

**City of West St. Paul
Open Council Work Session Minutes
June 24, 2019**

1. Roll Call

Mayor Napier called the meeting to order at 5:00 p.m.

Present: Mayor Dave Napier
Councilmembers Wendy Berry, Lisa Eng-Sarne,
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Also Present: City Manager Ryan Schroeder
City Attorney Kori Land
Assistant City Manager/HR Director Sherrie Le
Interim Police Chief Brian Sturgeon
Fire Chief Mark Juelfs
Finance Director Char Stark
Parks & Public Works Director/City Engineer Ross Beckwith
Asst. Community Development Director Ben Boike
City Clerk Shirley Bueckslar

2. Review and Approve the OCWS Agenda

Councilmember Vitelli requested a discussion regarding Council agendas be added to the OCWS agenda. Council added Item E, Discussion on Council Agendas, and approved the agenda, as amended.

3. Review the Regular Meeting Consent Agenda

Councilmember Justen said he has concern about the legal services contract on the Consent Agenda and would like it pulled for further discussion. Council pulled Item 9H, Approval of Legal Services Contract, for discussion at the July 8, 2019 OCWS.

Council approved the Regular Meeting Consent Agenda, as amended.

4. Agenda Item(s)

A. 2018 Audit Review of Annual Financial Report

Finance Director Stark said an audit of the City's 2018 finances was completed by the audit firm Abdo, Eick & Meyers, LLC. Stark introduced Bonnie Schwiieger of Abdo, Eick & Meyers and to present the results of this year's audit in greater detail.

As in past years, the Comprehensive Annual Financial Report (CAFR) is presented in three sections: Introductory, Financial and Statistical.

Economic Condition and Outlook

As a mature, first-ring suburb of St. Paul, the City of West St. Paul recognizes the importance of redevelopment to its long-term vitality and has, therefore, made extraordinary efforts in this area. Residential and commercial activities include:

- New businesses that opened for operations in 2018 include Denny's Restaurant and Jersey Mike's.
- Business expansions completed include SuperMex Market, Pam's Hair Design, Realty Executives, Burlington, Just Paws Pet Salon and KFC.
- Building Permits Issued: 1,697 for an increase in net market value of \$47,160,257. Of these permits, four were for new single family homes.

Major Initiatives

During 2018, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

Robert Street Reconstruction - Construction on this important project began in 2015. The \$7.0 million federal grant that was awarded to the City in early 2010 was increased to \$8.0 million in 2014. The City partnered with the State of Minnesota and Dakota County for \$8.6 million of funding and continues to lobby the state for additional funding. Work also began on the Streetscape Phase to enhance the appearance of Robert Street and encourage further redevelopment. Bonds were issued in 2018 to reimburse the City for the additional work being done on the Streetscape Phase. This street project is near completion and should be finalized in early 2019.

Street Reconstruction Program 2018 program consisted of road improvements for the following streets:

Bernard Street - Stryker Avenue to Oakdale Ave
Charlton Street - Marie Avenue to Annapolis Street
Rehnberg Place - Oakdale Avenue to Christensen Avenue
Felix Street - Emerson Avenue to Christensen Avenue

Proposed Redevelopment Areas - The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff continues to identify proposed projects for these areas, analyzing the costs associated with the projects and the timelines for redevelopment.

Long-Term Financial Planning and Policies

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with

other aging suburbs, the City is challenged with deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2018, the City presented its tenth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least ten years in advance. The 2018-2027 CIP includes planned projects for streets, parks, sewer system and City facilities.

The City also prepares an annual Capital Equipment Plan (CEP). Department heads take part in this process to estimate capital equipment needs for the next ten years. Together the CIP and CEP provide information needed to develop a plan that will sustain or expand City services while keeping property taxes stable.

The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. It is a goal of the City to plan debt issues to coincide with the retirement of existing debt. The City currently has debt issues and retirements planned through the year 2035.

Another tool utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall maintain an unassigned fund balance of at least 60% of the subsequent year's expenditures. This policy essentially provides for cash flow while awaiting tax payments in July and December of the year. By utilizing the fund balance, the City avoids the extra cost of borrowing to meet its short-term obligations.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West St Paul for its CAFR for the fiscal year ended December 31, 2017. This was the twenty-ninth consecutive year the City's CAFR has received this prestigious award beginning with the first award in 1987. In order to receive the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The 2017 report satisfied both GAAP and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and, therefore, we are submitting it to the GFOA to determine its eligibility for another certificate

Bond Rating

In June of 2018, the City issued General Obligation bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA. The rating maintains the higher step that awarded in 2009. This bond rating signals the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

Stark mentioned that future CAFR's will be electronically, unless anyone needs a printed copy. A printed copy will also be available at City Hall for anyone to check out.

