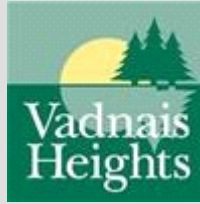


Mayor
Bob Fletcher

Council Members
Terry Nyblom
Craig Johnson
Heidi Gunderson
Greg Urban

City Administrator
Kevin Watson



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Phone: 651-204-6000
Fax: 651-204-6100

**Regular Workshop Meeting of the
Vadnais Heights City Council**
Monday, June 4, 2018 - 5:30 pm
Lakes Conference Room at City Hall
AGENDA

1. Open Meeting - (6:00 p.m.)
2. Marketing Initiatives Discussion
Documents:
[2.PDF](#)
3. 2019 Street Improvement Discussion
Documents:
[3.PDF](#)
4. Convery Request for Assessment Tax Deferral
Documents:
[4.PDF](#)
5. Budget Memo
Documents:
[5.PDF](#)
6. Other Staff Items
7. Future City Council Requests

Kevin Watson
City Administrator

651.204.6010 Phone
651.204.6110 Fax
kevin.watson@cityvadnaisheights.com



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Fletcher and City Council Members

FROM: Kevin Watson, City Administrator *KW*

DATE: June 4, 2018

SUBJECT: Marketing Initiatives Discussion

Recommended Council Action

Advise staff on future direction

Background

Councilmember Gunderson and VHEDC Director Ling Becker have discussed the need to take a proactive approach to marketing and communication for the City of Vadnais Heights. This memo is a placeholder to initiate that conversation.

In addition, the City Center Task Force has been discussing beautification of the City Center with new banners and holiday decorations. We have already acquired flower baskets for the new year and they have been in place since Memorial Day, along with the American Flags.

Additionally, we designed some new banners to help promote the community and all the services our City will provide – 7 services, 2 different colors, 14 different banners. We purchased some double banner arms for the street lights over the bridge. These new banners should be received in the next few weeks and in place in June.

Lastly, the task force has agreed that we need to have decorations throughout the year and recommends the purchase of snowflake decorations the length of County Rd. E. The Snowflakes would be put up soon after the American flags come down (after Veterans Day). They would stay up through the winter. They would be illuminated. Staff would like to confirm the snowflakes are an agreeable purchase. Mayor Fletcher and Councilmember Johnson are both on the task force and support the idea. The cost is estimated around \$15,000 and will be paid for from the funds that were allocated to the Super Bowl event.

Attached are some examples of the banners and potential snowflakes.

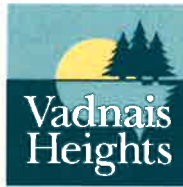
J

Examples:



Mark J. Graham, P.E.
City Engineer/Director of Public Service

651.204.6050 Phone
651.204.6150 Fax
mgraham@cityvadnaisheights.com



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Fletcher and Council Members

FROM: Mark Graham, City Engineer/Director of Public Services *MG*

DATE: June 4, 2018

RE: 2019 Street Improvement Discussion

This memo is intended to provide an update on Buerkle Road consideration and list of streets for City Council review and discussion.

Buerkle Road Field Meeting with Contractor

Representatives from S.E.H. and I met with T.A. Schifsky Paving Contractors in the field on May 29 to review options for interim improvements on Buerkle Road from the railroad tracks to Trunk Highway 61. Schifsky recommends that we mill all four (4) inches of bituminous surfacing and replace a limited amount of concrete curb. They estimated the construction cost for this work to be between \$250,000 and \$325,000. The work will include two new catch basin structures to alleviate some drainage concerns near the tracks as shown in the attached pictures.

We also met at Buerkle Honda to discuss future Rush Line bus rapid transit options with Metropolitan Council representatives. They don't have any concept plans for future trail improvements, as the project is at least 6-7 years away.

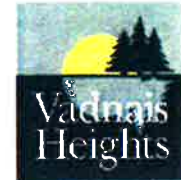
The interim mill and overlay improvements should be adequate at least 5-10 years, but a future reconstruction project will ultimately be needed. If this interim improvement is acceptable to the City Council, we will have S.E.H. prepare a more modest feasibility study and plans for bidding purposes. We can have a feasibility study proposal at an upcoming City Council meeting for your consideration. This will preserve our ability for 50% assessments to the abutting commercial properties. Construction would be scheduled for 2019.

