INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, JUNE 1, 2020. 6:00 PM - 8150 BARBARA AVENUE

This meeting is being held remotely via Zoom Video Conferencing

A. <u>CALL TO ORDER:</u> The City Council of Inver Grove Heights met for a Work Session remotely via Zoom Video Conferencing on Monday, June 1, 2020. Mayor George Tourville called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.
Roll Call: Present were Mayor Tourville; Council Members Piekarski Krech, Perry, Bartholomew, and Dietrich. Staff: City Administrator Joe Lynch, City Attorney Bridget McCauley Nason, Community Development Director Heather Rand, Fire Chief Judy Thill, Police Chief Melissa Chiodo, Finance Director Amy Hove, and City Clerk Rebecca Kiernan.

1) <u>Update from Police Chief Chiodo and Fire Chief Thill</u>:
Fire Chief Judy Thill stated there is a Statewide effort through the State Fire Marshall's office and the State Fire Chief's Association to coordinate a standby response from other Departments.

Police Chief Melissa Chiodo stated they are a part of mutual aid with Apple Valley, Burnsville, Dakota County, Eagan, Hastings, Farmington, Lakeville, Inver Grove Heights, Mendota Heights, Rosemount, South St. Paul, West St. Paul, and Northfield.

Police Chief Chiodo stated during her Dakota County Chief's meeting last week they discussed COVID updates. She commented that West St. Paul received a call that businesses were being looted and damaged on Robert Street, the meeting was immediately stopped and within one hour they had a Command Post set up working as one team. They have continued 24 hours in an emergency operation since then. From noon Thursday until 1:00 today they have handled 4,980 calls in Dakota County. Officers have been working 12 hours on with a 12-hour break and then back for 12 hours. Established priorities and objectives for the Command Post have been:

- Protect home Cities.
- Protect Dakota County and Rice County.
- Also, Ramsey, Washington, and Hennepin Counties when needed.

She stated the Chiefs put a curfew in place. Realizing this was difficult for all residents and businesses, their cooperation was appreciated. This was done to keep the Community safe and was a great tool in assisting Law Enforcement. There is no curfew tonight, but 24-hour operations continue with heavy staffing to protect the Community. Items they have noticed an increase in and are specific to what has been going on in the Twin Cities include:

- Burglaries of business: Working as teams. Have caught burglars.
- Arson's: Molotov Cocktails were thrown through the Western Service Center in Apple Valley. Due to the quick response of Officer's on the teams, they were caught and have been charged Federally with Arson.
- Looting in Businesses: (Not in Inver Grove Heights). Had to protect some businesses and have kept looters away. Other businesses were hit in Dakota County and they were able to get there in time to prevent further damage to the businesses.
- Several targets on Eagan Outlet Mall. Have been able to protect that area.
- Assist Hennepin County with the mass arrests made in the protest.
- Have been in the City of Oakdale when protestors were trying to burn down a home.
- Involvement in multiple pursuits. There have been vehicles without license plates that are loaded with propane tanks and gas cans that want to make improvised explosive devices. They have been in pursuits with them, in Inver Grove Heights and other Cities, have been arrested, and recovered items being used for potential explosives.
- Have had multiple shots fired calls in Dakota County when Officers have been out responding to looting and rioters. Nobody has been hurt.
- Responded to an individual walking around with a shotgun that was a part of these events.

- Assisted St. Paul with protests.
- Guarding the Capital.
- Guarding the Governor's Mansion.
- Responded to threats at the Apple Valley DMV. Protected the area.

Police Chief Chiodo stated they have been working collectively as one big group. They are constantly evaluating how to move forward in the future and keep their eyes on what is going on with the State Patrol and the National Guard. She stated their number one objective is to keep citizens in the Community safe.

Councilmember Dietrich asked how the Commanders and Officers are doing personally and mentally. Police Chief Chiodo responded they are doing well, becoming physically exhausted, it is beginning to take an emotional toll. She stated this is what they have trained for and know how important it is to keep the Community safe and are willing to do whatever it takes. She stated they are making sure to rotate them off every 12 hours so they can rest. They are hopeful to return to a normal schedule soon so they can have a day off.

Councilmember Dietrich asked Fire Chief Thill how her team was holding up. Fire Chief Thill responded she hasn't heard any concerns other than most of the Firefighters have other jobs outside of the Fire Department. It is a lot to ask to give up most of their weekends when they all have other plans. Several were willing to volunteer. She stated residents of Inver Grove Heights should really be proud of how they step up.