Schwieger said they also looked to be sure that expenditures are in the right period. One construction expense was coded to 2019 and they corrected it back to 2018.

Councilmember Vitelli asked the reason for the big jump in the Recreation Fund between \$17.2M and \$23M. Schroeder said part of this is due to the General Fund which had an IOU and we paid ourselves back.

Comparative Information:

In comparison with other cities in Dakota County, Schwieger said West St. Paul is a Class 3 City. Compared to cities of similar size in Dakota County, she said the City is 69.3%. She said the debt per capita increased for this year.

Councilmember Fernandez asked about the sliding scale on both graphs and if it indicates that the City is at 70%. Schwieger said this is the effective tax rate for the City for 2017.

Councilmember Justen said that Class 3 is population of 20,000 and that West St. Paul's population is a bit lower, so we need to realize that we are on the lowest possibility of Class 2. He said it would be helpful to see comparisons to both Class 2 and 3 next year. Councilmember Vitelli requested that populations be included for each class.

Mayor Napier thanked Ms. Schwieger for coming.

B. Review of Inflow and Infiltration (I/I) Memorandum of Understanding (MOU) Amendments with Met Council

Parks & Public Works Director/City Engineer Beckwith said the City's inflow and infiltration (I/I) program has been on-going since 2008. While the city ordinance and overall process has gone through a few iterations since inception of the program, the overall goal of reducing/eliminating clean water from entering the sanitary sewer system has remained the same.

With a program that has been around for so many years and impacts all property owners in the city, Beckwith said it is important that it be revisited from time to time. On May 28, 2019 two staff from the Metropolitan Council gave a presentation on how West St. Paul is making headway against I/I based on years of flow meter data. The discussion that followed led to questions about how the ten-year term for having a compliant sewer service after repair came about, and whether there was an opportunity to revisit that. Staff has since had conversation with the Met Council on the following changes related to length of compliance.

1. Any sewer service lined/replaced from the sewer stack to the main (end to end) would be compliant for 25 years.
2. Any sewer service repaired less than end to end, for instance repairing just the location where the pipe is deficient, would be compliant for 10 years.
3. Any sewer repairs performed prior to the Met Council Memorandum of Understanding (MOU), which went into effect January 1, 2017 will be grandfathered as compliant until 2026 regardless of change of ownership.

Beckwith said that Met Council is supportive of these changes to the MOU.

Schroeder said we saw 2016 as the start date for compliance.

Mayor Napier said Councilmember Fernandez wanted this brought back for discussion. Council was looking for changes and he said that now is the time to address them.

Councilmember Justen said properties would be grandfathered to 2026 if they did work prior to January 2017 and any work done after January 2017 would be either 10 or 25 years. He asked what we use to verify sewer repairs prior to 2017. Schroeder said that this information is on file. Beckwith said the worst case would be that we put in a camera to see what was done.

Councilmember Justen questioned if someone would only get 10 years (to 2026) if they did a full sewer replacement in December 2016. On the other hand, if they did the full replacement in January of 2017, they would get the full 25 years. Schroeder said it is meant to be the longer of the two periods. Councilmember Justen requested that this be specified clearly. Beckwith said these are just discussion points for now and not in the ordinance yet. Councilmember Justen asked if words "the greater time differential" could be included. Schroeder agreed.

Councilmember Pace said he likes all three changes, as well as Councilmember Justen's suggestion.

Beckwith said he has received permission to review all of Met Council's data, so we will be able to see what happens on incident days.

Councilmember Berry asked if the City is checking in with owners after a property owner reaches the 10 years for the work and how that an inspection would work. Beckwith said it would be included in a Point of Sale inspection. Mayor Napier said the owner could sell their home during those 10 years but after 10 years, it would need to be included in a Point of Sale inspection.

Mayor Napier said the big thing is educating the resident when it comes to doing their part of the repair and that this piece of the repair is not into eternity. It has a fix for 10 years. He said this is the biggest thing for those who have had it done and think that they are good to go.

Mayor Napier said if the owner has a spot repaired and passes inspection, they are good for 10 years.

Councilmember Vitelli asked if the inspection is good for 25 years if the entire pipe is replaced. Beckwith said yes.

Schroeder said Staff saw this as an incentive to encourage owners to do it right.

Mayor Napier said a new homeowner may move in and know nothing about I/I. He asked how we educate this new homeowner so they know that their inspection may expire in one to two years.

Councilmember Berry said she didn't know anything about I/I until she became part of the City Council.

Schroeder said Staff will work on this.

Councilmember Vitelli asked if the title company would find it on a title search. Attorney Land said it is not part of the property record because it's not recorded with the County. She said the cost to record it is about \$42 but the burden would be on the property owner. Attorney Land said it could be written into the ordinance that it must be recorded with the property in order to receive their Certificate of Compliance. She said this is the only way the title company will find it.

Councilmember Vitelli suggesting making the \$42 recording charge part of the permit.

Councilmember Fernandez asked if there has been any discussion on eliminating sewer lateral inspections/service line from the I/I inspection. Schroeder said that is not what we are proposing. Councilmember Fernandez said this is the biggest thing for him because most of the water is coming in from sump pumps, gutters and not the small amount of water. In regards to a pinprick in the center of the lawn that costs the homeowner \$5,000 to shoot a line down, which is the reason he wanted to bring this back for discussion because this is the heaviest expense and the most common. If it is the smallest amount of water coming through and we are eliminating the largest amount of water, Councilmember Fernandez asked why we are still charging so much to the homeowner. He said he would like to eliminate that portion of it.

Councilmember Vitelli agreed but said he is not sure how we can rectify it. He said he has seen cameras go through the 12" tile and you see roots at every joint, which means these trees are looking for water. He said there is not much water underground going into that tile there.

Councilmember Fernandez said he had some owners send their video to him. He said there are butt joints with a ring of algae around it. He said this is a lot of money for owners without a sump pump or drain tile and that they are paying for a small amount of moisture and we are still requiring them to pay a high price for something that is

not causing their meter to jump. Councilmember Fernandez said he would like to take something off the table for the homeowner.

Schroeder said we do not know if the premise is incorrect or correct but Met Council mentions that they are going to be studying a year from now a report showing the improvements that have recently been made. At that time, he said they will be able to provide better judgements if the statement Councilmember Fernandez just made is correct or incorrect.

Councilmember Fernandez said that West St. Paul has the most onerous I/I inspection of any other city in Dakota County. He said he appreciates the Met Council doing studies but perhaps we just stop ours until everyone around us starts up the same inspection process.

Councilmember Justen asked if we are the only ones looking at the cameras and determining what crosses the line. Beckwith said yes. Councilmember Justen asked if we could establish that if there is only a very small ring or algae ring that this does not put us over the violation. He asked would be able to interpret the data ourselves in a reasonable fashion, whether it triggers or does not trigger a violation and if it is within our measure of compliance.

Beckwith said the one thing is we are not finding many sump pumps. It was only single digits and shockingly low.

Mayor Napier said we could do this however we want and could say we are only attacking the main problems causing water and leave the others for now. If we want to say a property only has a small amount of buildup, we leave it for now and come back a second time.

Schroeder said the video he has seen shows that it is obvious that there is a problem.

Mayor Napier said the point is that the City controls what we do and the Met Council can decide if they want to charge us or not for the inflow. He said we have done a significant amount, more than any other city, and we are on the right track. He said his thought is to step back a little bit and that it is our prerogative to do that.

Schroeder said to keep in mind that this whole discussion will impact the sanitary sewer fees that both the City and the customer pay. He said we are about half done with the workload. The businesses and rental units, as well as half of the homes in the city, have done their part. What is being suggested here, Schroeder said, is that those owners who have not done that yet should get a break but everyone will be paying the cost of doing that. Mayor Napier agreed.

Councilmember Vitelli said it would put the onus on I/I Inspector Eldon Ramneaux to make the judgement call when he's looking at the camera. He wondered if the City can make changes to the rules midstream in this project.

Councilmember Justen said he is not suggesting that we ignore the mainline entirely. He said there is obviously a trigger point in the mainline that is causing the problem. If it is roots coming in or a minor contribution, Councilmember Justen said he doesn't think we are effecting the sewer to the extent we are talking about. If it is only contributing a small amount of water under a heavy rainstorm, for instance, he said it doesn't make sense to force an entire or partial replacement. He said he feels that a reasonable amount of consideration could be given and it is possible to formulate a framework for that judgement call.

Councilmember Vitelli said if it hasn't rained for a while, then Rameaux won't be able to see anything. He said the only way to stop the water is to add a lining. He said water will take the path of least resistance.