Residential Street Improvements

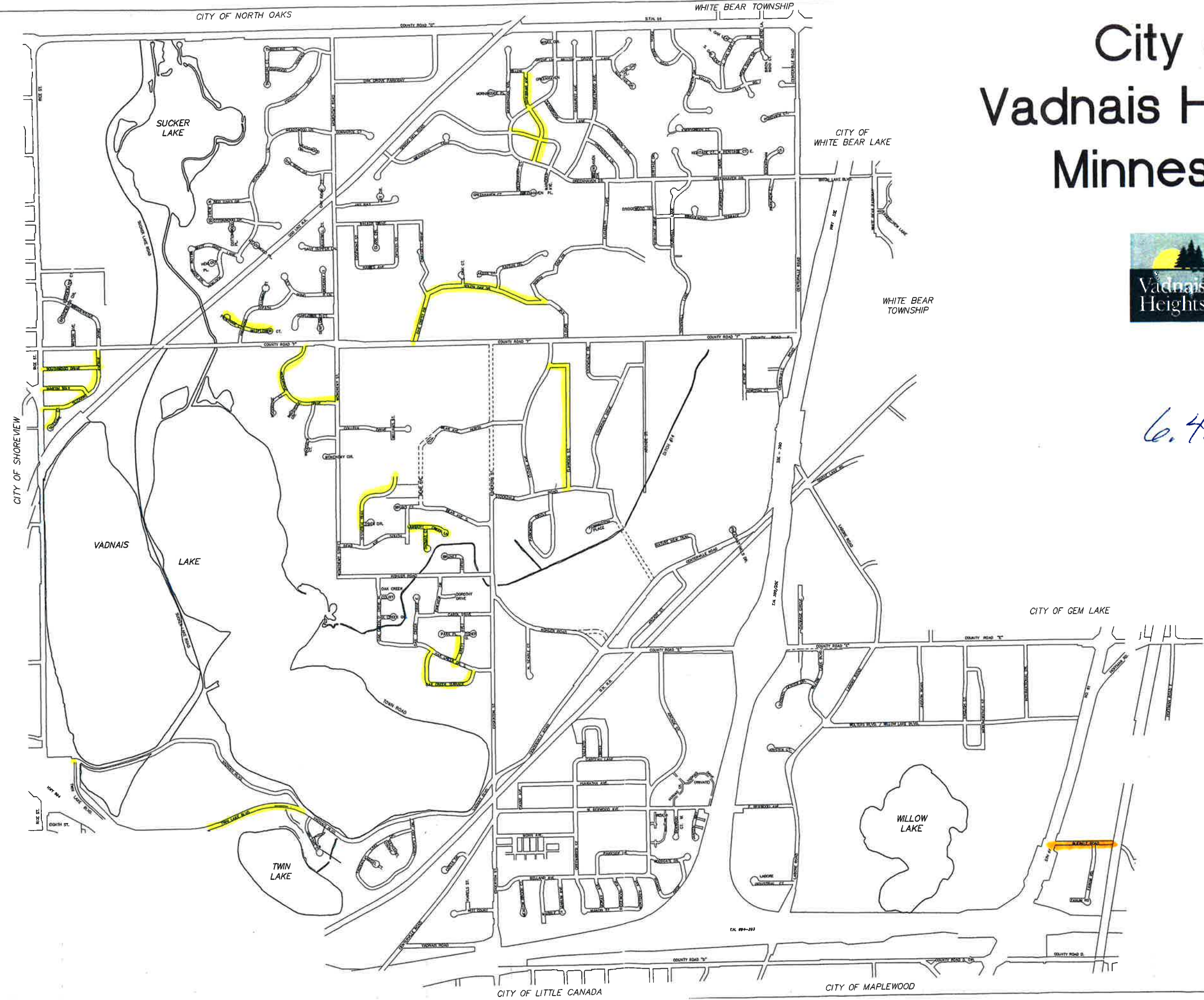
No bituminous removal and replacement improvements are occurring in 2018. This past winter was terrible from a freeze thaw perspective and created a number of challenges on existing streets. Following is a list of the streets where we have received numerous and occasionally angry phone calls and emails regarding current conditions. A map of these streets is attached. They are not in any particular order of severity. The list of streets will far outweigh our financial ability to address in any one year. Staff requests that the City Council review these areas on your own for group discussion at an upcoming City Council workshop. You may also see other streets to suggest during your field review.



