

**MINUTES OF THE REGULAR MEETING  
CITY COUNCIL  
LITTLE CANADA, MINNESOTA**

**NOVEMBER 28, 2018**

Pursuant to due call and notice thereof a regular meeting of the City Council of Little Canada, Minnesota was convened on the 28<sup>th</sup> day of November, 2018 in the Council Chambers of the City Center located at 515 Little Canada Road in said City.

Mayor John Keis called the meeting to order at 7:30 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL:	Mayor	Mr. John Keis
	Council Member	Mr. Tom Fischer
	Council Member	Mr. Christian Torkelson
	Council Member	Mr. Mike McGraw
	Council Member	Mr. Rick Montour

ALSO PRESENT:	City Administrator	Mr. Chris Heineman
	Finance Director	Ms. Sharon Provos
	Public Works Director	Mr. Bill Dircks
	City Clerk	Ms. Heidi Heller
	Cable TV Producer	Mr. Kevin Helander

**MINUTES**

Fischer introduced the following resolution and moved its adoption:

***RESOLUTION NO. 2018-11-236 – APPROVING THE MINUTES OF THE NOVEMBER 14, 2018 WORKSHOP MEETING AND THE NOVEMBER 14, 2018 REGULAR COUNCIL MEETING AS SUBMITTED***

The foregoing resolution was duly seconded by Montour.  
Ayes (5).  
Nays (0). Resolution adopted.

**ANNOUNCEMENTS**

Keis announced that the Historical Society is having an open house on Saturday, December 1.

Montour announced that Cookies with Santa will be on Saturday, December 8 at City Hall from 1:00 p.m. to 3:00 p.m.

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**PUBLIC HEARING –  
GIVING HOST  
APPROVAL AND  
CONSENTING TO THE  
ISSUANCE BY THE CITY  
OF VADNAIS HEIGHTS  
OF CHARTER SCHOOL  
LEASE REVENUE  
BONDS (ACADEMY FOR  
SCIENCES &  
AGRICULTURE)**

Keis opened the public hearing. The City Administrator explained that the AFSA Building Company has requested that the City of Vadnais Heights issue one or more revenue obligations not to exceed \$13 million to refinance their existing bonds and finance the acquisition, renovation and equipping of the existing commercial building at 2925 Country Drive in Little Canada. He stated that even though Little Canada is not being asked to issue the bonds, the City must nevertheless take certain actions in order for the bonds to be issued by the City of Vadnais Heights. He reported that according to Minnesota Statutes, the City of Little Canada must hold a public hearing and give host approval consenting to the issuance of Charter School Lease Revenue Bonds by the City of Vadnais Heights. He noted that there is no risk to the City, and no costs will be incurred related to the project.

Montour asked if this goes against the City’s debt limit. The City Administrator clarified that this does not go against the City, the City is simply authorizing the City of Vadnais Heights to use conduit debt financing since AFSA will have a location in Little Canada.

John Utley, Kennedy & Graven, clarified that since the City is not being asked to incur any debt which means Little Canada is not in line for any liability, nor are we listed on the debt obligations at all. He noted this is simply giving approval for Vadnais Heights to issue debt for a project in Little Canada.

The City Administrator explained that there is also a termination document that must be acted on in order The City Administrator explained that AFSA is in the process of purchasing the property at 2925 Country Drive and there are recorded documents that need to be released in order for the sale to be completed. He stated that this is terminating documents that were part of the original development of this property. He noted that the City Attorney has reviewed and approved the document.

Upon motion by Montour, seconded by McGraw, the public hearing was closed.

Montour introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-237 - APPROVE THE RESOLUTION GIVING HOST APPROVAL AND CONSENTING TO THE ISSUANCE BY THE CITY OF VADNAIS HEIGHTS OF CHARTER SCHOOL LEASE REVENUE BONDS (ACADEMY FOR SCIENCES & AGRICULTURE) UNDER MINNESOTA STATUTES, SECTIONS 469.152-469.1655, AS AMENDED, AND MINNESOTA STATUTES, SECTION 471.656, AS AMENDED***

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The foregoing resolution was duly seconded by McGraw.  
Aye (5).  
Nays (0). Resolution declared adopted.

Keis introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-238 - APPROVE THE TERMINATION OF DEVELOPMENT AGREEMENT, AS AMENDED, AND EXTINGUISHMENT OF RIGHT OF REVERTER FOR 2925 COUNTRY DRIVE***

The foregoing resolution was duly seconded by Fischer .  
Aye (5).  
Nays (0). Resolution declared adopted.

**PUBLIC HEARING –  
MODIFICATION TO  
DEVELOPMENT  
DISTRICT NO. 7 AND  
THE  
ESTABLISHMENT OF  
TAX INCREMENT  
FINANCING DISTRICT  
NO. 7-2**

The City Administrator explained that the City has been working with the Minnesota Department of Employment and Economic Development and commercial real estate broker, CBRE, on a proposed business expansion project in Little Canada. He reported that a local produce delivery company is working to acquire the property at 3060 Centerville Road as part of a planned expansion. He stated that an Economic Development Tax Increment Financing District is being proposed to facilitate an expansion of the company’s food processing and distribution capabilities and accommodate growth. He reported that the company is considering a purchase of the existing building and anticipates a total of \$14,706,250 in improvements. He noted that this building is very large and would be a difficult reuse because of the size, so this is a good opportunity for the City. The City Administrator explained that the Ramsey County Assessor has indicated that the property value should increase by \$1,500,000 to \$2,000,000 once the upgrades have been completed. Based on analysis from Ehlers Financial Advisors, the project will generate an estimated \$32,588 in annual tax increment. He noted that the Planning Commission has reviewed the proposed plan and program to determine if it conforms to the general plans for development for the City as described in the Comprehensive Plan, and approved the proposal.

He explained that the development agreement has not yet been formally completed but the Council’s comments and recommendations have been included in the draft. He stated that it is not being reviewed tonight. Montour noted that this business has also applied for funding from the Minnesota Department of Employment and Economic Development.

Todd Hagen, Ehlers, explained that there will be minimal assistance from the City of Little Canada since most of the improvements are equipment

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which do not increase the taxable market value. He noted that the upgrades will increase the property value by \$1,500,000 - \$2,000,000 million. He explained that there are two resolutions for the Council to act on tonight; one establishes the Economic Development TIF District and the other is authorizing an interfund loan to cover any expenses incurred by the city prior to be reimbursed.

Doris Williams, 377 Allen Avenue, stated she lives in a home that backs up to this property, and asked how the business will handle the noise that will be going on 24 hours a day. Keis stated that City Staff and the Council have reviewed how much truck traffic will be occurring on the site and communicated their concerns to Bix. The City Administrator noted that another Pitrina Park resident communicated these same concerns to staff.

Reed Watson, representative from Bix Produce, stated they are looking forward to this opportunity to move in to Little Canada. He explained that the trucks come in, back up to the loading docks to get loaded, and then leave early in the morning. He noted that they try to be respectful to the neighbors. Keis stated that it sounds like a large number of trucks but when it is spread out over the course of several hours, it is maybe about five an hour. Fischer stated that people should not hear much of the actual truck traffic, but the Council's main concern was the back-up beepers. He reported that he spent time at Bix's St. Paul site late at night for 30 minutes and did not hear any beeping, although he knows that the trucks do have them. Mr. Watson said the beeping is only for a very short period of time. Torkelson stated he also spent time at the St. Paul site very late at night on two different occasions, and did not hear anything. He noted he is still concerned though.

Montour pointed out that Bix could purchase the property and move in without City approval since it is already zoned correctly for this type of use. He stated that the Council is hoping that by providing a little assistance to Bix, they can have a good partnership with Bix. Keis stated the City has been working with Bix over the last several months and have been very cooperative.

Torkelson clarified that the resolution tonight is just creating the district and not guaranteeing that the City will provide the funding until the development agreement is agreed on and approved. Fischer clarified that they will only receive the assistance from the City if the taxable property value increases enough.

Upon motion by Fischer, seconded by Montour, the public hearing was closed.

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Montour introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-239 - APPROVE THE RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 7; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 7-2 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR***

The foregoing resolution was duly seconded by McGraw.  
Aye (5).  
Nays (0). Resolution declared adopted.

McGraw introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-240 - APPROVE THE RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 7-2***

The foregoing resolution was duly seconded by Fischer.  
Aye (5).  
Nays (0). Resolution declared adopted.

**CONSENT  
AGENDA**

Montour introduced the following resolution and moved its adoption:

***RESOLUTION NO. 2018-11-241 – APPROVING THE CONSENT AGENDA WHICH CONTAINS THE FOLLOWING:***

- \*APPROVAL OF THE VOUCHERS***
- \*APPROVE CERTIFICATION OF UNPAID UTILITIES, PUBLIC STORAGE WATER REPAIR COSTS & FALSE ALARM FEES***
- \*APPROVE CERTIFICATION OF CLEAN ENERGY PACE SPECIAL ASSESSMENT ON 2740 RICE STREET, SUITE LIVING LITTLE CANADA***
- \*APPROVE TEMPORARY LIQUOR LICENSE FOR ST. JOHN’S CHURCH ON DECEMBER 18, 2018***

The foregoing resolution was duly seconded by Keis.  
Ayes (5).  
Nays (0). Resolution declared adopted.

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**2019 BUDGET  
DISCUSSION**

The City Administrator stated that Staff has a proposed budget with a levy increase of 2.99 percent, down from the initial 3.41 percent preliminary levy that was set in September. He noted that in September, the Council asked that the levy be lowered to 3.00 percent, so staff made adjustments to bring it down to 2.99 percent.

The Finance Director reported that there were not a lot of changes made to the General Fund budget since the last Council discussion. She explained that the amount received from the Ramsey County recycling grant increased by \$4,376; decreased health insurance costs by \$10,810; added \$1,030 for the cost of short term disability insurance if the Council chooses to change plans; and added \$1,000 for the Public Works apprentice position wage change.

Fischer stated that there has been talk of the Ramsey County Sheriff's Department implementing the new body cameras earlier than expected, and how would our budget be affected. The City Administrator explained that the cost for the cameras is unknown now but there could be savings from a possible health insurance plan change or other source that could cover the body camera cost.

The Public Works Director stated that the Parks Capital Improvement Projects list includes Spooner Park playground replacement, planning for the Pioneer Park playground, Gervais Mill Park garden, interpretive signs in the parks, habitat restoration in areas affected by the Xcel tree clearing, and trail and park maintenance and repairs. He reported that Capital budget highlights for Public Works includes replacement of the small dump truck and Bobcat Toolcat, along with an angle broom and V-plow for the Toolcat, and a ballfield painter. He stated that capital budget items for the water and sewer department includes a GPS device for mapping things like curb stops and signs; a gate valve operator, replacement pump at the Sunset Court lift station and overhaul pump #2 at the Booster Station, repair and/or replace the gate valves in the section of Rice Street that is scheduled to be reconstructed in 2021, and replace the sewer cleaning truck. Keis stated that Public Works takes very good care of their equipment so they are able to keep vehicles for a longer period of time. The Public Works Director stated that they schedule vehicle replacement, and at times can keep a vehicle even longer.

The City Administrator noted that that the amount added for short term disability insurance would need to be increased if the Council opts for the shorter waiting period, but this should only impact the levy amount by a very minimal amount. McGraw stated that there may be significant savings if the health insurance plan is changed. Montour stated that the short term disability cost would only change the levy to maybe 3.00 or 3.01 percent.

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**EDUCATION  
REIMBURSEMENT  
POLICY  
AMENDMENT**

Keis stated that the Council did not have time to discuss this during the workshop so he proposes tabling it until the December 19 Council meeting.

Montour introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-242 - APPROVE TABLING THE EDUCATION REIMBURSEMENT POLICY AMENDMENTS UNTIL THE DECEMBER 19, 2018 CITY COUNCIL MEETING***

The foregoing resolution was duly seconded by McGraw.

Aye (5).

Nays (0). Resolution declared adopted.

**PERSONNEL  
POLICY  
AMENDMENTS**

The City Administrator reviewed the discussion that was had at the workshop tonight regarding moving the current short term disability plan to an outside administrator, increasing the amount of PTO carryover, a cash-out option for PTO and some miscellaneous and housekeeping amendments to the personnel policy. Montour stated that the consensus from the workshop discussion was to stay at a day 15 start but transition to an employer-paid plan with Unum, not adopt the PTO conversion policy and not increase the amount of PTO carryover allowed.

Montour introduced the following resolution and moved its adoption:

***RESOLUTION 2018-11-243 - APPROVE THE AMENDMENTS TO THE PERSONNEL POLICY TO MOVE THE SHORT TERM DISABILITY PLAN TO AN OUTSIDE PARTY AND KEEPING THE BENEFIT START DAY AT 15, KEEP THE PTO CARRYOVER LIMIT AT 30 DAYS, NOT ADOPTING THE CASH-OUT OPTION FOR PTO, AND APPROVE THE MISCELLANEOUS HOUSEKEEPING UPDATES***

The foregoing resolution was duly seconded by Keis.

Aye (5).

Nays (0). Resolution declared adopted.

**ADJOURN**

There being no further business, the meeting was adjourned at 8:21 p.m.

\_\_\_\_\_  
John T. Keis, Mayor

Attest: \_\_\_\_\_  
Christopher Heineman, City Administrator