Councilmember Pace asked if we can go back and see if there were a couple of houses that had green algae or a hundred houses so we can make a decision with more information. Beckwith said that would be hard to do. Councilmember Pace said if it is a huge percentage of people spending a lot of money to make repairs due to a minor issue, maybe it's something we need to look at. Schroeder said Rameaux will know more about it. Councilmember Pace suggested that Rameaux come to the next meeting to discuss.

Councilmember Fernandez said if we are not seeing as many drain tiles and sump pumps going into the main sewer, so we have gotten better. He asked if this correlates because we are not finding as many and we have dropped way down, or if it was the sump pumps and external drain tiles flowing in. Schroeder said the reason the City focused in the early part of the project on the section of town where we first focused was because that area had the most problems.

Councilmember Fernandez said to be burdening homeowners just to continue a project for project's sake is not a worthy excuse. At some point, it comes down to equity with the Met Council. He said it doesn't seem fair that we are the only City that has taken on the brunt of this.

Beckwith said West St. Paul is the third worst offender in the state, after Minneapolis and St. Paul, and we are the biggest offender in Dakota County.

Councilmember Vitelli said the reason they are not finding sump pumps is because homeowners are realizing this problem and are making corrections prior to the inspection and so they pass the inspection.

Mayor Napier said he feels that this ship has sailed and that we have gone so far, even received an award for how we have and are taking care of the issue. He said the work that has been done is very measurable. Mayor Napier asked if Beckwith would have access to reports and be able to monitor it. Beckwith said yes. Mayor Napier said it will be great to have an easier way to keep track without having to ask the Met Council to come back and give reports.

Mayor Napier asked if any Councilmembers object to the three changes listed or to the entire thing. Councilmember Fernandez said he objects to it entirely.

Mayor Napier directed Staff to move this forward and bring back answers to Council's questions.

C. Rubbish Hauler Pilot Program

On October 22, 2018, Council adopted Ordinance 18-17 amending 111.13 of the Code regarding waste hauling within the community. Through the process, Council provided the opportunity to run a pilot program to June 2019 allowing for hauling starts at 6:00 am in residential districts, as opposed to the pre-existing requirement for 7:00 am starts. That pilot has now concluded.

The change in start times was a request from the haulers in consideration for reduction in hauling days within the community; those days being Tuesday – Thursday. Monday and Friday collections would only be permitted on holiday weeks of New Years, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

Staff alerted the haulers to the pilot opportunity and requested that, should they take advantage of the program, they provide communication to their customers. The City provided communication of the pilot, as well, and received some feedback from the haulers.

Schroeder said, of the four main haulers, three implemented the new start time but Republic had not. All four haulers are asking for continued opportunity to start earlier. All of them see it as a public safety piece. The haulers said, with this earlier start time, that they feel they could avoid busier parts of the community at times when they needed to avoid those areas.

Schroeder said the three options are either to go back to a start time of 7:00 am, to continue the pilot program, or to bring back an ordinance change allowing for a more permanent change to 6:00 am.

Councilmember Pace said he is in agreement with a permanent time of 6:00 am.

Councilmember Vitelli said he is not against it but suggested that we have a trial period for the whole year.

Councilmember Justen said, of the four calls received, only two calls were complaining about the 6:00 am start. Councilmember Eng-Sarne said those complaints were actually received prior to implementation. She said they may not have liked to see change and only one complaint came in after the pilot program started.

Councilmember Berry questioned why Republic was not on board with the pilot. Schroeder said he received a note from them that their corporation hadn't told them about the opportunity. He said they are looking forward to the 6:00 am start time.

Councilmember Berry asked if 6:00 am start is a requirement; Schroeder said no.

Councilmember Fernandez commented that these calls all came in during the winter. Schroeder added that this is why the pilot was scheduled to run through June after the weather warmed up.

Mayor Napier said the complaints received don't merit switching it up.

Councilmember Justen said he supports making the 6:00 am start time permanent. Councilmembers Berry, Pace and Vitelli agreed.

Schroeder said it will be part of the noise ordinance. Mayor Napier directed that it be brought to the Regular Council meeting on July 8, 2019.

D. LGBTQIA Pride Month

Schroeder said members of the City Council alerted Staff that communities around the country recognize June as LGBTQIA month. It was suggested as part of the Council Initiative on Diversity that West St. Paul discuss such a recognition.

Mayor Napier said this is a Council Initiative and that he would like to focus on how we can do a proclamation to be more inclusive of all of our diversity in our community to let them know that West St. Paul welcomes everyone.

Councilmember Vitelli commented that signs in yards say that all are welcome here.

Mayor Napier said he wants to look at something bigger, broader and more inclusive to show that this is a welcoming community. He said we take pride in all of our community members and their ethnicity and backgrounds.

Councilmember Fernandez said he sees no issue with a proclamation.

Councilmember Eng-Sarne said she thinks it is great to honor all sorts of diversity but that it is important to separate out this group. She said the country and the world is honoring this specific month, so she would love to see the Council move this forward. She added that we need to be more inclusive and open minded than those who sat here before us and thinks a proclamation would bring in new business and a place for all families to thrive. Councilmember Eng-Sarne said this is an opportunity for education.

Councilmember Justen said he would be worried that if we turn this into something more expansive than Pride specific that we may be watering down the message we are trying to send. This is a specific statement but to turn it into something else

undermines the statement we are trying to make, he said, and that he would not want to turn this into an “all are welcome here” proclamation. Councilmember Justen said he would like to keep it as Pride Month.

Councilmember Vitelli said he has no problem with what has been said, just that he does not want it to reflect on anyone before us.

Councilmember Berry said she thinks the idea of combining Pride Month with anything else would be a mistake. At the Cinco de Mayo parade, she said people were happy to see them. To put it all into one, she said we might miss out on opportunities such as this.

Councilmember Eng-Sarne asked if a proclamation could be done at tonight’s meeting. Councilmember Justen added that if it is not done tonight, then the proclamation won’t happen in June. He said it is time essential if we are going to do it. Councilmember Pace agreed but said it should have been done in April or May.

Councilmember Pace asked if we have issued proclamations in the past that were permanent. Attorney Land said proclamations are typically done as one time events. She said proclamations are rare and gave an example of proclaiming a resident’s 100-year birthday.

Councilmember Pace said it would be an annual proclamation and asked if we have any others. Attorney Land said not that she is aware.

Schroeder said he doesn’t know if the Council adopts a proclamation in support for any particular thing that it necessarily means forevermore. One thing different with this one, he said, is that it is a 50th anniversary of an historical event.

Councilmember Pace agreed with Mayor Napier to look at it further. If we are going to do it, he said he would like to see it happen every year.

Staff provided Council with a draft of the proclamation prepared ahead of the meeting.

Councilmember Justen asked when St. Paul adopted a similar proclamation. Councilmember Eng-Sarne said they adopted it three days ago.

Councilmember Justen said the symbolic aspect is to recognize it when the event is happening.

Councilmember Eng-Sarne said three Councilmembers can bring forward an item to be on the Council agenda, which is what occurred. She said she believes we are following the process to get this here, as well as in front of public discussion. Mayor Napier said the process was done correctly.

Councilmember Fernandez said we should do this and trusts what Staff put together in the proclamation. He agreed with Councilmember Eng-Sarne.

Councilmember Pace said he would like to see this made permanent. Councilmember Justen said that St. Paul adopts the proclamation annually in order to make it symbolic.

Mayor Napier said this was brought to him to put on the agenda for discussion.

Councilmember Vitelli said he has no problem with the proclamation.

Councilmember Pace said the City should state this every year. Councilmember Justen agreed that it should be reaffirmed annually.

Council agreed to add the proclamation, as presented, to tonight's Council agenda as Item 8A (Proclamations).

E. Discussion Regarding Council Agendas

Councilmember Vitelli suggested that Citizen Comments be moved on the agenda to the end of the meeting so that those attending with business items towards the end of the agenda are not waiting a long time. Mayor Napier said he would be fine with this change.

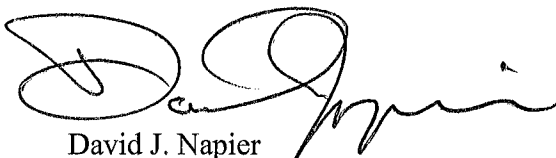
Councilmember Pace said he had some people complain that they had to wait a long time for their item on the agenda. He said they need to get in and get out.

Starting with the July 8, 2019 agenda, Mayor Napier said Citizen Comments will move to following Old Business.

Adjourn

Motion was made by Councilmember Berry and seconded by Councilmember Justen to adjourn the meeting at 6:15 p.m.

All members present voted aye. Motion carried.



David J. Napier
Mayor
City of West St. Paul