City of Vadnais Heights, Minnesota



6.4.18

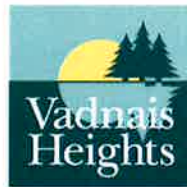


January 2011



Kevin Watson
City Administrator

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kevin.watson@cityvadnaisheights.com



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Fletcher and City Council Members

FROM: Kevin Watson, City Administrator *kw*

DATE: June 4, 2018

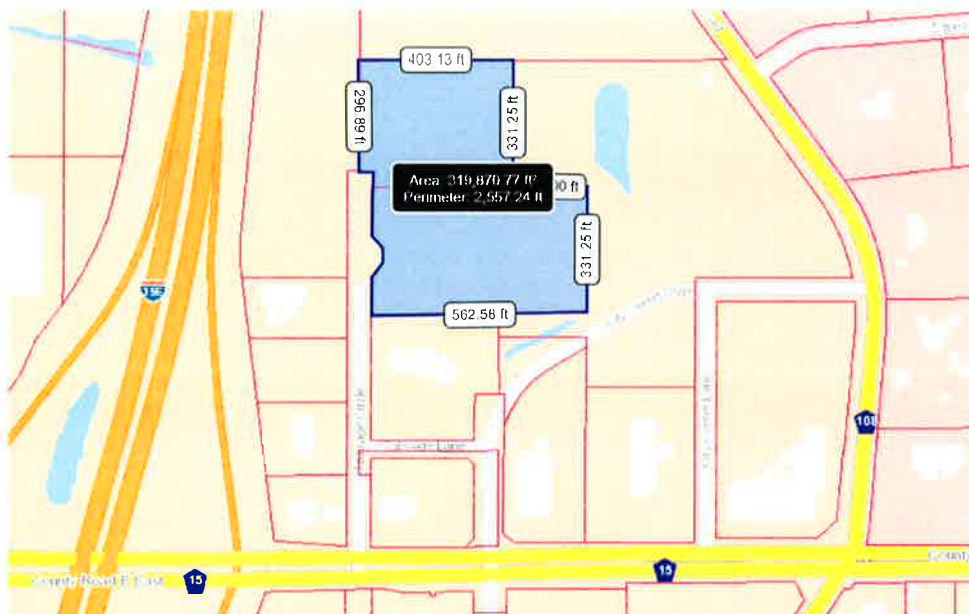
SUBJECT: Convery Assessment Deferral Request

Recommended Council Action

Advise staff on whether to pursue policy amendments to accommodate Neil Convery's request.

Background

On May 8, 2018, the City received a request from Neil Convery to defer the taxes and remaining assessment on his two properties until their family is able to sell the property. Unfortunately, the City has no real means to defer taxes on the property without major support from all the other taxing entities. I do not foresee this being a real possibility. The assessment Convery is referring to is within regards to the City Center Drive extension from County Rd. E to Labore Road and Talmage Lane between City Center Drive to Talmage Circle and the traffic signal. This particular project was \$3.1 million and 53% was paid for by the City. For reference, their property is the one directly north of the medical office building north of Perkins Restaurant. See map below.



The Convery's were assessed a total of \$180,331.08. Their payback was over 15 years as the road was new construction. During the assessment hearing, their only request to the City Council was to lower the rate from 8% to 6%, which City Council agreed to.

The Convery's request is unprecedented and it's because of this, I would caution City Council to provide valid reasons as to why the Convery's are the exception to the rule. In short, the Convery's had their opportunity to appeal at the July 17, 2014 Public Assessment Hearing, like Pat Goff did, and they chose not to. Without unique reasoning, allowing property owners to appeal or defer payment midway through the payment process is uncharted territory and could cause significant burden on the City and Ramsey County.

