INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, OCTOBER 13 6:00 P.M. – 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, October 13, 2025, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Gliva, Murphy, Scales, and T'Kach
Staff In Attendance: City Administrator Wilson, City Clerk Kiernan, City Attorney Nason, Community Development Director Ziemer, Parks & Recreation Director Lares, Public Works Director Connolly, City Engineer Merchlewicz, Assistant City Engineer Ray, Graduate Civil Engineer English, Fire Chief Thill, and Finance Director Hove.

3. APPROVAL OF AGENDA:

Motion to approve agenda with an addition of Item 9 – Closed Session and a correction to item 6A assessment roll by Scales, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

4. PRESENTATIONS: None

5. CONSENT AGENDA:

- **A.** Approval of Minutes of the September 22, 2025, City Council Meeting
- **B.** Approval of Disbursements, **Resolution 2025-215**
- **C.** Personnel Actions, **Resolution 2025-216**
- **D.** Approval of 2026 Group Medical Insurance Plans and City Contribution Amounts
- **E.** Resolution Regarding Counting of Write-In Votes for Local Elective Office, **Resolution 2025-217**
- **F.** Resolution Approving Cooperative Construction Agreement with MnDOT for City Project No. 2024-14 - Argenta/Wescott/TH 149 Signal System Improvements, **Resolution 2025-218**
- **G.** Contract Award for Improvements to Community Rooms at the Veterans Memorial Community Center
- **H.** Approval of Contract with LiveBarn for Live Streaming at VMCC Ice Arenas
- **I.** Resolution Calling for a Public Hearing to Consider Assessment of Costs for Securing Vacant and Hazardous Building at 3095 65th Street, **Resolution 2025-219**

Motion to approve Item A – H except I by T'Kach, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

Motion to change item I - call a public hearing to the November 10 Council meeting by Gliva, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

6. PUBLIC HEARINGS:

A. Assessment Hearings and Resolutions Adopting Final Assessment Rolls for 2025 Pavement Management Projects 2023-09E, 2025-09E, and 2025-09G, **Resolution 2025-220, 2025-221, & 2025-222**

Public Works Director Connolly explained that the 2025 Pavement Management Initiative consists of three key street improvement projects: Argenta Trail (2023-09E), 50th Street (2025-09E), and Bacardi Avenue (2025-09G).

The Argenta Trail Project, designated as Project No. 2023-09E, was initiated with the ordering of a feasibility study on June 13, 2022. The project was accepted on May 13, 2024, and the construction contract was awarded on March 24, 2025. The assessment hearing took place on September 8, 2025. Substantial completion has been achieved, and final completion is anticipated in June 2026, which will include placement of the wear course pavement and final striping.

For 50th Street, identified as Project No. 2025-09E, the feasibility study was ordered on November 13, 2023, and approved on May 28, 2024. The construction contract was awarded on April 14, 2025, and the assessment hearing took place on September 8, 2025. Substantial completion is projected for October 16, 2025, with final completion also planned for October 2025, which will include the wear course pavement and final striping.

The Bacardi Avenue project, identified as Project No. 2025-09G, followed a similar process. The feasibility study was ordered on January 22, 2024, and accepted on August 12, 2024. The construction contract was awarded on April 14, 2025, and the assessment hearing occurred on September 8, 2025. The project reached substantial and final completion in September 2025.

Extensive public outreach accompanied each project. For Argenta Trail, staff held individual property owner meetings throughout the feasibility, final design, and preconstruction stages, and hosted an open house prior to the assessment hearing on October 2, 2025. For 50th Street, three neighborhood meetings were held: one before the improvement hearing/feasibility study acceptance on May 14, 2024, another before construction began on April 23, 2025, and one before the assessment hearing open house on October 2, 2025. For Bacardi Avenue, outreach included one-on-one property meetings during the feasibility and final design, a pre-construction field meeting with residents on July 24, 2025, and an open house before the assessment hearing on October 2, 2025.

The Argenta Trail and Bacardi Avenue projects are full reconstruction projects that include spot utility repairs, storm sewer installation, subgrade excavation, new curb and gutter installation, and new pavement construction. Argenta Trail also involves Full Depth Reclamation (FDR), water and sanitary sewer replacement and extension, and the installation of a Regional Greenway Trail. The 50th Street project, which includes Ashley Lane, is classified as an FDR project and includes spot curb replacement, adjustments to catch basins, manholes, and gate valves, along with installing a new pavement section.

The total project costs varied between the three locations. For Argenta Trail, the feasibility estimate was $871,865, the bid award totaled $869,419, and the final estimated cost is $1,012,491. For 50th Street, the feasibility estimate was $2,365,827, the bid award was $1,734,027, and the final estimated cost is $2,150,431. Bacardi Avenue had a feasibility estimate of $916,834, a bid award of $496,514, and an estimated final cost of $643,873. The final cost is estimated based on contract costs at substantial completion, remaining work to be completed, and all legal, engineering, administrative, and finance (LEAF) costs for the project area. These figures are used to determine the special assessments. All costs represent City expenses only.

All 2025 Pavement Management Initiative projects are subject to the City's Special Assessment Policy. Street, sidewalk, and storm sewer improvements are assessed to benefiting properties according to project type. Assessment calculations are based on total project front footage or property area by improvement type (i.e., Reconstruction versus FDR) and distributed per parcel, either by area or front frontage. The assessment percentages are determined by project type: 100% for new improvements, 80% for mill and overlay, 55% for partial reconstruction (FDR), and 35% for full reconstruction. Crack sealing and maintenance work are not assessed.

After Council adoption of assessments, invoice statements are mailed to all impacted property owners. Full payment may be made to the City by November 15, 2025, as partial payments are not accepted. Unpaid assessments are certified to the Dakota County Assessor's Office, where they can be paid directly through noon on December 31, 2025, interest-free. Any unpaid balance after this date will be added to the annual property taxes beginning in 2026 until fully paid.

Interest on unpaid assessments begins accruing on January 1, 2026. Full payment to Dakota County can be made at any time during the assessment term, but the full year's interest must be paid for the year in which payment is made, and the following year's interest must be paid if payment occurs after November 15. The assessment terms and interest rates are as follows: for assessments between $0 and $999, the term is one year with an interest rate of 4.106%; between $1,000 and $4,999, five years at 4.228%; between $5,000 and $9,999, ten years at 5.011%; and for $10,000 and above, fifteen years at 5.646%.

