

**OFFICIAL PROCEEDINGS
CITY OF COLUMBIA HEIGHTS
CITY COUNCIL MEETING
AUGUST 12, 2019**

The following are the minutes for the regular meeting of the City Council held at 7:00 pm on Monday, August 12, 2019, in the City Council Chambers, City Hall, 590 40th Avenue N.E., Columbia Heights, Minnesota.

1. CALL TO ORDER/ROLL CALL

Mayor Schmitt called the meeting to order at 7:00 pm.

Present: Mayor Schmitt, Councilmember Buesgens, Councilmember Murzyn, Jr., Councilmember Novitsky, Councilmember Williams

Also Present: Amina Baha; Jane Bona; Kelli Bourgeois, City Manager; Rick Campion, Prodeo Academy; Aaron Chirpich, Community Development Director; Ashley Denaway; Timothy Grimes; Elizabeth Hammond, City Planner; Kevin Hansen, Public Works Director; Jim Hoeft, City Attorney; Alexis James; Ariane Kokes; Joseph Kloiber, Finance Director; Jasmine Sims McCallister; David Meisinger; Lorien Mueller; Grant Nichols; Nasreen Sajady; Naty Severson; Nicole Tingley, City Clerk

2. INVOCATION

None

3. PLEDGE OF ALLEGIANCE

4. MISSION STATEMENT, Read by Mayor Schmitt

Our mission is to provide the highest quality public services. Services will be provided in a fair, respectful and professional manner that effectively address changing citizen and community needs in a fiscally responsible manner.

5. APPROVAL OF AGENDA

Motion by Councilmember Buesgens, seconded by Councilmember Williams, to approve the agenda as presented. All Ayes, Motion Carried 5-0.

6. PROCLAMATIONS, PRESENTATIONS, RECOGNITION, ANNOUNCEMENTS, GUESTS

A. Afghan Independence Day Event Announcement

Amina Baha, City resident, and Nasreen Sajady, former City resident, announced the first 100-Year Afghan Independence Day Celebration that will be held at Murzyn Hall on Sunday, August 18, 4-9 pm and include kite fights, food, live music and dancing. Cost is \$20 and they invited all to attend.

7. CONSENT AGENDA

(These items are considered to be routine by the City Council and will be enacted as part of the Consent Agenda by one motion. Items removed from consent agenda approval will be taken up as the next order of business.)

A. Approve Minutes of the City Council

MOTION: Move to approve the minutes of the City Council Executive Session of July 8, 2019

MOTION: Move to approve the minutes of the City Council Meeting of July 22, 2019

MOTION: Move to approve the minutes of the City Council Executive Session of July 22, 2019

B. Accept Board and Commission Meeting Minutes

MOTION: Move to accept the minutes of the Economic Development Authority open session of May 28, 2019

MOTION: Move to accept the minutes of the Economic Development Authority executive session of May 28, 2019

MOTION: Move to accept the minutes of the Economic Development Authority meeting of June 24, 2019

MOTION: Move to accept the minutes of the Economic Development Authority meeting of July 22, 2019

C. Final Payment for Miscellaneous Concrete, Project No. 1800

MOTION: Move to approve the final compensating change order and accept the work for 2018 Miscellaneous Concrete Repairs and Installations, City Project No. 1800, and finalize payment of \$2,367.85 to Standard Sidewalk, Inc. of Blaine, Minnesota.

D. Adopt Resolution 2019-64, Being a Resolution Ordering Preparation of a Feasibility Report for Zone 3 Seal Coat Program, Project 1801

MOTION: Move to waive the reading of Resolution 2019-64, there being ample copies available for the public.

MOTION: Move to adopt Resolution 2019-64, being a Resolution ordering preparation of a feasibility report for Zone 3 Street Seal Coat Program, Project 1801.

E. Adopt Resolution 2019-65, Being a Resolution Ordering Preparation of a Feasibility Report for Zone 4 Street Rehabilitation, Project 1802

MOTION: Move to waive the reading of Resolution 2019-65, there being ample copies available for the public.

MOTION: Move to adopt Resolution 2019-65, being a Resolution ordering preparation of a feasibility report for Zone 4 Street Rehabilitation, Project 1802.

F. Second Reading of Ordinance 1656, an Ordinance Authorizing the Conveyance of Certain Real Property by the City of Columbia Heights to the Columbia Heights Economic Development Authority Located at 4833 University Avenue NE

MOTION: Move to waive the reading of Ordinance No. 1656 and the summary of Ordinance No. 1656, there being ample copies available to the public.

MOTION: Move to approve Ordinance No. 1656, being an Ordinance authorizing the conveyance of certain real property by the City of Columbia Heights Economic Development Authority located at 4833 University Avenue NE and direct staff to send a summary to the ordinance, as presented, for publication in the legal newspaper.

G. Approve Business License Applications

MOTION: Move to approve the items as listed on the Business License agenda for August 12, 2019, as presented.

H. Review of Bills

MOTION: Move that in accordance with Minnesota Statute 412.271, subd. 8, the City Council has reviewed the enclosed list of claims paid by check and by electronic funds transfer in the amount of \$4,335,919.54.

Motion by Councilmember Novitsky, seconded by Councilmember Murzyn, Jr., to approve the Consent Agenda. All Ayes, Motion Carried 5-0.

8. PUBLIC HEARINGS

A. Resolution 2019-63 Granting Preliminary Approval for Issuance of Charter School Lease Revenue Bonds (Prodeo Academy Project)

Director Chirpich reported that Prodeo Academy is in the process of acquiring the property at 4100 University NE, currently the Oak Hill Baptist Church, and intends to remove all existing site improvements at the location in preparation for construction of a K-8 public charter school. Prodeo is seeking public financing in the form of revenue bonds and is requesting that Columbia Heights participate as a conduit issuer for the bonds; Director Chirpich provided a brief description of conduit bonds and what would be the City's role (receiving approximately a 1% bond issuance fee). Should the resolution be approved by the Council at the evening's meeting, final approval for the bond issuance would be scheduled for September 9, 2019. He noted that granting preliminary approval of the bond issuance does not obligate the City to approve any land use requests that are made by the applicant in conjunction with the proposal. If the land use approvals are denied or delayed, the bond issuance would either be delayed or terminated accordingly.

Councilmember Buesgens asked if the City looks for customers for the its conduit loan program. Director Chirpich stated that currently the City is not actively seeking to serve as a conduit issuer for bonds, rather typically a project originates within the City and the project partner approaches the City.

Mayor Schmitt opened the public hearing.

Grant Nichols, Fridley resident and former Columbia Heights School Board member, inquired as to whether the City would be vulnerable to a potential lawsuit should the Council deny the Prodeo resolution. Attorney Hoeft stated that proposed improvements being put forth are within the allowed use and that there is really no risk to the City, rather actually having some financial benefit.

Naty Severson, City resident and school board member, expressed concerns about retention of local students, how Prodeo would impact the health of the school district and the other schools that are in the Community and whether the City is looking at short-term gains. She also had concerns about taxes and potential traffic impact problems at 4th and 44th and asked the Council to consider postponing a decision on the resolution.

Ariane Kokes, City resident and public school teacher, noted the challenge City public schools faced last year trying to receive referendum funding and how unfair it seems that a charter school can come into the City and receive funding "with a signature." She also cited how a charter school may receive funding for a special education student but then may be unable to handle that child, who is then sent to a public school, but the public school does not receive funding for that student because it already went to the charter school. Ms. Kokes asked that the City work with the Legislature to bring the money back to the public schools in those cases, as well as forward to the public schools any monies the City would receive as a bond issuance fee.

Jasmine Sims McCallister, City resident, stated that her daughter had attended Prodeo Academy in the past and clarified that it is not a Spanish Immersion school and has previously been in the City.

She had two older children who attended public schools in 2005-2006 and had issues with the public schools, so received an out-of-district placement for them, and said it is good when parents have choices among public, private and charter schools.

Lorien Mueller, City resident and school board member, said she would like staff and Council to look at other land uses within the City and how it may reach a saturation point, with perhaps an overabundance of charter, private and public schools for a limited number of students. The problem is that there may not be enough children to fully enroll all the different schools within the City's borders, and she said Prodeo will impact those numbers, which may likely result in cuts of programs and staffing.

Ashley Denaway, City resident, supports the resolution and said having more school options are positive for families.

Jane Bona, Immaculate Conception School principal, said enrollment at Immaculate Conception has doubled over the last eight years and believes the school answers "a special call of faith, academics and service." She said was not present to question the integrity of another school, the school district or a charter school but wonders about the proximity of a K-8 charter school so close to Immaculate Conception and within such a small district. Ms. Bona asked the Council to consider, though finally perhaps a "win," whether Prodeo Academy is the right "risk" for the Community.

Rick Campion, Prodeo Academy executive director, said, regarding "the vibrancy of a city", he is "not a fan of charter schools but is a fan of good schools for kids" and said competition is better for the schools and children, that a family lives in a better community when they can chose where to send their children.

Timothy Grimes, City resident, supports the resolution and said his children have attended Prodeo Academy and chose to send them there because of the curriculum.

Director Kloiber clarified the distinction between a referendum and conduit issuance. A school district bond referendum is a request from the taxpayers to take tax money and spend it on the public school program. A conduit issuance is a request from a private entity to borrow money from private bond holders, not the taxpayers, and then to repay those private bond holders. The large difference is why conduit issuance can be approved by the Council, rather than going to a referendum election.

Ms. Severson responded by stating that the State pays charter schools up to 90% of their rent, which is still taxpayer money.

Motion by Councilmember Williams, seconded by Councilmember Buesgens, to close the public hearing and to waive the reading of Resolution 2019-63, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Attorney Hoeft clarified that Prodeo Academy chose to come to Columbia Heights and the City has no say as to whether they can come into the City. He said conduit bonding was created by the Legislature and is provided as a private business subsidy and is no consequence to the general taxpayer of the City.

Councilmember Buesgens brought up the subject as to whether the City can control the number of schools that come into it.

Director Chirpich said it is difficult where zoning may already provide where schools and churches can be located, though may be possible if the City acquires and rezones those properties. He said the conduit bond would be a business transaction if approved and, even if the Council denied the resolution, the agreement moving forward would be between the church and Prodeo.

Mayor Schmitt said she appreciated the evening's public comments and staff who've worked on the preliminary bonding issuance resolution. She had downloaded from the League of Minnesota Cities information on conduit bonds, and the three most common, approved by the State, are 1) qualified 401(C)3 nonprofit bonds, 2) housing revenue bonds and 3) small issue manufacturing bonds. The goal, she stated, is to provide the best choices for the City's children, whether charter, private, public or home schooling.

Councilmember Novitsky said City parents deserve choices and would welcome Prodeo Academy.

Motion by Councilmember Buesgens, seconded by Councilmember Williams, to waive the reading of Resolution 2019-63, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Buesgens, seconded by Councilmember Novitsky, to approve Resolution No. 2019-63, a Resolution granting preliminary approval for the issuance of charter school lease revenue bonds (Prodeo Academy Project) to finance the acquisition, renovation and equipping of a project under Minnesota Statutes, Sections 469.152-469.1655 as amended and authorizing the reimbursement of expenditures made in anticipation of the issuance of such bonds. All Ayes, Motion Carried 5-0.

B. Motion to Deny Variance Request for the Property Located at 4320 Stinson Boulevard

Planner Hammond reported the owners of the property at 4320 Stinson Boulevard have requested a wall height requirement variance of three additional 3' (from 9' to 12') for a proposed attached garage. The property is currently vacant but the owners plan to construct a new family home. Applicants request the variance due to the location of the garage on the property and water runoff concerns and, additionally, there could be financial impacts to lowering the garage to meet the wall height requirements. The Planning Commission recommended denial of the variance request, and City staff determined the legal three-factor variance criteria had not been met for approval: reasonableness, uniqueness and essential character.

Mayor Schmitt opened the public hearing.

David Meisinger, contractor for the owner, noted that the Planning Commission vote to deny had been 4-3, and he said he presented to staff a solution that meets a 9' wall. He believes code books have not defined in "black and white" what wall height is, where it starts and ends, but hopes a compromise can be obtained to have a successful outcome.

Alexis James, 4320 Stinson Boulevard property owner, said he and his young family are excited about the new home and being a part of Columbia Heights. His biggest concern is to mitigate any hardship in the future as the property lot is a challenge, having not been designed to be split into five pieces.

Councilmember Buesgens asked whether the owner had considered other house plans that might fit the property better, and Mr. James responded that he felt the current plan is best suited.

Councilmember Murzyn, Jr., said he had attended the Planning Commission meeting and they'd had a good question-and-answer session on the property before the 4-3 vote.

Director Hansen commented that the submitted grading plan is fine for drainage, and Mayor Schmitt cautioned the contractor to submit preliminary plans to Rice Creek Watershed.

Motion by Councilmember Buesgens, seconded by Councilmember Murzyn, Jr., to close the public hearing. All Ayes, Motion Carried 5-0.

Motion by Councilmember Buesgens, seconded by Councilmember Novitsky, to deny the request for variances to the height restrictions in City Code Section 9.106, as the application does not meet the findings of fact and practical difficulties standard. Motion Carried 4 (Buesgens, Schmitt, Murzyn, Jr., Novitsky) to 1 (Williams).

9. ITEMS FOR CONSIDERATION

A. Other Ordinances and Resolutions

None

B. Bid Considerations

None

C. New Business and Reports

a. City Manager's Performance Evaluation Second Session Summary

Mayor Schmitt reported that Manager Bourgeois' evaluation was successful.

10. CITY COUNCIL AND ADMINISTRATIVE REPORTS

Councilmember Buesgens attended the well-attended Police Department's "Eat and Greet"; volunteered at the Blooming Sunshine Garden at Lomianki Park several times since the last Council meeting; attended and helped coordinate the HeightsNEXT Garden Tour and thanked First Lutheran Church for lending their bus and driver for the 11-garden tour; went to four National Night Out parties; and attended the Library Board meeting, which is considering a strategic planning facilitator.

Councilmember Murzyn, Jr., attended the Planning Commission meeting and went to several National Night Out locations.

Councilmember Novitsky attended the "Eat and Greet"; went to the ICS Fun Fest; went to nine National Night Out parties and said he'd like it to occur a couple times a year; and volunteered at the Recycling Center. He asked that citizens place plastic peanuts in bags when recycling and thanked the Kiwanis for their help.

Mayor Schmitt said the City was able to host the Anoka County Law Enforcement Joint Meeting; visited Lauderdale Stormwater; arrived later than she hoped for "Coffee with a Cop"; attended Aquatennial Ambassador coronation and said the City's representative was fantastic and has just been approved as a firefighter; helped with the Salvation Army school supply giveaway; and attended the car show at Immaculate Conception. She said the service organizations such as Kiwanis and Rotary do such a good job taking care of parks, helping kids with scholarships and eye tests, putting kids first.

Manager Bourgeois reported that staff is in "full swing" with budgets; fall newsletter will be out in 1-2 weeks; plastic recycling drop-off is available at City Hall public entry for residents and organics recycling for staff; and she announced HeightsNEXT's Dog Day will be held at Kordiak Park on Saturday, August 17, 9:30 am to 1:00 pm, with the walk beginning at 10:00 am.

Mayor Schmitt also announced that Kiwanis will be selling Colorado peaches 9:00 am to 6:00 pm on Thursday, August 15, and 9:00 am to 12:00 pm on Friday, August 16, at 4001 Central Avenue NE parking lot. Preorders must be picked up by 11:30 am on Friday, August 16.

11. COMMUNITY FORUM

Jeffrey Wagner, City resident, expressed frustration that 54 residents, one being a relative of his, live at 4229 Central and 4225 Central and are caught between the management company and the City. He said the property owner died and the management company, Guardian Property, is neglectful, as the City has pulled the rental licenses (because of the need to repair the parking lot) and residents have been notified they have 45 days to vacate.

Attorney Hoeft informed the Council that the City is being sued by the owner and management company for revocation of the licenses, so, being in litigation, the Council will not be answering any questions or making any statements regarding the matter.

Lorien Mueller, Columbia Heights School Board liaison, provided an update to the Council. Two groundbreaking ceremonies have been schedule: Tuesday, August 20, at 7:00 pm at the high school near the tennis courts for the new band room and Thursday, August 29, at 6:00 pm at North Park Elementary near the playground. Columbia Academy 6th grade orientation will be held Thursday, August 22, 9:00-11:00 am. Columbia Academy open house will be held Tuesday, August 27, 4:30-6:30 pm. Highland, Valley View and North Park Elementary open houses will be held Thursday, August 29, 4:00-6:00 pm, and the high school open house will be held 3:00-6:00 pm on Thursday, August 29. The first day of school is scheduled Tuesday, September 3.

12. ADJOURNMENT

Motion by Councilmember Williams, seconded by Councilmember Buesgens, to adjourn. All Ayes, Motion Carried 5-0.

Meeting adjourned at 8:29 pm.


Respectfully Submitted,
Nicole Tingley, City Clerk/Council Secretary