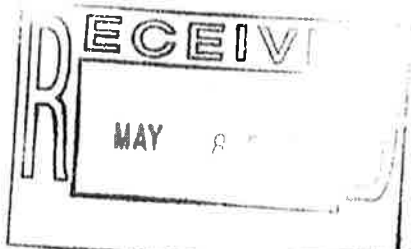
One thing to consider is street projects are funded by a mix of city dedicated funds for street repair, lump sum payments from individual property owners and loans to individual property owners by city through our reserves. These reserves are replenished over time by the these annual assessment payments. Essentially, the city is operating like a bank. It's not ideal, but necessary, because not everyone can afford a lump sum payment up front, though we prefer it. If we start allowing all individual property owners to defer payment until the property is sold, we may not be able to operate in the same manner as we have in the past.

City Attorney Bell-Beckman has provided an open letter to the City Council on issues to be considered. She too explains the need to show unique cause to justify a policy shift. At this time, City staff cannot justify sound reason for a policy amendment.

Attachments

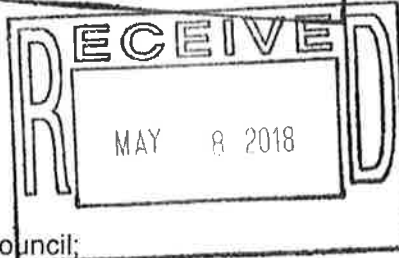
- Letter from Convery, dated May 3, 2018
- Memo from City Attorney Beckman, dated May 21, 2018

Neil P. Convery
9783 Wedgewood Cir.
Woodbury, MN 55125
Home Phone (651) 459-9590



May 3, 2018

RE: Parcel PIN #: 283022430009
Parcel PIN #: 283022430016



Dear City of Vadnais Heights City Council;

I am writing to the City of Vadnais Heights regarding our two vacant land parcels (with PIN #'s referenced above) which total +/- 7.25 acres and are located in the NE Quadrant of I-35E and County Road 'E'.

I purchased this commercial property in 1987 as an investment for my retirement. For the past 31 years we have always paid our property taxes in-full and on time. For over twenty years we have made considerable efforts to find a purchaser or developer for these parcels with no success. This is due primarily to the severe contamination of debris which was unknown to us at the time of purchase and later learned as a developer attempted to develop our land. In 2015 the City of Vadnais Heights levied a significant road assessment on us for an extension of Willow Lake Boulevard. Unfortunately, that has provided no economic benefit to our land and rather has caused a substantial hardship for us.


I have paid a considerable amount of tax and assessments to the city which is increasing the burden of holding this land. The tax and assessment payments to Vadnais Heights since 2008 have totaled approximately \$166,000. Our assessment payments alone since 2015 total \$71,408. The economic strain of this 2015 levied City Center land road assessment has become an increasingly difficult financial burden for our household in our retirement years. We continue to search for a development prospect, and while we are doing this we request the city agree to defer our tax and assessment payments until such time as we find a purchaser.

I believe this is a very fair and reasonable request. We have always strived to work cooperatively with the city and will continue to do so. If you could consider this request before May 15, we would truly appreciate it.

I am putting more effort into looking for a purchaser and am hopeful that a developer will emerge in the near future. Like the City, we want this land to support a new beneficial development in Vadnais Heights.

Please feel free to contact me if you have any questions or wish to discuss this. Thank you for your consideration in this matter.

Respectfully,


Neil P. Convery

E RICKSON,
B ELL,
B ECKMAN &
Q UINN, P.A.

1700 West Highway 36
Suite 110
Roseville, MN 55113
(651) 223-4999
(651) 223-4987 Fax
www.ebbqlaw.com

James C. Erickson, Sr.
Caroline Bell Beckman
Charles R. Bartholdi
Kari L. Quinn
Mark F. Gaughan
James C. Erickson, Jr.
Erich J. S. Hartmann
Melissa K. Loonan

Robert C. Bell
(1926 - 2014)

May 21, 2018

Mayor and City Council
City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Re: **Neil P. Convery – Parcel PIN #'s: 283022430009 and 283022430016**
Our File No. 1017-00012

Dear Mayor and Councilmembers:

Enclosed is correspondence from Neil Convery regarding a request for deferral of the 2015 special assessment for extension of Willow Lake Boulevard. This is the same assessment involved in the Goff appeal and the McCullough litigation.

Our City Code §§ 47.190 and 47.192 allows deferment of special assessments for senior citizens or parties permanently disabled however does not provide for deferrals for unimproved property. I do not recall that the City has deferred an assessment for unimproved property. However, there are three types of special assessment deferrals recognized by the Legislature in Minn. Stat. §429.061 - (1) For senior citizens and disabled persons or members of the National Guard or military reserve; (2) For green acres where the owner of a property who is enrolled in the Minnesota Agricultural property tax program may apply to the County to defer special assessments, and (3) For unimproved land.

Although deferral of a special assessment generally is done at the time of the special assessment hearing the City could allow deferment of this assessment on unimproved property until a specified date or until the property is improved. As the assessment for this improvement has been in place for three years, payments have obviously been made by Convery and the other property owners. Also, we have no information regarding the date Convery is requesting for deferral or when the property would develop so it is not clear when the special assessment could be collected. If the City wants to consider this request it will involve a lot of legal time to work with the County on modifying or adjusting the current assessment and determining the credit for the amount that has been paid to date.

There were 13 properties assessed as part of this Willow Lake Boulevard improvement project. There was one appeal to the assessment filed by Pat Goff for his property which was resolved. There was also a dispute with regard to the McCullough assessment which has been involved in extensive litigation including two district court hearings, two Court of Appeals arguments, as well as the Minnesota Supreme Court. The McCullough assessment is pending resolution following mediation.

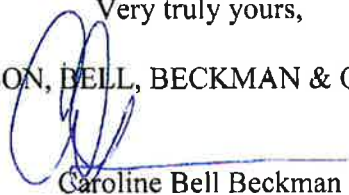
At the initial assessment hearing in this matter Mr. Convery did request a modification of the assessment which resulted in a reduced interest rate for all of the properties involved. Typically a deferral would also be requested at the time of the hearing. That request was not made. Other than McCullough and Goff the other 11 property owners have not sought deferral nor have they contested the assessment.

If the City council wants to consider this request it would be appropriate to set forth reasons to distinguish the Convery parcel from the other parcels assessed or you will likely be dealing with multiple other similar requests.

Before our office pursues drafting a resolution or additional time working with the County on this, I need direction from the Council as to whether this is something the Council wants to pursue. I would imagine this would take some significant legal work which would be billable time as special assessment work is not covered by the retainer as it is generally billed as part of the improvement project.

Very truly yours,

ERICKSON, BELL, BECKMAN & QUINN, P.A.

A handwritten signature in blue ink, appearing to read 'Caroline Bell Beckman', is written over a horizontal line. The signature is stylized and somewhat cursive.

Caroline Bell Beckman

/dj

Enclosure

c: Mark Graham
Kevin Watson

Bob Sundberg
Finance Director



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

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bob.sundberg@cityvadnaisheights.com

Memorandum:

TO: Mayor Fletcher and City Council Members

FROM: Bob Sundberg, Finance Director *Bob Sundberg*

DATE: June 4, 2018

SUBJECT: 2019 Budget and Levy Schedule

Staff seeks Council input regarding the 2019 levy and budget process. A tentative schedule is proposed below. Much of the specific data necessary for the budget process is not available until August. Tax base information is available from Ramsey County in mid to late August. Health insurance premiums for next year won't be known until late August or early September. Other information that will be more accurate later on includes contractor rates, inflationary trends and various revenue projections. At this time, we hope to flush out any capital initiatives or other operating initiatives the Council would like to pursue in 2019.

06/04/18	COUNCIL PROVIDES BUDGET/LEVY DIRECTION
07/17/18	CAPITAL NEEDS ANALYSIS REPORT
08/07/18	FIRST DRAFT: CIP/PROPOSED BUDGET
08/21/18	FINAL DRAFT: CIP/PROPOSED BUDGET, TAX IMPLICATIONS
09/18/18	SET 2019 MAXIMUM LEVY AMOUNT