Hardship deferrals are available to eligible property owners who apply within 30 days, by November 12, 2025. Deferrals are based on income and are available for residents aged 65 and older, veterans or active-duty service members, and individuals with 100% disability. The property must be homesteaded, and applicants must provide proof of eligibility, such as ID and a Federal tax return. All deferrals must be approved by the Council and accrue interest during the deferment period.

Property owners may raise objections either in writing or verbally during the assessment hearing. Those wishing to appeal a special assessment must follow several specific steps. A written objection must first be provided to the City Clerk prior to or during the assessment hearing and must be signed by the property owner. Following that, a formal notice of appeal must be served to the City Clerk within 30 days of the assessment's adoption. For example, if the assessments were adopted on October 13, 2025, the appeal must be served by November 12, 2025. Once the notice of appeal is served, the property owner must file it with the Dakota County District Court within 10 days of notice being served to the City Clerk. Failure to complete any of these steps within the required timeframe, the appeal is waived per State Statute 429.081.

During the assessment hearing process, staff will review and explain the project costs and details for each improvement area. The Council considers all written objections or materials submitted to the City Clerk. Individual public hearings are then conducted for each project, including Argenta Trail, 50th Street, and Bacardi Avenue. Following the conclusion of each hearing, the Council votes to approve the Resolution approving assessments and adopting the final assessment roll. Passage of the resolution requires a simple majority, with at least 3/5 of Council members voting in favor.

The Argenta Trail project, which served as the first assessment hearing, included several categories of improvements. Director Connolly reviewed the project cost estimate comparison for this project. The feasibility estimate for total costs was $871,856, the bid amount was $869,418, and the projected final cost is $1,012,491, which is a 16% increase over the as-bid total. The Street improvements category increased from $480,454 to $589,191, a 22% rise, funded through Municipal State Aid Funds, the Pavement Management Local Streets Fund (Fund 440), and Special Assessments. Storm Sewer improvements totaled $119,879, increasing by 5%, with funding from Municipal State Aid Funds and Special Assessments. Sanitary Sewer improvements rose from $245,442 to $271,174, up 10%, funded through the Sewer Capital Fund (Fund 521) and Special

Assessments. Watermain improvements totaled $32,247, reflecting an 11% increase, funded through the Water Capital Fund (Fund 511).

A summary of cost overruns shows a total of $143,000 in additional work or changed conditions. Subgrade correction accounted for $109,000 or 76% of the total, with $31,500 of that assessable to Street costs and $77,500 non-assessable. Storm Sewer adjustments amounted to $5,000 or 3.5%, which is fully assessable. Sanitary Sewer work involving a revised trunk connection totaled $27,000 or 19%, and this portion is non-assessable as part of the City's Trunk Utility System. Water service costs of $2,000 or 1.5% are also non-assessable as part of the City's Trunk Utility System. Of the $143,000 in total overruns, $36,500 or 26% are assessable costs.

The Argenta Trail project included four single-family residential properties and one mobile home community. This full reconstruction project carries a 35% assessment rate. Additionally, a Sanitary Sewer extension was included, assessed at 100% for residential properties that previously lacked Sanitary Sewer service. Because Argenta Trail is a border roadway, the City is covering 50% of the assessable Sanitary Sewer costs. Assessments are calculated based on a variable rate that considers both front frontage and lot area. Residential assessments range from $13,426 to $36,634, while the mobile home community's assessment is $192,254.

An independent benefit appraisal was completed by the City for the Street and Storm Sewer assessments during the feasibility study. The final assessments were determined to be below the benefit cap for each property. The mobile home community's final Street and Storm assessment totaled $192,254 compared to a benefit cap of $529,754. The subdividable residential parcel (Parcel 2) was assessed $13,774, below its $16,400 cap. The remaining residential parcels (Parcels 3, 4, and 5), which are not subdividable, were assessed $5,044, under their $8,200 cap.

The final breakdown of assessments and City funding sources for the Argenta Trail project is as follows: single-family residential assessments range from $13,426 to $36,634, while the mobile home community assessment is $192,254. Street improvements total $589,191, with $179,208 assessed and $409,983 funded by the City through Municipal State Aid Funds and the Pavement Management Local Streets Fund (Fund 440). Storm Sewer improvements total $119,879, with $41,952 assessed and $77,927 funded by the City through Municipal State Aid Funds. Sanitary Sewer improvements total $271,174, with $48,006 assessed and $223,168 funded through the Sewer Capital Fund (Fund 521). Watermain improvements total $32,247, funded entirely through the Water Capital Fund (Fund 511). Overall, $269,166 is assessable and $743,325 is funded by the City, for a combined total cost of $1,012,491. Street assessments are calculated based on adjusted front footage, and Sewer assessments are based on parcel area. The assessment rate is 35% of eligible Street and Storm costs for full reconstruction projects and 100% for new Sanitary Sewer extensions, discounted by 50% since Argenta Trail is a border road and only serves one side of the street south of 88th Street. The City covers the remaining 50% of the Sanitary Sewer costs south of 88th Street and 100% north of 88th Street for local connections into the City of Eagan sanitary system.

Director Connolly reviewed the assessment hearing procedures.

Mayor Dietrich opened the public hearing. There were no public comments.

Motion to close the public hearing for 2023-09E Argenta Trail by Scales, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

Motion to approve Special Assessments and Adopt Final Assessment Roll for City Project No 2023-09E – Argenta Trail by Gliva, seconded by Scales.
Ayes: 5
Nays: 0 Motion carried.

Assistant City Engineer Ray reviewed the assessment hearing for the 50th Street Construction Project, identified as Project No. 2025-09E. The project includes 22 benefitting commercial properties. An additional 9 properties have frontage along the project area but no driveway access and are therefore excluded from assessment. The scope of work consists of FDR, with an assessment rate established at 55%. All project area is assessed at an area rate of $13,919.61 per acre.

