

**WORKSHOP MEETING  
OF THE COUNCIL OF THE  
CITY OF VADNAIS HEIGHTS  
OCTOBER 16, 2018**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Fletcher at 6:02 p.m.

The following members were present: Mayor Bob Fletcher and Councilmembers: Terry Nyblom, Craig Johnson, Greg Urban and Heidi Gunderson.

The following members were absent: None.

Also present: City Administrator Kevin Watson, Assistant City Administrator Tim Sandvik, Fire Chief Ed Leier, Finance Director Bob Sundberg, City Attorney Erich Hartmann, and Deputy Clerk Peggy Aho.

Others present: John Utley, Kennedy & Graven, Becky Meyer, AFSA, Scott Haupt and Emily Erdahl, S.E.H, and Dave Buerkle, Buerkle Honda.

**1. AFSA's Planned Expansion and Issuance of Bonds.**

City Administrator Watson noted that AFSA bonded their original project through the City of Vadnais Heights and they are thinking about expanding to include K-4 at a location in Little Canada and would need to issue bonds for the expansion and refinance their current bonds.

Becky Meyer, Executive Director at AFSA, stated that the company that AFSA rents the building from is a 501c. The rental company is in the final process of getting the PUD ordinance changed with the City of Little Canada because the property is currently zoned 'commercial' which would exclude a school from locating in the building. They are working with the City of Little Canada to change the zoning for that site. The City of Little Canada will take a final vote on the PUD on October 29th. Meyer said that the company the School would lease the space from would bond with the City of Vadnais Heights.

John Utley, Kennedy & Graven, said that Kennedy & Graven has been asked to act as bond counsel for this transaction and explained why the bonding for the expansion would be done through the City of Vadnais Heights. The bond sale would be a 501c qualified bond sale because the company proposing to borrow the money is a nonprofit.

Why would the City of Vadnais Heights issue the bonds? Utley said it is because the largest bulk of the refinancing will be the refinancing of the City's outstanding debt that was issued in 2004 and can be refunded. Utley said that Minnesota law recognizes that it may be more economical to have a single city issue on behalf of another city. And State statutes that apply in this case would allow this to occur, and a condition to doing this, is

that the other city, for which the facility will be located and will benefit from the financing, has to give its consent to doing so. The process includes a public hearing to take input from the public, and if the City of Vadnais Heights decides that it is an acceptable thing to do they then give their approval, via resolution, to issue the bonds for the project.

Why would the City of Vadnais Heights agree to do this issuance, Utley said that if you were to take a financing like this and do it through two cities it would increase the cost. Two sets of bond documents would have to be reconciled and both parties would save money by doing only one and it is more efficient if they can have one city issue the debt. This debt could possibly impact a city if the city was planning on issuing G.O. bonds during the year. Finance Director Sundberg said that the City of Vadnais Heights does not plan on issuing any other debt this year.

Utley said that if the City approves AFSA's request, the bond issuance would occur sometime this year. Fletcher asked what types of projects a city can issue bonds for. Utley responded things such as street improvements, utility bonds for storm water and sanitary, etc.

Watson said that the Council will hold a public hearing on the issuance of the bonds at a future Council Meeting.

## **2. S.E.H. Update on Buerkle Road Drainage.**

City Administrator Watson said that he and S.E.H. staff have been meeting with property owners along Buerkle Road (Buerkle Honda and Loftech) to discuss how to fix the drainage issues on the road. S.E.H. has discovered storm drainage in the area which would allow for different options for fixing the drainage.

Scott Haupt, S.E.H., said that they have held two field meetings with Buerkle Honda and Loftech. S.E.H. has also been fact finding and trying to identify solutions to the drainage issue. Haupt said that S.E.H. had been directed by the City to do an interim fix to Buerkle Road and that it will not be a full reconstruct. The concern raised by Buerkle and Loftech is the drainage and the possibility of paying for their share of the improvements without a permanent solution to the drainage problem. Haupt reviewed the options for repair. He said that S.E.H. found a facility underground owned by the Ramsey/Washington Watershed District north of the track area. He said they reached out to the Watershed District about logistics for accessing the facility and that the Watershed said that the City would have to show that there would be no adverse impacts to sending additional water through the system. Haupt said that he doesn't believe there will be any issues with doing this. He said the best spot to access the underground system would be to install piping in the grass area between Buerkle Road's curb line and existing fence. He said they could split that area and install the pipe a couple feet deep, set it as flat as it could be to get to 7 to 8 feet deep at the very end. This piping could be used to convey the water to

the storm drainage. He said the City would need an additional easement that would allow the City to access the area to maintain the pipe and that there are probably a dozen or so trees that would have to be removed and replanted.

Mayor Fletcher asked about the cost and the potential impact to the property owners. Dave Buerkle, Buerkle Honda, said that Buerkle has been having issues with drainage in this area for a number of years.

Council Member Nyblom asked for clarification on the gravel in the area of the railroad loading station that may have contributed to the flooding. Haupt said that it is the Metropolitan Council that added the gravel to put in a sewer interceptor and it was a staging area used by their contractor and they have since tunneled it back a little. Haupt said that the railroad does use that area for loading rail cars. Nyblom said that the railroad is operating a business there and contributing to the accelerated wear on the road but they have no financial obligation to contribute to the repair.

Council Member Urban said that he doesn't see there being major drainage issues and that this repair will add at least an additional \$100,000 to the project. If the City is going to pay for half and the property owners the other half, do the property owners support this project. Buerkle replied that he would like to see the drainage fixed somehow in that area, and if there is a way to have this done while it will not really impact him it is more for the folks across the way. He also said that he would prefer not to participate in this project but would help pay for addressing the drainage from up above. Watson said that the original request was to fix the road in the area of the railroad tracks, but the property owners aren't interested in paying for the roadway improvements unless the drainage issue is also addressed.

Fletcher said that the Council can't really have a policy discussion until there are some options and numbers to go with it. Watson said that staff can sit down with the neighbors and decide how to split up the storm water portion of the costs. Fletcher asked what the City's past practice has been in the past with projects such as this. Finance Director Sundberg said that the City hasn't really had any like this. Watson said that the City has done one project where it split out the cost by acreage. He said that staff can look at a breaking out the assessment in a different way if the City wishes to pick up more of the project costs. Haupt said that the critical path, at this time, is to get the field work done and that including it in a Feasibility Study does not bind the City to doing the work. Watson said that if the Council is interested in fixing the drainage this work will need to be done.

Fletcher asked Watson to make a couple recommendations to the Council which should include how to finance the work. Watson said if we aren't interested in addressing the drainage he doesn't think the property owners will want to fix the road.

Nyblom asked for a memo from the City Attorney explaining why the City can't assess the railroad for maintaining a road that they use for conducting their business. Watson said that the City will need to work with the railroad when it repairs the road near the tracks and that perhaps the City can contact them after the road is repaired about their wear and tear on the road and financial responsibility for the repairs.

Watson said that staff will explore costs of the options and financing them.

### **3. Other**

Council Member Urban asked about an item before the Council for approval at the October 16<sup>th</sup> Council Meeting, the renewal of the law enforcement services contract with Ramsey County, and if this is a good deal for the City. He said that this 3-year contract is a large part of the City's budget. Is it a good deal? Council Member Nyblom said that there is no better deal. Mayor Fletcher said that most cities with their police department they have more of a regular relationship.

Fletcher said that it doesn't feel like the City has connectivity at the elected level that there are at most cities. City Administrator Watson said that perhaps in the future the City can ask the Sheriff to attend meetings quarterly to update the Council.

The meeting was adjourned at 6:55 p.m.

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