for two years, and there has been a lot of interest so she wants to expand her services. She added they provide activities and outings for older adults, including trips to the YMCA, local shopping centers, and outdoor activities. She noted they currently have two 15-person vans but plan to have more vans after they open the facility.

Council Member Walczak asked how the program works. Ms. Vang stated participants qualify for services through the State, and they can choose when and how many times they want to come. She added she has not had any private participants. Council Member Walczak stated that might change when the facility is in a more public setting at Target Plaza, and more residents might express interest.

On motion by Council Member Sonnek, seconded by Council Member Walczak, with all present voting aye, Council Member Petersen absent (4-0), motion carried to approve a Conditional Use Permit Request for an Adult Day Care at 2090 11th Avenue.


City Engineer Morgan Dawley reviewed the construction contract for the 2nd phase of the 2018 Pavement Management Project, for which City Council approval is requested. The original project, a pavement rehabilitation effort, was conceived on State Aid-funded roads in the area of North High School. The project’s first phase was completed in 2018, but the second phase was postponed to Summer 2019 at the request of the School District, so construction activities would not happen when schools are in session. Both phases of the project were included as options in the bidding process, but this request is a rebid of the initial effort.

Mr. Dawley stated two alternates were included for contractors – stabilizing the base or adding extra structure to the asphalt paving – to see if there would be a cost savings. Seven bids were received, and City Staff recommends the base bid schedule plus Alternate 1 be awarded to the apparent low bidder, North Valley, Inc.
Mr. Dawley stated North Valley completed Phase 1 road reconstruction on Helen Street N.

Mayor Furlong asked what the difference was between the two alternates. Mr. Dawley stated Alternate 1 includes reclaiming all the existing pavement and replacing with asphalt paving. He added Alternate 2 includes stabilizing the aggregate, which would require less paving.

Council Member Thorsen asked whether actual costs are reviewed throughout the pavement management process, and whether there is follow-up on the low bid. Mr. Dawley stated City Staff generally anticipates that a contract will be finalized under the contract amount and has a good track record of coming in at or under contract price.

Council Member Thorsen asked whether a follow-up process is being planned to receive resident feedback and whether that can be provide to the City Council. Mr. Dawley noted that was discussed at a previous City Council meeting, and a resident survey is being considered. A project address database is maintained that could be used.

Council Member Thorsen requested clarification regarding the City’s requirement with regard to awarding the low bid.

City Attorney Soren Mattick stated any bid that is anticipated to be over $175,000 is required by State law to be sent out for sealed bids and awarded to the lowest responsible bidder. He added a bid can only be rejected if a material error is found, and no errors were found on this bid. Mr. Duddeck confirmed this.

Council Member Thorsen asked whether the company’s reputation comes under consideration as part of the bid process. Mr. Mattick stated that information is included in the bid documentation and the City is required by law to accept the lowest bid. He added North Valley is qualified and completed Phase 1 for the City of North St. Paul in 2018.

Council Member Thorsen stated a local company, T.A. Schifsky & Sons, submitted a bid. He asked if there is a way to provide opportunities to local contractors and businesses, and whether that could be explored. He added the City of North St. Paul supports the success of its local businesses, and that is a concern for him. He added he understands the process and supports moving forward with the bid.

Mr. Mattick stated there is no criteria that allows for special consideration of local companies. He added they might be able to save on mobilization costs due to close proximity, and that would show up in their bid.

On motion by Council Member Walczak, seconded by Council Member Thorsen, with all present voting aye, Council Member Petersen absent (4-0), motion carried to approve Resolution No. 2019-032 accepting bids and awarding Construction Contract for 2018 Pavement Management Project – 2019 Bid Package (City Project No. S.A.D. 18-02, S.A.P. 151-255-007) to North Valley, Inc.
C. Approval of Five-Year Contract with MNSPECT LLC

Mr. Duddeck reviewed a request for approval to extend MNSPECT’s contract for building official services. MNSPECT was hired on a trial basis in Fall 2018, and a five-year contract is proposed. There are a few amendments to the proposed contract, including reduced plan review and inspection fees, as well as inclusion of sediment and erosion control inspection services.

Mayor Furlong stated positive feedback regarding MNSPECT services has been received from residents and City Staff.

Council Member Sonnek requested clarification regarding MNSPECT’s services for residents, and how it is different than what was offered before. Mr. Duddeck stated permits are still available over the counter, with follow-up provided by MNSPECT inspectors, although there is no in-house inspector. He added phone calls come in to the City’s inspection line, and callers have the option to be transferred to MNSPECT for questions and to schedule an inspection, or to speak with City Staff.

Council Member Sonnek asked whether residents will be connected to someone who is familiar with the Building Code and can answer their questions. Mr. Duddeck confirmed this, adding MNSPECT’s staff, both in the field and in their offices, can field questions and assist residents.

Council Member Sonnek asked what other cities are currently using MNSPECT’s services. Mr. Duddeck stated City Staff met with M&I Homes recently, and they indicated that they have worked with MNSPECT in Bayport. He added the City of Lake Elmo is considering a contract with MNSPECT.

Council Member Sonnek stated the City Council has been considering an online permitting process. He asked whether that will be made available. Mr. Duddeck confirmed that this technology will be available through MNSPECT, and electronic files and information will be submitted back to the City for permanent storage in electronic property records.

Council Member Sonnek requested clarification regarding the five-year contract, which seems like a long contract. Mr. Mattick stated such contracts are anywhere between 2-5 years. Mr. Duddeck stated the City has worked with MNSPECT since Fall 2018, and he recommends moving forward with the contract due to their excellent service. He added the contract with MNSPECT will provide continuity for the many development projects that will be happening in North St. Paul over the next few years.

On motion by Council Member Sonnek, seconded by Council Member Thorsen, with all present voting aye, Council Member Petersen absent (4-0), motion carried to authorize the City to enter into a five-year contract for building official/building inspection services with MNSPECT, LLC to serve as the City’s building official effective April 1, 2019 through December 31, 2023.
Mr. Duddeck stated the City Council will consider amendments to the Fee Schedule at its April 2, 2019 meeting. He added the Fee Schedule will include fees for new inspection services under the MNSPECT contract.

D. Approval of Interfund transfer for TIF 4-10

Mr. Duddeck reviewed a request for approval for an interfund loan, TIF 4-10, related to the Anchor Block north development site. He added funds are requested for approval preliminary work in anticipation of the development.

Mr. Duddeck stated Mikayla Hewitt from Springsted was present at tonight’s meeting to provide additional information and answer the City Council’s questions.

Mikayla Hewitt, Springsted, stated the purpose of this interfund loan is to allow the City of North St. Paul to incur costs and later reimburse them with revenues from TIF districts. She added the project is in preliminary stages, but some costs are anticipated.

Mayor Furlong requested clarification regarding the length of the TIF District. Ms. Hewitt stated the soils district is anticipated for a maximum of 21 years. She added, however, the District has not yet been established, and the amount of required increment is unknown.

On motion by Council Member Thorsen, seconded by Council Member Sonnek, with all present voting aye, Council Member Petersen absent (4-0), motion carried to adopt Resolution No 2019-033 approving the terms of up to $100,000 interfund loan in connection with a proposed Tax Increment Financing District No. 4-10 (Anchor Block North).

X. REPORTS OF CITY MANAGER AND DEPARTMENTS

Mr. Duddeck thanked the City’s Public Works crews for their hard work in managing snow plowing during the month of February 2019. He added there has been some flooding reported, and City Staff will help residents as much as possible in areas where there might be flooding.

Mr. Duddeck stated a representative of Xcel Energy will be at the City Council’s April 2, 2019 meeting to provide information on the upcoming gas line project, and what residents can expect during construction.

Mr. Duddeck stated a representative of the Minnesota Department of Agriculture will be at the City Council’s April 16, 2019 meeting to give an emerald ash borer presentation.

Mr. Duddeck stated the Economic Development Authority (EDA) met last week to discuss upcoming economic activities in North St. Paul. He added the EDA works to promote the community and its businesses and works closely with the local Business Association.

Mr. Duddeck stated the Friday Car Shows will be starting the first Friday in June. He added a car show meeting is scheduled for Saturday March 23, 2019 at 9:00 a.m. at Luther Auctions.
Mr. Duddeck stated another new business, Mo’s Tropical Fruit, is also being welcomed to Target Plaza.

**XI. REPORTS OF COUNCIL, COMMISSIONS & COMMITTEES**

There were no reports.

**XII. GENERAL BUSINESS**

Council Member Thorsen requested that City Staff review road conditions on 7th Avenue East between 1st Avenue N and 3rd Avenue N. He added repairs and mitigation should be considered and expedited as the road surface gets bad in the spring.

Mr. Duddeck stated that road has been discussed recently as part of discussions related to the Anchor Block site. He added the City’s Pavement Management Plan is due to be reviewed and changed so that it is more development specific, and roads like 7th Street need to be addressed as part of overall reconstruction efforts.

Mayor Furlong thanked the City’s Public Works crew for the remarkable job they did on snow removal in the month of February.

**XIII. CLOSED SESSION**

There was no closed session.

**XIV. ADJOURNMENT**

There being no further business, on motion by Council Member Sonnek, Seconded by Council Member Walczak, with all present voting aye, Council Member Petersen absent (4-0), Mayor Furlong adjourned the meeting at 7:45 p.m.

/s/ Terrence J. Furlong, Mayor

Attest: /s/ Scott A. Duddeck, Interim City Manager