Councilmember Piekarski Krech asked if there were plans for decompression for Staff so everyone comes out of this whole. Police Chief Chiodo responded they have a few things planned. By the time they are done with this, they will have mental health and physical health coming up. She stated they are almost done with the fitness facility so they can work off stress. People will also be brought in that they can talk to.

Mayor Tourville stated on behalf of the City Council, their time and efforts are appreciated as well as the leadership of both the Police Chief and the Fire Chief. He stated a lot of citizens were wondering if the City was safe, if there was a plan in place, if anything was being done, what was taking place in Inver Grove Heights, and wanted to know if any of the outside terrorists were staying in the City. He stated the Police Department cannot tell everyone everything, but the City is safe. He commented one complaint was if there was something the City and/or Dakota County can do regarding fireworks. A lot of people thought every firework was a gunshot. As a result of that, the Police have to investigate not knowing if it was a gunshot or firework. He suggested refraining from using fireworks as it is causing false alarms.

He commented that he noticed a Police presence Friday and Saturday and that it was good to see them. He asked if all Cities are following the no curfew in Dakota County, or if some opted out. Police Chief Chiodo responded the City of Eagan was the only one to follow the State, but within the last hour West St. Paul also went with a curfew.

2) <u>Financing Plan for the 2020-2024 Capital Improvement Plan</u>:

Finance Director Amy Hove introduced Jessica Cook, Financial Advisor, Ehlers, and stated that she would be discussing the current version of the plan, the conversation about this from February, what has been done since then, and how it exists today.

Jessica Cook, Financial Advisor, Ehlers, stated the Capital Improvement Plan has been revised for the five-year period of 2020-2024. This was last discussed in February with direction received from the Council. She stated they made sure the audited 2019 figures were included. The following was discussed:
City Goals:

- Maintain and expand infrastructure: Fund Capital projects.
- Maintain moderate tax increases.
- Increase Pavement Management Program funding.

- Keep Debt Levy at or below 15% of the total levy.
- Maintain General Fund balance at 40-45% of next year's expenditures.

Overview and Recap:

- City's tax capacity increased $4,354,447 (11%) between 2019 and 2020.
  - 58% Market value growth on existing property
  - 37% Decertifying TIF District 4-1
  - 5% New development

Baseline Plan: Does not reflect any adjustments to the 2020 Budget for Covid-19 impacts. Serves as a baseline for modeling potential impacts. Potential changes to be considered:

- 2020 Budget adjustments.
- Reduction in future property tax collections.
- Additional transfers to the Community Center and Recreation Fund to cover shortfalls.
- Potential transfer to the Golf Course.

Recap of the PMP (Pavement Management Plan):

- City CIP (Capital Improvement Plan) for Pavement Management totals $24,110,119 over the next five years. There are 12 different projects.
- The Goal: Fund additional street projects beyond the CIP.
- Target: $1 million dollars in additional funding each year from 2021 to 2024.
- Total Additional Funding: $4 million dollars.
- Trend of increasing costs may mean that additional $4 million dollars in funding is used up without adding new projects.

Councilmember Bartholomew was concerned about the trend of increasing costs and commented that he believed costs would stay level and perhaps back up due to what is taking place with oil. He asked if they were putting too much emphasis on increasing costs and that the true cost may be labor. He stated it was good to be cautionary but the reality was that $4 million would help them do projects, not just absorb increased costs. Ms. Cook responded she noticed with bids coming in now versus months ago, they have moderated somewhat. It is more likely now, than previously, that the $4 million would be additional projects. Councilmember Bartholomew stated to make sure they do not lock themselves in. Ms. Cook responded she understood, if bids come in lower than expected, then more funds should be available for additional projects.

Ms. Cook discussed PMP Funding Recommendation stating the General Fund contributions have historically been made as transfers out to the PMP Fund. The new recommendation: Replace the transfer with a PMP Levy beginning in 2021. The Pros:

- Increased transparency on use of funds.
- Reduces the tax impact to the General Fund.
- Same level of funding for PMP with less impact to taxpayers.

Councilmember Bartholomew stated it reduces the obligation of the 40-45% because it is not in the General Fund. He commented that it gives a little play on the amount of reserve they have to have to meet the 40-45%.

Ms. Cook stated in February, they proposed turning the General Fund transfer into a Pavement Management Levy. It would be increasing $500,000 a year between 2020 and 2021. From $1,750,000 to $2,250,000 and stepping up $250,000 per year out of the General Fund/General Fund Levy. She stated there was $1,200,000 coming from the Host Community Fund. It was suggested as an additional source of funding to increase the Franchise Fees. The direction taken from the February meeting was that there was no interest in increasing the Franchise Fees and to look at the Host Community Fund or other resources to achieve this goal. She stated that was done and their new proposal is to increase Host Community Funding and maintain the Franchise Fee at a level fee to what it is now. Assuming there are 75 new homes being added each year. She stated what an individual would pay for their Franchise Fee would not go up in 2023. All of this assumes pavement management projects are being assessed, and the minimum of 20% is being assessed at a rate of 2% over the bond rate.
Ms. Jessica Cook discussed the following:

Major Projects: Public Works Facility in 2023.

- Estimated cost $14,190,000 (inflated cost, estimated in 2023).
- Proposed funding from February to what they are proposing in June. The biggest difference is they are using more in bonding and less cash balance from the Local Improvement Fund and reserving the cash from the Local Improvement Fund to pay for collector streets. Bond less for collector streets.

Major Projects: Collector Streets are mostly streets done in conjunction with Dakota County.

- Estimated costs: $14,862,150 (todays cost).
- Includes several projects.

Ms. Cook thanked Public Works Director Scott Thureen for pulling together information about these projects, estimates, and funding sources.

She stated by putting all those needs together; the Public Works Facility, Collector Streets, and Pavement Management, along with what is happening in the General Fund the projected tax impact is:

- A sample home was chosen. In 2019 it was a $233,300 value. That went up in 2020 to $242,800. Assuming it goes up 2% per year thereafter.
- The annual tax increase beginning in 2021 is $80.00, declines to $70.00, then $66.00, and then $67.00.

She stated when this was discussed in February it was closer to a $113.00 tax increase in 2021.

Ms. Cook stated another constraint they are working with is the City has a policy that limits the amount of debt in any given year to 15% of the total City-wide levy. That was taken into account, they are staying below 15%, and have a margin. They are at 11.5% with Fire Station bonds, it grows to 11.7% after they issue bonds for the Public Works Facility. The General Fund Balance was discussed as follows:

- Policy is to maintain minimum General Fund Balance at a minimum of 40% to 45% of next year's expenditures.
    - Property taxes are received in June and December.
    - Debt is due in February.
    - Important to have cash reserves.

She stated 2019 was a favorable year financially, cash reserves are expected to go up from 44.3% to 48%. This gives the City capacity if levels in 2020 are less than budgeted and the fund balance is depleted a little, they can still maintain the General Fund balance policy.

Key Assumptions in the plan were discussed as follows:

- Revenues: increase 2-3% annually.
- Expenses: increase at 3-5% annually.
    - 4% assume for the General Fund.
- All capital projects are funded as requested by Department heads (totaling $66.1 million dollars) plus an additional $4 million dollars of Pavement Management Plan (PMP) projects are funded.
- Values: City's tax capacity increases 2% annually.
- Assessments: Minimum of 20% of PMP projects assessed and $1 million dollars assessed for collector streets. Rate is 2% over the bonding rate.
- Fund Balances: General Fund balance exceeds 40% of expenditures (including transfers out) per policy.
- Sample Value Home: $242,800 in 2020 and inflated 2% annually.
- Franchise Fees: 75 new homes per year projected.
- Inflation on Capital Costs: 5% annually.

Next Steps:

- Get a baseline in place to work with Staff and use this to build the budget.
- Receive Council direction and discussion.
- Use this as a tool and framework for making decisions in the short term before next years budget. For example, the Federal Grant and staffing the Fire Department. This tool was used to be able to measure the tax impacts of that staffing.

- Creates a baseline to work with and gives the Council the information needed to make policy decisions.
- Final report and approval at the June 22nd City Council meeting.

Councilmember Bartholomew referenced the Tax Impact on Page 12, stating he was concerned about the 2019 column where it shows 18.6%. He said he didn't recall that in last years budget work and asked if it could be looked into further. He commented about property values stating he was concerned about what could happen in the next three to six quarters and that they be prepared to think the budget through without a huge increase. He felt property values would be held down for some time due to the economy. He commented that this was a good plan and a great start, but they need to be prepared for the unknown.

Councilmember Piekarski Krech asked if they would be depending more on the Host Community Fund not knowing how much they may have to shore up the Community Center or the Golf Course due to recent happenings. She asked if they have looked into how that is being funded and if they are drawing too much out. Ms. Cook responded they spent a lot of time looking at the Host Community Fund. Revenues in 2019 were almost $3 million dollars (unusually higher than previous years). Going forward they assumed it would be closer to $2.4 million dollars in revenue. There is an ending fund balance that ranges between $2.5 and $4 million dollars depending on the year. She stated there is still cushion in the Host Community Fund, but depending on the need of the Community Center, if coming from the Host Community Fund, it could impact some of the other priorities. Councilmember Piekarski Krech stated she was concerned because they have so many things dependent on a draw from there. She commented that is one-time money and shouldn't be used for continuous projects. Ms. Cook responded except for the operations for the Community Center, it is being used for capital projects, which is an appropriate use for that kind of revenue. It is more weighted for capital projects than operation. Councilmember Piekarski Krech stated they have not viewed a profile of what has been going on with the Host Community Fund for a while.

Mayor Tourville agreed with Councilmember Piekarski Krech in reference to the Host Community Fund and using it for one-time things. Covid-19 shortages may be a one-time thing. He asked Ms. Cook about Franchise Fees and the budgeted 75 new homes a year. He commented they have nothing in Franchise Fees for commercial development. Ms. Cook stated the 75 homes results in approximately $75,000 in income.

Mayor Tourville stated he is looking for more of a cushion. He stated he thought they were over $100 a year on a Franchise Fee for residential. Ms. Cook responded they could look at that more closely. City Administrator Lynch stated it is about $22.00 per household totaling approximately $88.00 per year, per single family household. Mayor Tourville asked about commercial or larger buildings. He liked the framework of the plan as it allows for changes to take place.

Councilmember Bartholomew stated his biggest concern was the long-term effect, the effect of people not returning to work because of job changes. He stated they would learn more about the economy with the second half collection of taxes. He suggested being cautious about where they are heading. This plan gives them room and the ability to think things through with different scenarios. He asked Finance Director Hove to get the current expenditures out of the Host Community Fund and what the projections would do with two different scenarios. Finance Director Hove responded she could provide more details. She stated first quarter reports had to date balance.

Councilmember Dietrich thanked Ms. Cook for the update and work everyone has done on it since February. She commented she was excited the Franchise Fees have not increased and agreed about the Pavement Management Levy. She stated that she doesn't see the Host Community Fund as being sustainable if money is provided to the Community Center and the VMCC. She suggested thinking about putting that out to bid for the private sector. She noticed the rates charged are in line with the private sector. She commented it would be interesting to see what conversations they would have surrounding that.

Mayor Tourville asked if the request was to go out to bid and see if someone would take over the Community Center and the Aquatics Center. Councilmember Dietrich responded that would be an option as a lot of money is funded from the Host Community Fund and she doesn't see that as being sustainable.

Mayor Tourville asked the Finance Director and City Administrator to work on the Host Community Fund longevity and what expenditures are coming out and get back to the Council before the last meeting in June.

City Administrator Lynch asked if the Council was fine with the June 22nd meeting pending the data requested on the funds, with the plan as proposed. He stated they tried to do this in the fall/winter of every year and decided to wait. The next version will come this fall/winter and would only get six months separation of this five-year plan and the next five-year plan. He asked if the Council was ready to move forward, if it should be put on the June 22nd Agenda, or wait. Mayor Tourville responded the information is important enough that they need it for the 2020/2021 Budget. He stated as long as it is in format, as things change, it can be plugged into the plan over time and worked on to have flexibility to look at a budget that makes sense. City Administrator Lynch stated it would be on the Agenda for the 22nd. Councilmember Bartholomew stated he was fine with the 22nd as long as they receive the information requested about the tax rates and updates on the Host Community Fund.

Ms. Cook stated that information will be given. She thanked the Council and Finance Director Hove who has been a terrific partner to work with on this.

3) <u>2020 Primary and General Election Discussion – In-person Voting (Direct Ballot Method)</u>:
City Clerk Rebecca Kiernan stated the need to rethink some of the processes with the Election. Dakota County approached her last week asking if the City would continue with In-person Direct Balloting. That means if you come in within seven days of the Election you can cast your Ballot right into the tabulator. She stated this is an option they could opt out of. Direction is needed to see which way the Council would like to proceed. She stated statistics show that absentee voting is going to keep increasing. Dakota County will be putting out a postcard to all Voters to push for mail Balloting. The State Legislature did not push that through and will come before a Special Session. She stated they would like to take away the in-person option of having to come to City Hall. In the last two years, there have been more people coming in to early vote than going to the Precincts. City Clerk Kiernan stated she received an email today from Mary Ducotte opposing the proposal to do away with the direct balloting.

Mayor Tourville stated prior to Covid-19 in-person voting became very popular in the City. He asked if they want to get rid of it due to costs, because it can't be done, or isn't accurate. He stated a lot of people thought it was an excellent mechanism. It may be a needed mechanism for keeping crowds down on Election Day. He stated that he heard a lot of positive things about it.

Councilmember Piekarski Krech stated it was safe before, she wasn't sure how safe it would be now to have a number of people coming through City Hall. She stated she was concerned about having enough Election Judges to do the Election this year. The majority of Judges are older and are in the high-risk category. She stated if there is another Covid-19 wave people are not going to want to go out and be exposed to others. City Clerk Kiernan responded that meant people would be waiting in line at City Hall instead.

Councilmember Dietrich asked if there were many people waiting in line last time and if there were favorable timeframes. City Clerk Kiernan responded that by looking at the statistics from last time for in person versus early, in 2016 and 2018 there were lines out the door on certain days. City Administrator Lynch stated there is pressure put on Election Judges and Staff, and the amount of space needed. There is not an ideal Election space that can be used for in-person early Balloting, as opposed to the Council Chambers. It is the pressure of the number of people in a smaller space during that time period. He stated they are trying to avoid the possibility with Covid-19. He stated an advantage to calling it off early can be communicated to citizens, Judges, Voters, and Staff. He stated the disadvantage is that it is convenient. He asked if they weighed the risk to Judges, Voters, and Staff versus the Democracy it allows for people to Vote early.

Mayor Tourville asked for a number from the week before early Voting. City Clerk Kiernan responded in 2018 they had 16,081 people vote. Mayor Tourville stated those 16,000 are being forced to come on Election Day that would rather go to City Hall. A higher percentage would come on Election Day. He suggested doing a poll of the Election

Judges and find out what other Cities in Dakota County are going to do. He stated it can be a problem of having a great idea and then taking it away. He commented he wasn't against getting rid of it, but felt they need to do it in a correct way. He stated this would make Election Day worse if they did without the seven day beforehand early voting. Councilmember Piekarski Krech stated this would push people to Vote by mail so they don't have to come in contact with others.

Councilmember Perry stated if wanting to Vote in person, this is forcing them to go. She asked the City Clerk if she has reached out to Election Judges to see if they would be returning this year. City Clerk Kiernan responded that is something she was going to find out about next week as she is still receiving some new information from the State. She commented she does not anticipate any more Judges than they had for the Presidential Nomination Primary. Meaning seven Judges at the most for each Precinct, which is a staffing issue.

Councilmember Dietrich stated her preference would be to allow the early in person Voting. Those that are not comfortable, will not come out. Councilmember Perry asked if there was a bigger space, they could open up Voting to at City Hall, but still keep it secured. City Clerk Kiernan responded she would work on that. Councilmember Bartholomew stated whatever is done, it will be difficult to get Election Judges. He suggested looking at what other nearby Communities are doing and get a better idea of the number of Election Judges before making a decision. He stated his concern is having Election Judges on Election Day which could result in long waits for Voting.

City Clerk Kiernan stated they do not need to make a decision today. She has spoken to her counterparts in Dakota County and they have not made a decision yet. She is being proactive. Mayor Tourville stated a good point was made in looking within City Hall for a place that would be safer and easier. He asked if the EOC room could be used for a week. He asked to find out what other Communities are doing. He requested she also let them know when a decision should be made. City Clerk Kiernan responded she would do a follow up. She knew for sure that West St. Paul does not do in-person voting at all. South St. Paul was debating the issue. All eleven Communities do in person except for West St. Paul.

Councilmember Piekarski Krech suggested looking into City Staff for Elections and how many of the Staff the City is willing to have tied up for a week.

Mayor Tourville stated that listed in statistics was the number of healthcare facility residents who voted.
By November things could change. City Clerk Kiernan responded the current plan for healthcare facilities is to take their Staff and Deputize them to be able to do their own Voting for their residents. Mayor Tourville asked how soon this should be determined. City Clerk Kiernan responded by the end of August.

B. <u>ADJOURN:</u>
Councilmember Bartholomew thanked the entire Staff for what they have done the last several weeks while out of office. Everyone has been available. He asked that the City Administrator let Staff know how much it is appreciated.

Mayor Tourville listed the following upcoming dates:

- They are meeting via Zoom next Monday, June 8th. They will be meeting earlier at 6:00 p.m. for an EDA item and then for the 7:00 p.m. regular City Council meeting.
- They meet on June 15th at City Hall for Commissions.
- June 22nd they would be back at City Hall for the regular City Council meeting.

Mayor Tourville stated they have not received as many Applicants as far as patio and outside seating for Restaurants. He asked to let the Council know in the Friday memo where things stand.

Motion by Piekarski Krech second by Perry to adjourn the meeting at 7:12 p.m.

Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.