The financial overview outlined the feasibility and final assessment amounts. The adjusted area rate per acre decreased from $15,856.75 in the feasibility phase to a final amount of $13,919.61. Total project costs are divided between assessments and City contributions. Street improvements total $1,778,168, with $847,458 assessed and $930,710 funded through Municipal State Aid Funds and the Pavement Management-Local Streets Fund (Fund 440). Storm Sewer improvements amount to $330,485, with $154,058 assessed and $176,427 covered by the Storm Water Capital Fund (Fund 531). Sanitary Sewer improvements total $12,558, fully funded by the Sewer Capital Fund (Fund 521). Watermain improvements total $29,220, funded through the Water Capital Fund (Fund 511). The combined total project cost equals $2,150,431. Street and Storm assessments are calculated on an adjusted area basis. The assessment rate is 55% of eligible Storm and Street costs for the FDR portion and 80% for the mill and overlay portion.

Mayor Dietrich opened the public hearing. There were no public comments.

Motion to close the public hearing for 2025-09E 50th Street by T'Kach, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

Motion to approve Special Assessments and Adopt Final Assessment Roll for City Project No 2025-09E – 50th Street Area by Scales, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

City Engineer Merchlewicz reviewed the assessment hearing for the Bacardi Avenue Project, identified as Project No. 2025-09G, which includes the full reconstruction of the existing gravel roadway to a paved surface. Ten single-family residential properties are assessed as benefitting from the improvement, while five additional properties have frontage but no driveway access and are therefore not assessed. The total assessment rate applied is 55%.

Street and Storm assessments are calculated based on an adjusted front-foot basis, and assessment amounts are capped according to the special benefit appraisal conducted by Patchin Messner.

The feasibility study initially projected a single-family residential assessment amount of $19,240.26, but the final assessment is reduced to $10,750 per property, reflecting a 42% decrease. The breakdown of project funding shows Street Improvements at a total cost of $455,283, with $84,160 assessed to benefitting properties and the remaining $371,123 funded through the Pavement Management – Local Streets Fund (Fund 440). Storm Sewer Improvements total $126,265, of which $23,340 is assessed and $102,925 is funded through the Storm Water Capital Fund (Fund 531). Sanitary Sewer improvements cost $62,325, fully funded through the Sewer Capital Fund (Fund 521). There are no Watermain improvement costs, as this portion of the project totals $0. The combined assessment total is $107,500, with overall project costs amounting to $643,873, including

$536,373 in City funding. The assessed rate is 55% of the total project cost for gravel reconstruction projects, and the total assessment amount reflects the special benefit cap.

Mayor Dietrich opened the public hearing. There were no public comments.

Motion to close the public hearing for 2025-09G Bacardi Ave by Gliva, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

Motion to approve Special Assessments and Adopt Final Assessment Roll for City Project No 2025-09G, Bacardi Avenue Reconstruction by Scales, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

B. Public Hearing to Consider and Adopt a Development and Business Assistance Policy

Community Development Director Ziemer presented the Development and Business Assistance Policy, beginning with background information noting that the initial Business Subsidy Policy was adopted in 1999 under Resolution No. 99-202. A revised draft of the policy was reviewed by the Economic Development Authority (EDA) on September 8, 2025. The purpose of the policy is to serve as a tool within the City's Economic Development toolbox. It is intended to help applicants understand how and when the City becomes involved while also giving the City clear criteria and processes for decision-making and ensuring transparency. The policy enables the public to remove obstacles that hinder private development and supports the financial viability of projects that meet community needs and goals such as jobs, tax base, and redevelopment. It fulfills broader objectives as determined by the EDA and Council and outlines the criteria for public participation and required processes. However, it makes clear that no guarantee exists for public financial assistance.

The policy outlines the types of business subsidies covered under its scope. Common examples include business grants and loans, Tax Increment Financing (TIF), tax abatement, fee waivers, and land contributions and infrastructure. Non-subsidy examples include local funding under $25,000 such as revolving loan funds, façade improvement programs, and forgivable loans and grants. Utility installment agreements such as WAC and SAC payment plans also fall outside subsidy classification. Annual reporting to the State is required for projects that reach certain financial thresholds: $25,000 to $150,000 for grants and $75,000 to $150,000 for loans. Any assistance exceeding $150,000 requires a public hearing.

The policy explains that business subsidies may be used to remove blight, encourage redevelopment, and expand and diversify the local economy and tax base. Subsidies are also intended to create and retain jobs, requiring a minimum of two permanent full-time equivalent positions with benefits. The wage requirement is set at 200% of the State minimum wage, which equals $11.13 per hour in 2025, meaning the minimum qualifying wage is $22.26 per hour. The policy further seeks to stimulate additional unsubsidized or "spin-off" development, offset costs that exceed normal development expenses, and promote other community benefits such as quality development design.

The process and application portion emphasizes that applications will be required for all types of financial assistance, distinguishing between subsidy and non-subsidy requests. Applications must include an application fee and escrow to cover costs. City staff and financial consultants will conduct reviews and prepare the matter for EDA and Council consideration. The EDA will evaluate and make recommendations to the Council, and the applicable governing body will conduct any required public hearing. The policy establishes minimum and desired qualifications and requires agreements for all types of financial assistance. It also provides an option for pre-application review to guide prospective applicants before formal submission.

The document was reviewed and updated by the EDA, which also conducted the initial review and held a public hearing earlier in the evening regarding the same policy. Following the EDA's recommendation for approval and adoption of the policy, City staff likewise recommended that the Council approve the policy as presented.

Mayor Dietrich opened the public hearing. There were no public comments.

Motion to close the public hearing for a Development and Business Assistance Policy by T'Kach, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

Motion to adopt a Development and Business Assistance Policy by Gliva, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

7. <u>REGULAR BUSINESS:</u>

A. Rental Housing Licenses

Director Ziemer presented four new rental housing license applications.
6190 Brent Avenue
3940 71st Street
3097 Upper 76th Street East
4853 Bisset Lane

All applications have been reviewed by staff and found to meet the necessary requirements. Staff recommends approval of all licenses.

Motion to approve 4 new rental licenses for 6190 Brent Ave, 3940 71st Street, 3097 Upper 76th Street East, and 4853 Bisset Lane by T'Kach, seconded by Scales.
Ayes: 5
Nays: 0 Motion carried.

B. Phase 2 Results of the Fire Station #3 Location Study, **Resolution 2025-223**

Fire Chief Thill introduced BKV Group's presentation of phase two findings from the Fire Station Location Study. She explained that in April 2024, the Council authorized the Fire Department to issue an RFP for a study evaluating the future of Fire Station 3. The station, which is between 40 and 50 years old, requires significant maintenance and improvements to remain functional for the long term. In addition to its aging infrastructure and mechanical systems, the station lacks the ability to accommodate 24-hour staffing, a capability that may be needed in the future.

In July 2024, the Council approved awarding a contract to BKV Group to conduct the study in two phases. Phase 1, completed and presented to the Council on February 10, determined that the current location provides adequate response times for existing service needs but that relocating the station farther west would improve coverage for both existing areas and the growing northwest portion of the City.

Based on those findings, the Council authorized Phase 2 to identify possible alternative sites that are both available and suitable for development as a future Fire Station. She noted that conducting the study now is a proactive step, as continued development could limit or eliminate suitable land options for a potential Fire Station 3 relocation.

Managing Partner Paul Michell and Partner Craig Carter from BKV Group, located at 222 North 2nd Street, Suite 101, Minneapolis, Minnesota, presented the findings of Phase 2.

Phase 1 involved a review of several potential station sites, comparing response times, functionality, and cost factors. Site option 0A proposed rebuilding the existing station with three drive-through apparatus bays, six single-user bunks, and a training room totaling approximately 19,000 square feet.

The GIS analysis began by mapping Dakota County's population density by IRS Census Blocks to show where emergency calls were most concentrated. Unsurprisingly, higher call volumes corresponded with more densely populated areas within the City.

For Site Option 0, representing the existing station configuration, response time modeling using current Stations 1, 2, and 3 showed that 81.2% of calls are reached within four minutes by all three stations, while Stations 2 and 3 alone cover 48.6% of calls. In terms of land coverage, 63.4% of the City's core area falls within the four-minute response range of all three stations, and 43.7% is covered by Stations 2 and 3. This reflects strong overall performance from the existing station network.

For Site Option 2, the best-performing alternative, achieved 81.3% call coverage and 71.1% core land coverage within four minutes across all three stations. Stations 2 and 3 alone covered 41.5% of calls and 51.2% of the core area, demonstrating improved overall reach and efficiency compared to other options.

Phase 2 examined several possible Fire Station locations ranging from very close to the existing facility to sites farther south along Robert Trail. The analysis determined that the best-performing area was what they referred to as Site Option 2, a middle-ground location that maintained approximately 81% of calls within the target four-minute response time while expanding coverage to a greater portion of the City's land area. Based on this finding, the team was directed to investigate properties within that general area to see whether any were available and large enough to support a 19,000-square-foot station.

Five potential parcels were reviewed. The first, located at the edge of a City park, could accommodate a functional one-story Fire Station with minimal grading and cost impacts. While it would require using some parkland, the affected area was considered underutilized. The second option, referred to as Site 2A, lies on Robert Trail near the City boundary. Although spacious, it has significant topography and access limitations, likely necessitating a two-story building that would add cost and complexity. A related site, 2B, situated across the street on land owned by Southside Baptist Church, was identified as the most constructible option. It is relatively flat and would allow for a one-story facility with efficient internal flow, though it sits just outside City limits and would require coordination with the State for a median cut on Robert Trail.

Another site, 3A, was quickly dismissed due to extreme slopes that made a drive-through station impossible and would require prohibitively expensive retaining walls. The final option, 3B, involved subdividing a larger parcel near 60th Street. This location offered a flat building area but raised concerns about limited utilities and the need to use well and septic systems until infrastructure is extended to the area. Overall, the review confirmed that few properties in the target zone can easily accommodate a modern Fire Station of the necessary size and functionality. However, the comparative analysis helped narrow the choices to the most feasible and cost-effective sites for further study.

The Site Scoring Matrix compares five potential development sites, 0A, 1A, 2A, 2B, and 3B, based on emergency response coverage, land functionality, acquisition and construction costs, and sale feasibility.

For location of response to where calls occur, Site 0A covers 81.2% of calls within four minutes, nearly matching Site 2B, which performs best at 81.5%. Sites 1A and 2A both cover 80.7%, while Site 3B is notably lower at 76.7%. For under protected calls over six minutes, Sites 0A and 2B perform best with only 7.0% and 7.1% of calls exceeding six minutes, respectively. Site 1A has 7.1%, Site 2A has 7.2%, and Site 3B has the highest percentage of delayed responses at 8.3%.

When evaluating response coverage across the entire City land area, Site 2B provides the greatest coverage of the 39.92 square kilometer prime area within four minutes, reaching 71.2%, followed by Site 2A at 69.5%, Site 1A at 66.7%, and Site 3B at 66.6%. Site 0A, while cost effective, covers a smaller 63.4% of the prime area. Regarding under protected areas beyond six minutes, Site 2B again performs best with only 5.4% of the prime area not covered, followed by Site 1A at 5.5%, Site 2A at 5.7%, Site 0A at 6.0%, and Site 3B at 6.3%.

The functionality of the site plan shows that Sites 0A and 2B are the most practical and efficient options, each scoring 19.00, while Site 1A follows closely with 18.00. Site 3B scores 16.00, and Site 2A lags with 14.00. For cost to acquire, Sites 0A and 1A are City owned, resulting in no acquisition cost. Site 2A is expected to come on the market with an estimated cost of -6.97, while Site 2B's ownership is unknown but estimated at -4.88. Site 3B also has unknown ownership and an estimated acquisition cost of -3.63.

The relative cost analysis identifies Site 0A as the most economical option at –1.96, followed by Site 2B at –1.00, Site 1A at –0.50, Site 3B at –3.00, and Site 2A at –5.77. Regarding feasibility of sale, Sites 0A and 1A are City-owned and immediately available. Site 2A is anticipated to be placed on the market, while the availability of Sites 2B and 3B remains unknown.

The overall weighted results show that for Step One (Response Time Only), Site 2B leads with a score of 9.42, followed by Site 2A at 8.06, Site 1A at 7.34, Site 0A at 6.03, and Site 3B at 3.57. When cost is not considered (Step Two), Site 2B again ranks highest at 28.42, followed by Site 1A at 25.34, Site 0A at 25.03, Site 2A at 22.06, and Site 3B at 19.57. When cost is included (Step Three), Site 0A becomes the top-performing site with a score of 23.07, followed by Site 1A at 24.84, Site 2B at 22.54, Site 2A at 9.32, and Site 3B at 12.94.

The projected costs for the proposed project between 2026 and 2029 range from $12,370,000 to $16,840,000 in 2026. The low-end estimate includes $9,900,000 in hard construction costs, $2,970,000 in soft costs, and a -$500,000 site sale offset, with no site purchase cost. The high-end estimate consists of $12,800,000 in hard construction costs, $3,840,000 in soft costs, a -$500,000 site sale offset, and a $700,000 site purchase. When adjusted for inflation, total high-end costs increase to $17,680,000 in 2027, $18,570,000 in 2028, and $19,490,000 in 2029.

It is recommended that the City begin exploring the purchase of land from private owners to support future development needs. In addition, planning should commence for a capital project to ensure readiness and alignment with long-term goals.

The City should prepare for potential operational and staffing impacts on firefighters, including changes to workload, response coverage, and facility use. Relocating the fire station could affect firefighter membership and morale, as paid on-call members must live within a certain distance of the station. Clear and timely communication about the project's timeline will help manage expectations, support morale, and maintain confidence in the City's planning efforts.

Mayor Dietrich asked what timeline the City is anticipating for the project and what specific guidance staff is seeking from the Council at this stage.

Administrator Wilson stated that major investment in the existing Fire Station or construction of a new facility is likely at least five years away, following completion of the Central Maintenance Facility. She noted that property owners periodically contact the City regarding potential land sales, and opportunities to acquire a suitable parcel could arise within the next two to three years. She asked the Council to consider whether the City should actively pursue land for a future Fire Station or plan to utilize one of its two existing parcels.

Mayor Dietrich inquired about potential mutual aid or partnership opportunities with Sunfish Lake, Mendota, or Mendota Heights and asked about their current public safety capabilities.

Administrator Wilson explained that Sunfish Lake lacks its own Public Safety facilities and relies on Mendota Heights for fire services. She noted that while Sunfish Lake recently explored other options, it renewed its agreement with Mendota Heights and has no plans to build its own facility. She added that mutual aid has been evaluated, but the Northwest area of Inver Grove Heights currently lacks a logical partnership opportunity with nearby cities.

Mayor Dietrich asked Chief Thill to comment on the impacts to firefighters related to station placement and morale, noting her prior experience with similar issues during the Station 2 project. She requested her perspective on lessons learned and factors the City should be mindful of moving forward.

Chief Thill stated that establishing Station 2 was easier because there were no existing personnel, allowing for targeted recruitment. She explained that today's structure, with duty shifts and fewer call backs, differs from that time. She emphasized the importance of early and transparent communication so firefighters can make informed housing and personal decisions. She added that those living farther from a future station would be grandfathered in and remain eligible to serve.

Council Member T'Kach stated that her understanding is that approximately 80% of calls involve medical emergencies, many concerning elderly residents. She observed that these incidents likely occur more frequently in the denser areas of the City, such as South Grove, and asked for confirmation of this understanding.

Chief Thill stated that approximately 65% of calls are medical in nature. She noted that while senior facilities account for some of these, many originate from the general population and added that updated data would be needed to determine the exact breakdown.

Council Member T'Kach stated that it would be important to have information identifying which areas of the community are being served.

Chief Thill stated that it would be important to consider whether any multi-family or senior housing developments are planned for the Northwest area, as this could influence future service needs.

Council Member T'Kach stated that the Upper 55th property appears to be a reasonable option and asked if there is any compelling reason not to use that site.

Chief Thill stated that response times there would increase from four to six minutes.

Mr. Carter stated that his primary concern with the Upper 55th site would be potential public reaction to using park land for another community purpose. He noted that in some cities this has not been controversial, while in others it has generated significant opposition, and it is unclear how residents might respond. He added that while there is no compelling reason not to use the site, positioning the station slightly farther south could improve response times to the Northwest area, though moving as far as Option 3 may extend too far south.

Council Member T'Kach noted that Mendota Heights has a Fire Station on Dodd Road and asked whether increasing its capacity to serve the Northwest area, combined with a smaller station in Inver Grove Heights, had been considered.

Chief Thill stated that the option had not been explored. She noted that Mendota Heights recently completed a major station remodel and is unlikely to expand further. She added that Inver Grove Heights can reach parts of Sunfish Lake faster than Mendota Heights and that Mendota Heights operates solely with paid on-call staff and has no plans for full-time personnel.

Council Member Scales asked whether three stations would be sufficient in the long term or if a fourth might eventually be required as the City grows, noting that future development in the Northwest area could influence the optimal placement of the next station.

Chief Thill stated that given current development patterns, significant population growth in the southern portion of the City appears unlikely. She noted that if future expansion were to occur, a potential fourth station might be in the Southwest area. She added that the existing auto-aid agreement with Eagan works effectively and provides residents with an ISO rating equivalent to having an additional local station.

Council Member Scales stated that it is important to plan for long-term needs to avoid building two stations in the future as the City continues to grow.

Chief Thill stated that prior to the construction of Station 2, there had been some discussion of a potential joint station with Rosemount and Hastings in the industrial area, but with Station 2 now in place, response times to that area are sufficient.

Mr. Michell stated that if the Council pursues property acquisition, their team can use the existing model to evaluate response times and determine site feasibility if a property becomes available.

Mayor Dietrich stated that any viable property options should be shared with the Council if they arise. She emphasized keeping focus on the Central Maintenance Facility while still providing staff with guidance for future planning.

Council Member T'Kach stated that she would be hesitant to place a station on existing parkland, noting that while the City continues to acquire parkland, removing acreage from an existing park would not be an even or appropriate exchange.

Motion to approve Resolution 2025-223 Accept BKV Fire Station #3 Location Study by T'Kach, seconded by Gliva.
Ayes: 5
Nays: 0 Motion carried.

C. Certification of Delinquent Utility Balances for Collection by Dakota County, **Resolution 2025-224**

Finance Director Hove reviewed the City's annual certification of delinquent utility balances, outlining the process, recent data, and the requested Council action. Notices are mailed each September to customers with outstanding balances greater than $50, with reminder letters sent monthly. The deadline for customers to pay before Council listing is October 6, and the Council certification of assessments occurs on October 13. Once certified, the list of assessments is sent to Dakota County in November for inclusion with the 2026 property tax bills. These assessments include an 8% administrative fee and 8% interest. Dakota County mails property tax bills, which include assessments for unpaid utility bills, in March 2026. Property owners then pay the assessments with their first and second half property tax payments in May and October 2026. The

City receives settlements from the County, which include any assessments collected, in July and December of that year.

The City's certification history for delinquent utility balances shows consistent reductions in unpaid accounts following the annual August and September mailings. In 2019, 855 unpaid accounts totaling $320,289 decreased to 385 accounts totaling $192,610 after notices were sent. In 2022, 1,156 accounts with a balance of $636,855 declined to 435 accounts totaling $357,169. In 2023, 950 accounts totaling $347,077 dropped to 468 accounts totaling $231,434. In 2024, 1,035 accounts with $497,233 in unpaid balances decreased to 524 accounts with $297,420 remaining. On average, the City had 999 unpaid accounts totaling $450,364 before mailing and 453 accounts totaling $269,658 after mailing, representing an approximate 55% reduction.

In 2025, 877 unpaid accounts totaling $348,156 were reduced to 456 accounts with balances totaling $261,402, a 48% decrease in the number of delinquent accounts. All unpaid balances include an 8% administrative fee and 8% interest. The City did not certify delinquent balances in 2020 and 2021.

Several property owners prefer to have their utilities collected with property taxes (through their mortgage payment). The top 50 delinquent accounts represent 11% of all accounts and total $67,755 in delinquent balances, all with a prior history of certification. Of the 456 unpaid accounts, 161 (35%) have not made a single payment in 2025. An inactive account occurs when a property changes ownership and the previous owner fail to pay their final bill. Notices are sent to both the current and former owners, and staff recommends certification of these balances to allow the buyer and seller to resolve the matter, as the property would have only recently changed hands. There are currently nine inactive accounts with outstanding balances, including fees and interest, totaling $2,987.

The Resolution certifies delinquent utility balances and authorizes staff to submit any balances remaining delinquent after 30 days to Dakota County for collection on next year's property tax bills. The total includes $225,337.68 from 456 active accounts and $2,574.72 from nine inactive accounts. An 8% administrative fee will be applied following Council approval of the certification list, and an additional 8% interest will be applied when the balances are certified to the County Auditor, approximately 30 days after Council approval.

Motion to approve Resolution 2025-224 Certifying Unpaid Delinquent Water, Sewer, and Storm Water charges to the County Auditor for collection with property taxes by Gliva, seconded by Scales.
Ayes: 5
Nays: 0 Motion carried.

Director Hove asked Council to consider whether utility certifications should follow the same public hearing process as nuisance abatements and street assessments. Utility certifications are governed by a different section of State Statute, which does not require a public hearing; however, Council may choose to follow a more formal public hearing process if desired. The current process, which may appear on either the regular or consent agenda, is less formal. Meeting dates are provided in delinquent notices or letters, and if members of the public attend the meeting, they may request to be heard. Alternatively, a formal public hearing process would require the Council to officially call and notice the hearing, like the procedure used for nuisance abatements and street assessments.

Mayor Dietrich stated that she has not received any feedback from residents regarding the process and inquired whether any comments or concerns had been communicated by members of the public.

Director Hove stated that most residents are calling to coordinate payment arrangements, and if they are included on the list, staff typically do not receive further communication from them.

Council Member T'Kach expressed support for keeping the item on the regular agenda and asked whether an appeal process exists if a previous property owner cannot be located and responsibility for the balance is unclear.

Director Hove explained that staff typically work to resolve these issues by encouraging residents to contact their title company or closing attorney, as such matters should be addressed through the property settlement process. She added that staff regularly handle individual utility concerns, such as billing discrepancies or leaks, and make every effort to reach a resolution. If a resident believes their bill is inaccurate and a resolution cannot be reached administratively, they are encouraged to bring the matter before the Council when the item is presented.

All Council Members agreed that the current process is appropriate and should remain as is.

D. Ordinance Amending City Code Regarding Temporary Signs

Community Development Director Ziemer outlined an ordinance amending the City Code regarding Temporary Signs.

The overview addressed issues and opportunities within the current City Code related to campaign signs, noting a possible conflict with protections for free speech under the 1st Amendment. It also outlined the regulations for non-commercial signs, clarifying that the City has authority to regulate the size, placement, and duration of such signs but not their content. Additionally, the duration of campaign signs is governed by State Statute.

The effort also seeks to address temporary signs in general, including the use of temporary yard signs on residential properties, and acknowledges that the City Code on signage requires a broader overhaul. Prior discussions occurred at a Council work session on September 2, 2025, and at a Planning Commission public hearing on October 7, 2025.

Proposed revisions add a definition of Temporary Sign and remove the word temporary from Temporary Portable Signs to create two specific sign types. Temporary signs would be affirmed as allowed in Agriculture, Estate, and Residential districts and would be exempt from permits. The ordinance would repeal the entire campaign sign section 10-15E-4, addressing the use of temporary yard signs on residential properties, and clarify placement standards. A setback of 10 feet from the back of curb vs. right-a-way and not in "visibility triangle" would apply, and existing setback and location rules for County and State roadways would continue to apply. Limits would be established so that each sign is no more than three square feet and no more than four temporary signs are permitted.

During election season there would be no limits on the number and size of non-commercial temporary signs, while local, County, and State location and setback standards would still apply. The Planning Commission was asked to consider options for the number and size of temporary signs in non-election years.

The Planning Commission review included a proposal to define the sight visibility triangle so that it would apply only to City streets and not to private streets, County or State roadways. Staff did not support that change and recommended revising Section 10-15E-4 A.1. to state, "No sign may be located on the outside corner of any corner lot on a City street." The Commission also recommended allowing each temporary sign to be six square feet rather than three square feet, with a maximum of four signs per property, which staff supported, and suggested revising Section 10-15E-4 B.2. to state, "Temporary signs permitted by this section shall be no larger than six (6) three (3) square feet."

The Commission discussed adding the word "campaign" to clarify that the intent of the unlimited use of temporary signs applies specifically to campaign signs. The City Attorney advised that this change is not permissible, as State Statute preempts such language and it would create a content-based regulation. The Planning Commission recommended revising Section 10-15E-4 C to read: "Election Year Noncommercial Sign Exemption: As required by Minnesota Statutes, Section 211B.045, all noncommercial campaign signs of any size may be posted in any number…"

The recommended action is a motion to approve the ordinance amending the City Code regarding the use of non-commercial temporary signs.

Council Member T'Kach noted that a 10-foot setback from the back of the curb or road may be arbitrary, as many properties would encounter obstacles such as vegetation, fencing, or steep drop-offs at that distance. She suggested that a shorter setback, such as five or six feet, might be more appropriate or situational. She also questioned the 30-foot measurement for the sight visibility triangle, expressing concern that it could extend onto private property and asked for clarification on how that distance was determined.

Director Ziemer explained that the 30-foot visibility triangle is a standard measurement commonly applied to fences and is typically used for signs as well.

Council Member T'Kach stated that allowing signs up to eight square feet would be more practical for residents, as standard plywood sheets are four by eight feet and could be used efficiently without cutting. She noted that the slightly larger size would likely have minimal impact on visibility for drivers or cyclists.

Council Member Scales stated that he had no concerns with the proposed setback or visibility triangle standards, noting that the 10-foot setback is reasonable and consistent with standard practice. He emphasized that each property has unique characteristics and limitations, and therefore, it would not be practical or feasible for the City to create exceptions to accommodate individual circumstances.

Council Member T'Kach asked the City Attorney whether maintaining the 10-foot setback would prevent residents from placing campaign or school referendum signs if there was no feasible location available on their property.

City Attorney Nason explained that the City may impose content-neutral safety regulations, such as setbacks. She noted that while this could affect where a property owner is able to place a sign, there would likely still be another location available on the property, even if it is less visible. She added that such regulations would not create a legal impediment to exercising rights protected under the Statute.

Kelly Kayser, 1953 59th Court East, asked whether there would be a penalty for not meeting the 10-foot setback and if enforcement would occur only in response to complaints. She noted that most signs appear closer to five feet from the curb and questioned whether the new standard could create additional confusion or enforcement challenges.

Administrator Wilson stated that if the ordinance is adopted, the City will provide public education to ensure residents understand the new requirements. She explained that enforcement would continue to be complaint-based, as with campaign signs, with violations resulting in signs being removed and returned to City Hall and the candidate notified by email. She added that staff are considering the use of door hangers to inform residents when signs are moved for noncompliance and emphasized that the City does not have the staff capacity for proactive enforcement.

Council Member T'Kach commented on the large number of for-sale and rental property signs often seen at intersections and asked whether those signs would remain in place under the ordinance or if residents would be allowed to remove or lay them down.

Administrator Wilson stated that residents should not engage in code enforcement. She advised that individuals follow the rules on their own property and report any concerns or potential violations to City Hall by phone or email.

Mayor Dietrich expressed doubt about the need for the changes, noting that complaints usually arise only during campaign season. She stated that the proposal may be overregulating but agreed that consistency in campaign sign rules is important.

Council Member T'Kach asked whether there is any portion of the proposed code that could more narrowly address the original issue that prompted these changes.

Administrator Wilson explained that the City needs to repeal the current content-based language in the code. She stated that removing this language entirely would eliminate restrictions on signs, leaving decisions about size, number, and placement up to property owners. She noted that the existing code technically requires permits for temporary or campaign signs in residential areas, which this revision seeks to correct. She added that the proposed changes aim to create a clear and enforceable standard and emphasized that code enforcement must rely on defined measurements rather than subjective judgments.

Council Member Scales stated that the 10-foot setback is practical because it provides a measurable and consistent standard. He explained that right-of-way boundaries vary greatly between properties and can be unclear, which makes enforcement difficult. He added that defining a clear setback distance eliminates uncertainty for both property owners and code enforcement staff and ensures consistency in application.

Mayor Dietrich stated that the proposed changes would ultimately increase the need for code enforcement. She expressed concern that the City recently tightened its budget and does not have the resources to add another code enforcement position, noting that all related complaints would still be directed to that department.

Council Member Scales stated that he does not believe the proposed changes will result in an increased need for code enforcement.

City Clerk Kiernan clarified that enforcement of election sign regulations is currently the responsibility of the Clerk's Office.

Council Member T'Kach stated that she would like to review the content language in the code and assist staff in resolving any issues related to it if needed.

Mayor Dietrich stated that the Council cannot weigh in on matters related to content.

Administrator Wilson stated that if much of the Council prefers staff can prepare a simplified version of the ordinance that removes the current content-based regulation. She explained that under such a revision, property owners would be allowed to display as many signs as they wish, of any size, and in any location on their property.

Ms. Kayser stated that she agrees with Council Member Scales and Administrator Wilson, acknowledging the importance of rules but expressing concern that residents may unknowingly violate the ordinance. She supported the use of door hangers and education to inform residents rather than imposing penalties, adding that reasonable limits on the number and size of signs are appropriate to prevent excessive displays.

Motion to approve Ordinance 1515 amending IGH City Code Title 10, Chapter 15, Sections 10-2-2 and 10-15E, regarding signs by Scales, seconded by Gliva.
Ayes: 4
Nays: 1 (T'Kach) Motion carried.

E. First Reading of Ordinance Amending City Code Regarding Rental Licensing

Community Development Director Ziemer outlined updates to the City's Residential Housing Rental Licensing program. The current City Code governing rental licensing was adopted and implemented in 2016 and is located under Business Regulations, Chapter 4. Licensing applies to all residential property owners who rent dwellings or dwelling units, with 11 exemptions listed from licensing requirements. On September 22, 2025, the Council reviewed updated language and a draft ordinance. The proposed update will occur in two phases, with Phase 1 focusing on streamlining and improving existing processes, and Phase 2 anticipated to address other possible revisions or expansions to the program.

The first phase seeks to simplify the application and approval process, allowing administrative staff to approve or deny licenses, with the Council serving as the appeal body for denials. The Council will continue to handle license suspensions and revocations. Application requirements will be reduced, and the form and required data simplified. The licensing period will transition from a two-year license to an annual renewal, maintaining the same April 1 through March 31 cycle. Current license holders in a two-year cycle will continue under that term and convert to annual renewal upon expiration.

Additional process improvements include requiring local property managers to reside within 75 miles of Inver Grove Heights, though owners may act as their own property managers. Enforcement measures will be strengthened with the addition of fines for late or incomplete license renewal applications. The ordinance establishes a specific renewal application deadline of January 31 each year. Furthermore, the City will gain the authority to issue fines for violations of the rental licensing code through a three-tier fine structure.

The recommended actions include completing the first of three ordinance readings tonight, October 13, with the second and third readings scheduled for October 27 and November 10. Adoption is anticipated on November 10. Current license holders have been informed of the proposed changes, and information is available on the City's website.

Council Member Murphy asked where the City is in the discussion regarding limiting the number of rental properties per block within Inver Grove Heights.

Director Ziemer stated that the matter will be addressed in Phase 2.

Council Member T'Kach recommended adding rental licensing information to City communications to inform residents of recent changes and provide details for reporting concerns.

Motion to approve the first reading of Ordinance to repeal and replace Title 4, Chapter 13 Regarding rental licenses by Gliva, seconded by Scales.
Ayes: 5
Nays: 0 Motion carried.

F. 3rd Reading of Ordinance Amending City Code Related to Requirements for Addressing the Council

City Administrator Wilson reviewed the third reading of an ordinance amending requirements for addressing the City Council. The existing City Code, found in Title 1, Chapter 5, Section 7, each person addressing the Council shall give his/her name and address in an audible tone for the records and, unless further time is granted by the presiding officer, shall limit his/her address to a reasonable time except at a public hearing when the limit shall be three (3) minutes.

The proposed amendment to the City Code retains the section reference of Title 1, Chapter 5, Section 7, but unless further time is granted by the presiding officer, each person addressing the Council shall limit their comments to three (3) minutes. The presiding officer, typically the Mayor, may still invite speakers to share their name and address, but this is no longer a mandatory requirement. The revised language also makes clear that the three-minute limit applies to all public comments, not just those made during public hearings.

Staff requested a motion and second to approve the third and final reading of the ordinance.

Council Member T'Kach asked whether individuals presenting on development projects should be required to provide their name and the address of their company, noting that the proposed change would apply broadly to all speakers.

Administrator Wilson explained that while the change removes the formal requirement, it remains standard practice for presenters to introduce themselves when addressing the Council. Staff reports and presentation materials typically identify the consultant or firm involved, and it is expected that consultants will continue to state their name and affiliation when presenting.

Motion to approve third and final reading of Ordinance 1516 amending IGH City Code Title 1, Chapter 5, Section 7, Regarding addressing the Council by Scales, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

8. PUBLIC COMMENT:

Andy Shatek, 3905 89th Street East, addressed the Council regarding deer management, citing property damage caused by an increasing deer population. He requested that the City consider extending the existing deer management boundary from Inver Grove Trail to Old Concord to allow additional properties meeting City Code Section 561, Subsections C1 and C2, to participate in bow hunting for population control. Alternatively, he asked the Council to authorize deer management by bow and arrow on his property, noting compliance with both City Code and DNR regulations, and inquired how soon action could be expected if the Council agrees to the request.

Mayor Dietrich stated that the matter may warrant review and indicated she would consult with the Chief of Police, who assisted in developing the map and regulations. She asked Administrator Wilson to identify the appropriate staff member to follow up with the resident.

Administrator Wilson noted that staff has addressed the resident's questions and will provide the Council with an update on available options. She noted that deer management is generally conducted by an organization or the DNR on larger City properties and said staff will review the intent of the City's deer management regulations.

Council Member Scales noted that he opposed using Inver Grove Trail as a boundary when the issue was previously considered and recommended that the matter be re-evaluated.

Mr. Shatek stated that the existing ordinance language is clear and that his property meets the defined criteria. However, he expressed concern that the current boundary line is restrictive and noted that the Chief of Police advised him to bring the boundary issue before the Council.

Mayor Dietrich requested that staff provide options regarding the request and asked how soon a response could be provided, noting that a timely update would be preferable.

Administrator Wilson agreed to provide updated information and place the item on a future Council meeting agenda for further discussion.

Mr. Shatek noted that the DNR regulates animal harvesting and stated that coordinated deer management would benefit both the City and local wildlife. He confirmed contact with the DNR regarding the matter.

Administrator Wilson noted that, given the timing in mid-November, it is unlikely that any policy changes could be implemented this fall. She stated that staff will bring the matter before the Council to prepare for future seasons and added that staff will review whether deer management activities occur outside the regular hunting season.

Mr. Shatek noted that the DNR archery season for Zone 601 runs from September 15 through December 31, in accordance with State regulations.

Mayor Dietrich asked if it would be reasonable for the City Clerk to notify the resident once the item is scheduled for a future Council meeting.

Administrator Wilson stated that a staff member will notify the resident once the item is scheduled for a future Council meeting, should he wish to attend.

9. <u>MAYOR AND COUNCIL COMMENTS:</u>

Council Member Scales commented that the Fire Department Open House at Station 2 was well attended and noted it was a successful event with strong community participation.

Mayor Dietrich stated that Finance Director Hove distributed a financial report on Friday, November 10, and asked if the Council would be interested in discussing the process for reviewing the closed TIF fund information at the next meeting.

All Council Members agreed to include the item at the next meeting.

Mayor Dietrich asked Administrator Wilson to notify Director Hove, and Administrator Wilson confirmed she would do so.

10. <u>CLOSED SESSION – Attorney Client Privilege:</u>

Motion to move into closed session pursuant to MN Statute 13D.05 sub 3(b) to discuss possible litigation by Gliva, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

Motion to move into open session by Scales, seconded by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

11. <u>ADJOURN:</u>

Motion to Adjourn at 9:05 p.m. by Scales, second by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee