INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, September 14, 2020 - 7:00 P.M. - 8150 BARBARA AVENUE

In Person Meeting and via Zoom (Hybrid Meeting)

1. CALL TO ORDER:
The City Council of Inver Grove Heights met in regular session on Monday, September 14, 2020, both in person and via Zoom Video Conferencing (Hybrid Meeting). Mayor Tourville called the meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:
Present in Person: Mayor Tourville, Council Members: Piekarski Krech, Bartholomew, Perry, and Dietrich; City Administrator Lynch, City Attorney McCauley Nason, and City Clerk Kiernan.
Present Via Zoom Video Conferencing: Finance Director Hove, Community Development Director Rand, and Technology Manager Gade.

3. PRESENTATIONS:
There were no presentations.

Mayor Tourville stated for Agenda Item 7F., Data Practices Investigation Report Update and Proposed Process, there will not be a Public Hearing or public comment this evening. Follow up will come from the Attorney.

4. CONSENT AGENDA:

A. Minutes from the August 10, 2020 City Council Meeting.

B. Disbursements for Period Ending September 9, 2020. **Resolution 2020-172**

C. Consider Approval of Rental Licenses.

D. Consider Approval of Personnel Actions.

E. Consider Pay Request #4 to Dahn Construction – Heritage Village park Phase II – City Project 2017-07.

F. Dakota Communications Center operations.

G. Approve the Final Plat, Development Agreement, Storm Water Maintenance Agreement, and Wetland Mitigation plan for wetland replacement for the plat of Pine Bend Estates. (Alliant Ventures III, LLC). **Resolutions 2020-173 and 2020-174**

H. Approve Custom Grading Agreement, Stormwater Facilities Maintenance Agreement and Permanent Drainage and Utility Easement for 4709 Babcock Trail.

I. Consider a **Resolution 2020-175** Providing Support and Authorizing Application to the Minnesota Department of Transportation for a Standalone Noise Barrier for City Project No. 2019-15 – TH 52 Noise Barrier, Barbara Neighborhood.

J. Consider a **Resolution 2020-176** Providing Support and Authorizing Application to the Minnesota Department of Transportation for a Standalone Noise Barrier for City Project No. 2020-11 – TH 52 Noise Barrier, Beckman Neighborhood.

K. Consider **Resolution 2020-177** Accepting Proposal for Preparation of a Feasibility Study for Argenta Trail Drainage Improvements (69th Street to 65th Street – Basin F-025).

L. Consider **Resolution 2020-178** Accepting Proposal for Regional Basin IGT-B-3 Water Level Management Feasibility Study.

M. Consider **Resolutions 2020-179 and 2020-180** Calling for Hearing on Proposed Assessments, Declaring Costs to be Assessed, and Ordering Preparation of Proposed Assessments for the 2019 Pavement Management Program, City Project No. 2019-09C – Cahill Avenue Mill and Overlay (Concord Boulevard to Inver Grove Trail).

N. Consider a **Resolution 2020-181** Ordering Feasibility Study, Accepting Engineering Services Proposal from Short Elliot and Hendrickson, Inc. (SEH), Authorizing Assessment Benefit Analysis, and Authorizing Geotechnical Services for City Project No. 2021-09D Bryant Lane Area Improvements (aka Majestic Woodlands).

O. Consider **Resolution 2020-182** Accepting Quotes and Awarding Project for City Project No. 2020-07 – River Road Culvert Repair.

P. Consider **Resolution 2020-183** Accepting Quotes and Awarding Project for City Project No. 2020-08 – Old Concord Boulevard Washout Repair.

Q. Consider Resolution **2020-184** Authorizing Staff to Submit an Application for Minnesota Highway Freight Program Funding Solicitation in Fiscal Year 2023 – 2025 for the Reconstruction of 117th Street.

R. Consider **Resolution 2020-185** Approving a Joint Powers Agreement with Dakota County to Receive Environmental Legacy Fund (ELF) Grant Funding for the Heritage Village Park.

Motion by Bartholomew second by Perry to approve Consent Agenda Items 4A-R.

Ayes: 5
Nays: 0 Motion carried.

5. PUBLIC COMMENT:
Mayor Tourville stated Council has received correspondence from the Barner family and Donna and Jack Swanson.

Motion by Perry second by Piekarski Krech to receive the correspondence from Donna and Jack Swanson.

Ayes: 5
Nays: 0 Motion carried.

Motion by Piekarski Krech second by Perry to receive the correspondence from the Barner family.

Ayes: 5
Nays: 0 Motion carried.

6. PUBLIC HEARING:

7. REGULAR AGENDA:
Finance:
A. Consider Resolutions Adopting the Proposed Tax Levy for Payable 2021, Adopting the Proposed 2021 Budgets, Adopting the Proposed Watershed Management Taxing District Tax Levy Payable for 2021, and Set the Date and Time for the Regularly Scheduled Meeting where the Budget will be Discussed. Resolutions 2020-186, 2020-187, and 2020-188

Finance Director Amy Hove stated they met with Council on July 27th, August 24th, and September 8th to review the 2021 Proposed Budget and Levy. The levy increase is proposed at $1,625,375. That covers changes in the General Fund, Pavement Management, and Debt Service Funds. Information follows:

- Average between 2018 and 2020. The annual increase average was under $1.9 million dollars. This also included some of the major categories where increases are represented.
- The increase represents approximately 4.6% as a percent increase for general City operations. Also includes another $500,000 into pavement management, bringing the total levy percent to 6.6% over last year's tax levy.

- Taxable market values are up. Using Dakota County's latest information, the increase to the levy only, results in a slight increase to the Cities tax rate and represents an estimated change to property taxes on a median property of $76.00 annually. Final numbers should come later this fall. Updates will be provided.
- Details on the budget documents include:
    - Preliminary tax levy comparison.
    - Preliminary tax capacity rate estimate for the last three years.
    - Preliminary for 2021.
    - Information on market values and tax capacity comparisons.
    - General Fund Budget summary. Showing expenditure budgets and proposed revenue sources by Department.

Budgets are proposed and may change before finalized and adopted in December. The tax levy can only be reduced.

She stated a time and place needs to be determined where they would have the regular meeting to discuss the levy and budget and adopt a final levy and budget. This includes the following parameters:

- Must be held after 6:00 p.m.
- Held between November 25th and December 28th.
- Meeting where the public is allowed to speak to the budget and the levy.

They are proposing this take place at the December 14th, 2020 Meeting. Due to safety protocols, there is both an in person and virtual attendance option. These options will be provided in County information and on the City Website.

Finance Director Hove stated they are aware of the Council's desire to find additional ways to reduce the levy. They will continue budget discussions on the General Fund between now and the regularly scheduled public meeting where the Council would be asked to adopt the final budget and levy for the General Fund. She stated they would look at revenue enhancements, expenditure savings, and anything that may help with that reduction. There are Work Session's scheduled for October 5th and November 2nd to review other City budgets. The following is recommended:

- Setting the scheduled meeting for the budget discussion on Monday, December 14th at 7:00 p.m.
- Recommending approval of a Resolution adopting the proposed 2021 General Fund Budget.
- Proposed property tax levies. The regular one for 2021 and the Special Watershed Management Taxing District Levy.

Councilmember Piekarski Krech requested figure amounts. Finance Director Amy Hove responded with the following totals:

- The first Resolution is for the General Fund: Recommend setting it at $25,500,700
- The second Resolution outlines the property tax levies by the fund
    - General Operating Fund Levy: $21,239,100
    - Pavement Management Fund Levy: $2,250,000
    - Bond Retirement: $2,867,158
    - Total Regular Operating Plus Debt Levies: $26,356,258
    - The third Resolution is on the Stormwater Special Taxing District:
        - Babcock Trail: $22,230
        - South Grove: $41,285
        - 70th Street: $15,879
        - Total for three: $79,394

The total of those levy categories is $26,435,652.
The last supporting document deals with market values and tax capacities.

- Payable in 2018, there was a net City tax capacity of $36 million dollars.
- In 2021, the City net tax capacity is around $46 million dollars.
- Looking at the City-wide levy and adjusting for fiscal disparities. In 2018 the City-wide tax levy was $28,516,386. Preliminary pay 2021 City wide levy after the estimate for fiscal disparity is $23,500,000. That is a $5 million dollar increase.
- Shows what has happened to the City tax rate over a five-year span. The City tax capacity rate stayed fairly flat. In 2019 it was almost a 5% increase in the rate. For pay 2020, it was almost a 5% decrease in the rate. Currently at 51.093. She stated the market value and net tax capacity comparisons determine that.
- The City has market value rates. Over the last two years that increase has been 6.7%. In payable 2020, market value was just over $4 Billion dollars. In payable 2021, it was increased to $4,314,513,967. This is where the 6.7% comes in. The 1.1% is related to new construction and 5.6% is related to the appreciation of market values within the Community.
- The net tax capacity went from $47 million to $50,260,000. An increase of 6.9%. The change without new construction is approximately 5.6%.

Mayor Tourville stated this would be discussed at the Work Session on October 5th. He asked when it would be available on the Website. Finance Director Hove responded she will put it on the website this week. He stated the criteria the Council looked at over a week ago included looking into additional funding sources and the possibility of cuts to lower the increase as much as they can.

Kelly Kayser, 1953 59th Court East, stated she wanted to discuss the funding for pavement management in 2021. She supports increasing available resources, but unlikely the results will be realized unless the City formulates a comprehensive long-term plan of action. She commented five years, after learning their streets were slated for construction, another resident and herself represented their neighborhood throughout an arduous process. There was extensive dialog with City Staff regarding the specifics of the project, research was done, and they brought forward ideas for how current and future road projects may be made more affordable and efficient for residents and the City. She stated it became clear the City was not receptive to new ideas or suggestions that may result in change to the way things are done.

Ms. Kayser stated during her research she learned a project was included in a 17-page document named Street Reconstruction, an Overlay Plan for the City of Inver Grove Heights. The document was prepared by Ehlers in 2015 and included a comprehensive list of proposed projects for a five-year period and an explanation about how street projects were planned and funded. She stated the last paragraph of that document reads “Continuation of the street reconstruction and overlay plan. This SROP should be reviewed annually by the City Council using the process outlined in this plan. Review proposed expenditures, make priority decisions, and seek funding for those expenditures it deems necessary for the City. If deemed appropriate, the Council should prepare an update to this plan”. She stated there are two projects listed that have not yet been completed. Those are 50th Street East, and the combined 50th Street West, Ann Marie Trail project. She was unable to locate any updated version of this plan in City archives. She commented the 50th Street West and the Ann Marie Trail project were dropped from the plan in 2019. The 50th Street East plan was removed from this year’s plan and the Majestic Woodlands Project from this evening’s Consent Agenda was added.

Ms. Kayser asked what the reasons were for the changes and if they were made available to the public. She asked where the transparency was that is frequently referenced in the meetings. Every residential street improvement completed since her street, has been the result of a neighborhood petition. She stated petition projects were discussed at the August Work Session. She was told by a City employee that petition projects only were likely to be chosen going forward because it was easier to deal with neighborhoods that wanted to have their roads fixed. She commented she felt that meant residents were less resistant to ever increasing assessment amounts if they become desperate for a decent road.

She stated per parcel resident cost for street improvement in a typical Inver Grove Heights neighborhood has increased from $6,000 to $12,000 over the last six years. One neighborhood with larger lots and custom homes paid $19,000 per parcel. She asked if they should expect assessment amounts for a median home to be $25,000 in another six years. She stated every year Public Works Director Scott Thureen says that a large percentage of roads are in significant need of major repair and continue to deteriorate. That the City hired a firm to calculate and document the condition and need of those pavement miles and there are not enough funds to get over the problem. She stated they hear every year and asked what the long-term plan was to correct this.

Ms. Kayser stated the plan appears to be the neighborhood reacting when there is a need to have its road fixed. Most residents probably do not know petitioning for a road is an option. She stated the pattern of fixing only petitioned streets is not equitable to taxpayers of the City when so many need a new street. The new assessment policy is not equitable because it is structured in a way that homeowners will pay the same for mill and overlay that they would for a full reconstruction. The cost for the City's portion is significantly different.

She commented that Mr. Thureen stated current policy ensures homeowners will pay their fair share over time. Taxpayers also fund the Cities portion of each project as shown by the levy tonight. She stated the assessment policy was intentionally framed in a way that steers neighborhoods with deteriorating streets towards full reconstruction, the historical improvement preference of the engineering department.

She stated she has spoken to each Council Member about pavement management over the years. Only one has expressed interest in trying to find a better way. Project costs and assessment amounts continue to rise from one petitioned project to the next. She stated it was way past time to find solutions to this ongoing problem with collaboration between Staff, Council, and residents. She suggested having a task force to focus on ways to improve the process. She stated the following suggestions:

- Resurrect and maintain a formal five-year street reconstruction and overlay plan document. Post it on the City Website.
- Group all failing streets into potential project areas and prioritize them by need as soon as possible. Residents would then know where they sit in the queue.
- Prepare and post a public maintenance schedule for streets that have already been improved so residents can see the City commitment going forward.
- Suspend the use of petitioned projects until further notice.
- Consider scheduling the first neighborhood meeting before a feasibility schedule is ordered.
- Assessment policy needs to be re-evaluated and revised.
- Innovative ways to fund projects must be explored.

She stated each idea creates additional work for City employees. Pavement Management needs a clear, concrete, and transparent plan. The City would need to begin including streets that were improved in the early years of the pavement management program into the cycle of major maintenance beginning in 2022. She asked if there was a plan to add those streets that were newly constructed in early 2000. Her street was constructed 30 years before they were told the only option for improvement was full reconstruction. Promoting pavement longevity was not required when her street was built. She asked if those requirements were currently in place for new developments to ensure new streets do not become premature candidates for costly improvements down the road.

Mayor Tourville stated they will get back to her with a response. Numerous people have looked into no feasibility. When planning the project, they were told residents did not want a road after all.

Councilmember Dietrich thanked Ms. Kayser for coming and for all of the research she has done. She requested a copy of Ms. Kayser's suggestions and apologized on behalf of the City Staff that did not listen.

Motion by Bartholomew second by Piekarski Krech to receive the correspondence from Kelly Kayser.

Ayes: 5
Nays: 0 Motion carried.

Motion by Piekarski Krech second by Perry to approve Resolutions Adopting the Proposed Tax Levy for Payable 2021, Adopting the Proposed 2021 Budgets, Adopting the Proposed Watershed Management Taxing District Tax Levy Payable for 2021, and Set the Date and Time for the Regularly Scheduled Meeting where the Budget will be Discussed. Resolutions 2020-186, 2020-187, and 2020-188

Ayes: 5
Nays: 0 Motion carried.

B. Consider Coronavirus Relief Fund Spending Plan Resolution. Resolution 2020-189

Finance Director Hove stated at the September 8th Work Session eligibility requirements were discussed for the Cities distribution of $2,665,614 of Federal CARES Act (Corona Virus Relief Fund dollars). A spending plan identified four major priorities about how to allocate those sources:

1. Cover unbudgeted City costs.
2. Providing economic support to the Inver Grove Heights Community.
3. Expanding and improving upon the Cities online services.
4. Reimbursement of Public Safety payroll costs.

She referenced Exhibit A and stated the four priority categories are listed and include expenses through July 31st, estimates of additional costs anticipated August 1st through November 15th. The total Coronavirus Relief Fund (CRF) allocation is $2,665,614.

She discussed Exhibit B which provides documentation about why they believe these are all eligible priorities and costs. She stated they are recommending approval of the plan as it sits today. Some of this is based on estimates forecasted through November 15th. Once approved, updates would be given.

Councilmember Bartholomew suggested the following requirements be added for Non-Profits:

- Have a 990 return.
- Ask for a good standing letter from the Secretary of State for Non-Profits.
- Make sure they understand the expenses fall between March and September 30th. Actual expense not accrued expense.

Motion by Piekarski Krech second by Perry to approve the Coronavirus Relief Fund Spending Plan Resolution. Resolution 2020-189

Ayes: 5
Nays: 0 Motion carried.

C. Delegate Authority of Small Business and Non-Profit Assistance Program to the EDA. Resolution 2020-190

Community Development Director Heather Rand discussed a companion Resolution to action previously taken by the City Council who are also EDA Commissioner's. She stated at 6:15 p.m. a Resolution was approved to accept Authority to manage and accept funds from the CARES Act for Small Business and the Non-Profit Assistance Program. The request is to delegate Authority to the EDA to manage the two Grant programs. Total funds under consideration are the Small Business Grant Program in the amount of $280,000 plus some administrative expense. For the Non-Profit Assistance Program, it is $140,000 plus some administrative fees. Ehler's has been requested to assist with management of Grant Administration for the Non-Profit Program. They have requested that the Dakota County EDA assist with the Small Business Program. She requested approval of the Resolution.

Finance Director Hove stated this was based on the League and the City Attorney's recommendation that the delegation occur as the EDA is better positioned to administer programs like this.

Councilmember Perry asked if the number for small businesses was $280,000 or $270,000. Community Development Director Rand responded the amount is $270,000.

Mayor Tourville wanted to clarify the money is coming out of the $2.6 million. Finance Director Hove responded that was correct. That would have been shown under the Economic Support Section (Helping out our Community).

Motion by Dietrich second by to approve the transfer of certain Coronavirus Relief Funds to the Inver Grove Heights Economic Authority for purposes of providing Grants to eligible Small Businesses and Non-Profit Organizations. Resolution 2020-190

Ayes: 5
Nays: 0 Motion carried.

D. Consider Resolution Approving Service Contract with Harris Inc. of CityView Software implementation and Authorize Execution of Necessary Contract by City. Resolution 2020-191

Community Development Director Rand stated reference was made to the CARES Act Spending Plan at the September 8th Work Session. One item was related to making or enhancing online opportunities for residents to provide services in a safe manner. It also provides greater efficiencies among Departments. She stated Departments involved include the Fire Marshal's Office, Finance, Community Development Department with the Building Inspection and Planning Staff, Code Compliance Officer, the City Engineering Department, and the IT/GIS Staff. The capabilities would be for plans to be submitted electronically and would allow Staff to communicate and review plans for turnaround in a more timely and safe manner.

She stated they have researched software and technology. The team had hoped to make an upgrade to the existing software suite. Since Covid, residents have the capability to make application for some Building Permits. She stated this is an expenditure for CARES Funds to allow for this electronic plan review, the scheduling of building inspection appointments by residents and contractors online, the licensing of contractors online, and mapping features. The name of the software is CityView and is a type of software many municipalities and Governments utilize such as St. Paul, Bloomington, and Scott County. She stated the parent company of CityView is Harris who have over 7,000 employees that provide and maintain software for public and private sectors.

She stated the team has checked with the City of Bloomington about the software for consideration. She recommends the expenditure of CARES Funds in addition to some additional funds the Department has set aside, to make this acquisition. She stated there are funds for Staff training.

Councilmember Dietrich asked what training and implementation costs may be going forward. Community Development Director Rand responded with the software acquisitions made in 2017, the ongoing maintenance expense has cost approximately $30,000. She stated it would be approximately $30,000 a year for the existing software plus a 4% cost of living escalator. With the additional components, it would be approximately $11,000 a year for a total of $41,000 a year for maintenance and ongoing updates to the software.

Councilmember Dietrich asked if the money was earmarked for future years. Community Development Director Rand responded they have been working with IT. They were thinking that next year they would want to make a larger acquisition of CityView anyway. She stated when Covid hit and the CARES money became available they realized they should rethink the opportunity and the way services are provided. She was unsure if the additional $11,000 was already included in the 2021 Budget but would have to identify what the funding sources would be. The $30,000 was already set aside/proposed in the 2021 Budget.

Motion by Piekarski Krech second by Perry to approve Resolution 2020-191 Approving Service Contract with Harris Inc. of CityView Software implementation and Authorize Execution of Necessary Contract by City.

Ayes: 5
Nays: 0 Motion carried.

Community Development:
E. Consider Resolution Authorizing October 12, 2020 Public Hearing on Consideration of Public Subsidy for Crossing as Inverwood Multi-Family Apartment Project (152 units). Resolution 2020-192 and 2020-193

Community Development Director Rand stated this is for consideration of two Resolutions pertaining to 142-143 units of market rate housing in an apartment building to be constructed and developed by Titan Land LLC., located at 1462 80th Street. The developer expressed concern about development fees specific to the northwest area. She stated the Council received an update on how development fees in the northwest area compare to neighboring Cities. They were found to be two to three times what Inver Grove Heights is charging. Development fees go towards public water, sewer connections and extensions and Park Dedication fees.
She stated they are asking the Council to consider a proposed subsidy (tax abatement) rather than a reduction in developer fees. They are wondering if a financial gap exists before giving it further consideration. She stated last spring Staff proposed a new process for developers to fill out called a Financial Assistance Application. The next step in the process is to have the Public Finance Consultant, Ehlers, review the application, which has taken place. Next in the review process is for City Staff to bring back for consideration a preliminary recommendation for the financial assistance request. She stated there is a memo in the Council packets that Jessica Cook and Jason Aarsvold from Ehlers prepared, reviewed, and identified a gap in the Financial Assistance Application for the proposed project.

She stated Mr. Peter Stalland, from Titan Land Group is available for questions. She recommends approval of the two Resolutions. One is to authorize City Officials to sign off on a term sheet with the

Developer stating that you are amenable to consider continuing to direct Staff to work out the feasibility of a Tax Abatement Agreement. Also, that you are willing to hold a Public Hearing on the Tax Abatement for Monday, October 12th.

Jessica Cook, Ehlers, stated this project has followed the process the City Council set out in the spring regarding the business subsidy application. This project is 152-unit market rate apartment building with amenities such as a pool, dog run, and a bike facility. Rents are proposed to be between $1210 for studio and up to $1,760 for a two bedroom plus the cost of parking. The total cost of the project is approximately $33.5 million dollars. $220,000 per unit construction cost. The Dakota County Assessor has stated they would assess this project with the market value of $22 million dollars.

She stated the Developer's Assistance Application stated the need for assistance because the City fees are too high. It was stated $2.4 million dollars was needed to make the project financially feasible. She stated their job at Ehlers is to represent the City and to review the developer's numbers. That information was reviewed and they have determined if the Developer makes a reasonable return on the project, invests his money and the money of his Investors in this project, but not enrich himself in the project at the Cities expense, what is the financial gap actually.

She stated that analysis was done and determined the financial gap is about $1.6 million dollars. Their recommendation is for the City to provide $1.6 million dollars of tax abatement for this project. Part of that analysis was looking at Industry Standards for construction costs, rental revenues, and management costs. This project fell within Industry Standards. She stated they underwrote the project so the Developer would get no more than a 10% return, cash on cash, of the equity invested in the project. That is what they are noticing is needed to draw equity to projects like this.

Ms. Cook stated they also looked at what fees the project will owe the City if it proceeds. That total was $2.7 million dollars. They looked into what those fees would be, on average, in other Communities, or other parts of Inver Grove Heights outside of the northwest area. The amount ended up being almost $1 million dollars. She stated the difference in fees from what this developer is requested to pay in the northwest area, and in another Communities, is roughly $1.7 million dollars, which is a little more than what is being requested to make this project feasible.

She stated for the $1.6 million, of the proposed City assistance, the City would receive over $2.7 million dollars in fees including $750,000 in Park Dedication fees. They concluded the Development will not reasonably be expected to occur without assistance. The proposed form of the assistance recommended is tax abatement. She stated this project is not eligible to use Tax Increment Financing (TIF). Tax abatement is available and works. The City would capture its portion of taxes attributable to the increase in value of the project. She stated whatever the land is paying now, that would continue to be distributed. The increase in taxes from land value to completed value would be rebated to the developer over 11 years. It would take about 11 years of rebating the increase in taxes to equal the $1.6 million dollars of assistance.

Councilmember Bartholomew commented he was concerned about long term for the 11-year rebate. He asked what would happen if things get tough and the development ceases to exist or someone else takes it over. He asked if an agreement would be made that state a transfer to new ownership if new ownership happens. He asked what the security is if the project ceases. Ms. Cook responded with the way it is structured, the developer takes the risk. The City's obligation to pay over 11 years is limited to the increase in taxes. She stated if a fire destroyed the property and no longer paying property taxes, the City obligation would end due to no increase in taxes. Ms. Cook responded about transferring to a new owner stating there is a clause in the development agreement that states the City has the right to approve a new owner but cannot unreasonably withhold approval.

Peter Stalland, Titan Land Group, stated he has worked with the Community Development Director, Jessica Cook, and Jason Aarsvold from Ehlers. He stated the request was for more than $1.6 million dollars. The total fees they would have to finance were about $3.3 to $3.4 million dollars. Part of that is other miscellaneous permit fees and Met Council fees. He stated they would love to do this project in the City and believes it would be a first-class project with one of the nicest suburban apartment projects in the Twin Cities when finished. The costs are high to build on that parcel due to hills, valleys, the need to build a sound wall, utility, and stormwater. He stated the costs to the project are high, this abatement is necessary for them to move forward with the project. He requested the City pass the abatement agreement.

Motion by Piekarski Krech second by Bartholomew to approve Resolution 2020-192 on the execution of the term sheet.

Ayes: 5
Nays: 0 Motion carried.

Motion by Bartholomew second by Perry to approve the Public Hearing for the regular City Council meeting taking place on October 12, 2020. Resolution 2020-193

Ayes: 5
Nays: 0 Motion carried.

Legal:
F. Data Practices Investigation Report update and proposed process. Resolution 2020-194

Mr. Lepak stated the Council, City, and the City Attorney's Office, have copies of the report and exhibits. After submitting the report, he discussed the process and next steps with the City Attorney's Office as a result of those meetings. It is recommended breaking it into two matters:

1. Process
2. Subsitive consideration of the matter.

There would be two tasks for the Council to consider:

1. Acknowledge receipt of the report. (This acknowledges it is in the Council's ownership. It is not acceptance of the report).
2. Set a process to consider the substance of the matter and the process outlined in the Resolution. If adopted, the substance of the matter would be the subject of the next Council meeting. The process gives the potentially affected employee the right and opportunity to directly communicate to the Council on this matter. That communication could be utilized by the Council to determine whether the investigation established or revealed misconduct and can also be utilized to determine whether there was a breach of security of data under the Statutory Section.

Motion by Piekarski Krech second by Perry to approve Resolution 2020-194 regarding the data breach investigation matters as included in the Council packets. This is to acknowledge receipt of the report and setting September 28th, 2020 to look at the information on the two items of misconduct or a possible breach.

Ayes: 5
Nays: 0 Motion carried.

Mayor Tourville stated communication will take place to determine whether the format for the meeting on the 28th be Executive and/or Public. Mr. Lepak stated it would be open or closed at the request of the employee.

8. EXECUTIVE SESSION:

9. MAYOR AND COUNCIL COMMENTS:

Councilmember Piekarski Krech stated Clean Up Day takes place on Saturday.

Mayor Tourville stated Inver Grove Heights Days had a very reduced schedule. There was Pickleball, a Treasure Hunt, and the bike ride. The band went down to the Rock Island Swing Bridge.

He stated thoughts were with those affected by the fires out west, storms to the east, and possible hurricanes to the south.

10. ADJOURN:

Motion by Piekarski Krech second by Perry to adjourn the meeting at 8:22 p.m.

Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek