

CITY COUNCIL MEETING

City Hall—Council Chambers, 3989 Central Ave NE Monday, June 24, 2024 6:00 PM

MINUTES

Mayor Amáda Márquez Simula Councilmembers Connie Buesgens Kt Jacobs Rachel James Justice Spriggs City Manager Aaron Chirpich

The following are the minutes for the Meeting of the City Council held at 6:00 pm on Monday, June 24, 2024, in the City Council Chambers, City Hall, 3989 Central Avenue NE, Columbia Heights, Minnesota

WELCOME/CALL TO ORDER/ROLL CALL

Mayor Márquez Simula called the meeting to order at 6:00 pm.

Present: Mayor Márquez Simula; Councilmember Buesgens; Councilmember Jacobs; Councilmember Spriggs; Councilmember James

Also Present: Aaron Chirpich, Community Development Director/Assistant City Manager; Kevin Hansen, Interim City Manager; Sara Ion, City Clerk; Scott Lepak, City Attorney; Dan O'Brien, Assistant Fire Chief; Joe Macko, Columbia Heights Lion's president

MISSION STATEMENT

Columbia Heights is a vibrant, healthy and connected City. We are here to actively support the community, deliver equitable services, build and strengthen connections, improve upon our past, and uphold our successes. We strive to be better and ensure Columbia Heights is a great place for everyone, today and in the future.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag: "I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all."

Mayor Márquez Simula noted that the old Minnesota flag was still in Council Chambers but would be getting the new flag soon. There will be a flag color posting ceremony on July 22, 2024.

APPROVAL OF AGENDA

Motion by Councilmember James, seconded by Councilmember Spriggs, to approve the Agenda as presented. All Ayes, Motion Carried 5-0.

PROCLAMATIONS, PRESENTATIONS, RECOGNITION, ANNOUNCEMENTS, GUESTS

A. Somali American Day Proclamation.

Mayor Márquez Simula proclaimed July 1, 2024 as Somali American Day and read the City's proclamation.

B. Information Regarding 2024 Jamboree: Joe Macko, Columbia Heights Lions.

Joe Macko, Columbia Heights Lion's president, explained that the 2024 Jamboree would begin on Wednesday with the medallion hunt with a cash reward. On Thursday night at Huset Park, there will be a live band called City Nights playing. The Jamboree parade will be on Friday night beginning at 6 pm and will start at 45th Avenue and come down Quincy Street and then down 40th Avenue to Huset Park. At the Beer Garden, there will be a band called DNR playing. There will be fireworks on Saturday night with live music provided by Mr. Macko. Throughout the entire event, there will be a carnival at Huset Park. It costs \$2 to get in and kids 12 and under are free.

CONSENT AGENDA

Councilmember Jacobs asked for additional information for Item 3 of the Consent Agenda.

Interim City Manager Hansen reviewed the Consent Agenda Items. He explained that Item 3 is in regard to the City Manager Employment Agreement. In the summer of 2023, the City Council elected to hire an executive search for the next City Manager. Baker Tilly was hired to conduct the search for a new City Manager. Throughout the process, it was brought down to five candidates. Staff had an opportunity to speak with each of the candidates and the City Council conducted interviews for each candidate. The candidate that rose to the top was Aaron Chirpich who is the current Assistant City Manager / Community Development Director. The City Council directed Baker Tilly to begin contract negotiations with Mr. Chirpich. The Resolution before the Council is a result of that process. The contract is for three years and would be effective on June 25, 2024.

Mayor Márquez Simula thanked the Council for their work in the process with Baker Tilly. She added that the Council spoke with Staff and the community on what they would like to see in a City Manager. She thanked Interim City Manager Hansen for being the Interim City Manager for over a year.

Councilmember Buesgens congratulated Community Development Director/Assistant City Manager Chirpich on obtaining the position and thanked Interim City Manager Hansen for jumping into the position and doing a superb job in his role. Councilmember Spriggs agreed and added that it has been an honor to work with Interim City Manager Hansen.

Councilmember James asked what the timeline was for the City Hall and Library parking lot in regard to Item 6. Interim City Manager Hansen replied that work would begin in the fall and that the City needs to advertise bids for about three weeks. The bids will come back to the Council and then the process will begin.

Motion by Councilmember Jacobs, seconded by Councilmember Spriggs, to approve the Consent Agenda as presented. All Ayes, Motion Carried 5-0.

 Approve the June 10, 2024 City Council Meeting Minutes. MOTION: Move to approve the June 10, 2024 City Council Meeting minutes.

2. Adopt Resolution 2024-47, Designating Election Judges and Election Judge Salaries for August 13, 2024 State Primary Election.

MOTION: Move to waive the reading of Resolution No. 2024-47, there being ample copies available to the public.

MOTION: Motion to adopt Resolution No. 2024-47, approving the designation of elections judges and election judge salaries for the 2024 State of Minnesota Primary.

3. City Manager Employment Agreement.

MOTION: Move to waive the reading of Resolution 2024-49, there being ample copies available to the public.

MOTION: Move to adopt Resolution No 2024-49, approving an employment contract for the city manager position to Aaron Chirpich, effective June 25th, 2024.

4. Approval of a JPA with the City of Blaine to Assist with Security at the 3M Golf Tournament.

MOTION: Move to authorize the Mayor and City Manager to enter into a cooperative agreement with the City of Blaine regarding public safety related to 2024 3M Open golf tournament security.

- 5. Proposal for Surveying and Design Services for 40th Avenue Manhole Rehabilitation. MOTION: Move to accept the proposal from Bolton & Menk in the amount of \$35,638 for design services through bidding for the 40th Avenue Sanitary Sewer Rehabilitation, City Project 2404.
- 6. Approving Plans And Ordering Advertisement For Bids For City Hall And Library Parking Lot Paving, Project 2410.

MOTION: Move to Approve Plans and Ordering Advertisement for Bids for City Hall and Library Parking Lot Paving, City Project 2410.

7. Rental Occupancy Licenses for Approval.

MOTION: Move to approve the items listed for rental housing license applications for June 24, 2024, in that they have met the requirements of the Property Maintenance Code.

8. License Agenda.

Motion: Move to approve the items as listed on the business agenda for June 24th, 2024, as presented.

9. Review of Bills.

MOTION: Move that in accordance with Minnesota Statute 412.271, subd. 8 the City Council has reviewed the enclosed list to claims paid by check and by electronic funds transfer in the amount of \$1,016,381.71.

Councilmember Jacobs thanked Interim City Manager Hansen for all of his hard work and welcomed Community Development Director/Assistant City Manager Chirpich to his new position.

PUBLIC HEARINGS

10. Approve Multifamily Conduit Bond Recycling and Joint Powers Agreement.

Community Development Director/Assistant City Manager Chirpich explained that this item was brought to the Council during the most recent work session where a lot of the details were covered. In 2022, the City issued two conduit revenue bond series' totaling \$10,446,000 to provide the primary funding for the Reuter Walton affordable housing project located behind the City's Public Safety campus (the Col). These bond issuances were not an obligation of the City, rather they are debts to be paid back by the developer. The bonds in this case are temporary in nature and have a mandatory tender (repayment maturity date) of July 1, 2024.

Community Development Director/Assistant City Manager Chirpich stated due to the temporary nature of the bonds, they are eligible to be recycled (re-issued) as "volume cap" pursuant to Federal and State tax law. To this end, the City has been approached by a development team working on a 170-unit, \$35 million+ affordable housing project in the City of Burnsville. The project team includes the Dakota County Community Development Agency (DCCDA), the City of Burnsville, and Roers Companies (developer). This team has requested that the City participate by allowing the Reuter Walter bonds issued by the City to be recycled and used for the project in Burnsville. To accomplish this goal, the City must hold a public hearing to adopt a resolution that approves the new bond issuance using recycled volume cap available from the Reuter Walton project, and the City also must approve and execute a joint powers agreement (JPA) with the DCCDA that spells out the details and responsibilities related to the transaction. Following these steps (if approved by the Council), there is no more involvement by the City. All legal costs incurred by the City will be reimbursed by project funds and paid at the bond closing that is scheduled to take place in July. As part of the JPA the City will receive a .25% (percentage of total bonds recycled) fee for participation in the deal. The Council discussed this transaction at the June 3rd Work Session and was supportive of the proposal.

Community Development Director/Assistant City Manager Chirpich noted that Staff recommends that the Council adopt Resolution 2024-48, approving the usage of recycled volume cap by entering into a joint power's agreement with the DCCDA. There is a statewide shortage of affordable housing and the City's participation in this transaction will help to facilitate construction of new housing in another community of need. Additionally, there are no projects in the pipeline for the City where this funding mechanism can be deployed in Columbia Heights.

Councilmember Jacobs reiterated that there is no financial liability or risk to the City.

Councilmember James added that there are no projects in the City for the money to go towards. If the money is not used, then the bonds will expire and no one will be able to benefit. Mayor Márquez Simula added she thinks it is great that the bonds can be used in a creative way.

Councilmember Spriggs asked if the .25% fee would go into a specific fund. Community Development Director/Assistant City Manager Chirpich replied that he believed it would go into a capital reserve account that be drawn from for various projects.

Mayor Márquez Simula provided an opportunity for public comment. There were no public comments.

Motion by Councilmember Jacobs, seconded by Councilmember James, to close the public hearing. All Ayes, Motion Carried 5-0.

Motion by Councilmember Jacobs, seconded by Councilmember James waive the reading of Resolution 2024-48, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Jacobs, seconded by Councilmember Buesgens, to adopt Resolution 2024-48, being a Resolution of the City Council of the City of Columbia Heights approving the issuance by the Dakota County Community Development Agency of conduit multifamily housing revenue bonds on behalf of Roers Burnsville apartments owner LLC, using, in part, recycled bonding authority from conduit multifamily housing revenue bonds previously issued by the City of Columbia Heights for the 42nd and Central apartments project and approving a joint powers agreement for same. All Ayes, Motion Carried 5-0.

11. Consideration of Resolution 2024-050, Revocation of the License to Operate Rental Units Within the City of Columbia Heights against the rental property at 3849 Edgemoor Place NE for failure to meet the requirements of the Residential Maintenance Codes. Assistant Fire Chief O'Brien explained that the consideration for the revocation is in regard to failure to renew the rental license for the property. In April 2024, Staff sent a notice to the rental license holder. The notice stated that the license holder needed to complete an application, pay licensing fees, and call to schedule the inspection prior to the expiration to the license on May 31, 2024. On June 6, 2024, records showed that the license holder failed to complete any of the necessary steps to renew the rental license. A statement of cause and a notice for the public hearing was sent to the property owner and the tenants of the property. The notice explained that the license holder would need to complete the steps to obtain a renewed license by June 14, 2024. The property owner submitted the application, paid the fees but failed to schedule the licensing inspection. On June 14, 2024, and June 17, 2024, Staff called the property owner to attempt to get the property owner to schedule the inspection. If the Council decides to revoke the license, it will be the only revocation the property owner has had in the last five years and would be eligible to reacquire a rental license in the future.

Assistant Fire Chief O'Brien noted that the property owner called the City this morning and scheduled the inspection for tomorrow at 2:30 pm. Staff found that the property is possibly in foreclosure and due to be sold at a Sheriff's sale on May 28th. He mentioned that he called the Sheriff and found that the sale was postponed until September 30, 2024. He added that he encouraged the property owner to attend the City Council meeting.

Mayor Márquez Simula asked if the property owner was in attendance at the meeting. Assistant Fire Chief O'Brien replied that he did not see the property owner. City Clerk Ion added that the property owner was not in attendance online either.

Councilmember Buesgens asked if the item could be tabled until the inspection was completed. Mayor Márquez Simula replied that the item could be tabled. Councilmember Jacobs stated that she is in favor of tabling the item, but would like to table it until September to see if the property is in foreclosure or not.

Councilmember Buesgens asked if the property owner would be without a rental license until September if the item is tabled until then. Councilmember Jacobs expressed her concern of issuing a license to a place that goes into foreclosure and what would happen to the license if someone bought the property.

Assistant Fire Chief O'Brien explained that if the property changes ownership and there is an existing rental license, the new owner could apply for a transfer of a license or a new rental license.

Councilmember Buesgens noted that it is a separate issue of the rental license and the house potentially going into foreclosure. Councilmember James agreed.

Motion by Councilmember James, seconded by Councilmember Buesgens, to table Resolution 2024-050, being a Resolution of the City Council of the City of Columbia Heights approving revocation, pursuant to City Code, of the rental license listed to the July 8, 2024 City Council meeting.

Mayor Márquez Simula mentioned that the Council does not determine the date for an item to be tabled because it is up to City Staff.

Councilmember James stated she would amend her motion.

Substitute motion by Councilmember James, seconded by Councilmember Buesgens, to table Resolution 2024-050, being a Resolution of the City Council of the City of Columbia Heights approving revocation, pursuant to City Code, of the rental license listed as amended.

City Attorney Lepak stated that it was fine for the City Council to put a date in the motion.

All Ayes, Substitute Motion Carried 5-0.

Assistant Fire Chief O'Brien noted that they can monitor the property for sale and address it at that point.

Mayor Márquez Simula asked City Attorney Lepak if the public hearing needed to be opened if the item was tabled. City Attorney Lepak replied that the public hearing would be moved to the next Council meeting and the public hearing did not need to be opened during the current meeting. 12. Consideration of Resolution 2024-051, Revocation of the License to Operate Rental Units Within the city of Columbia Heights against the rental property at 1103 44th Avenue NE for failure to meet the requirements of the Residential Maintenance Codes.

Assistant Fire Chief O'Brien explained that the rental license is issued to Todd Gorelick and the property is managed locally by Bridge Homes in Saint Louis Park. The outstanding violation was originally written up during the property's exterior license renewal inspection on May 1, 2024. The violation was to repair or replace the deteriorated driveway. A notice was sent to the responsible party on May 2, 2024, and the follow-up inspection was on June 3rd. The inspection found that the violation had not been corrected and the responsible party had not contacted the City regarding the violation. A statement of cause and notice for the public hearing was sent to responsible parties and the tenants of the property. The inspectors performed the final pre-Council inspect on June 17th and found that the violation had not been corrected.

Assistant Fire Chief O'Brien noted that the single-family property is located in an area where the density cap is under capacity. Records indicate that the block has a capacity of six rental licenses and currently has four rental licenses issued, including the property. If the license is revoked, the property owner may apply for a new rental license and must apply for a renewal of the rental license. If revoked, it would be the only revocation the property owner has had in the last five years which makes the property owner eligible to hold a license in the City.

Mayor Márquez Simula opened up the public hearing. There were no public comments.

Motion by Councilmember Buesgens, seconded by Councilmember Jacobs, to close the public hearing and waive the reading of Resolution 2024-051, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Buesgens, seconded by Councilmember Jacobs, to adopt Resolution 2024-051, being a Resolution of the City Council of the City of Columbia Heights approving revocation, pursuant to City Code, of the rental license listed.

Councilmember James noted that it is important for rental property owners to keep up to the exterior standards to help everyone in the City stay safe. She added that she hopes the property owner is able to fix the violation and reapply for the rental license. She explained that the Council does not like when people lose their housing but also need to ensure that the rental property owner does a good job.

All Ayes, Motion Carried 5-0.

CITY COUNCIL AND ADMINISTRATIVE REPORTS

Report of the City Council

Councilmember Jacobs noted that she attended presentations on education and agriculture in Minnesota as well as a virtual meeting on the 2050 regional population forecast. She attended the oath

ceremony for Officer Ahmed Abdullahi, and a community info fair. She mentioned that she spent some time in Waterville filling sand bags to help with the flooding in the area.

Councilmember James stated she attended the Sustainability Commission, a meeting with local leaders, a Juneteenth education forum and ceremony, and the art info fair. She thanked the Council and community members for their work during the process of hiring a new City Manager. She also thanked Interim City Manager Hansen for his work throughout the year.

Councilmember Buesgens explained that she attended the community info fair, pool with a cop, MWMO Bassett Creek Watershed presentation, the swearing in for Officer Ahmed Abdullahi, the Heights art and info fair, and the Artworks fundraiser at Rail Werks Brewing Depot. She thanked Interim City Manager Hansen and Staff for putting in the additional parking space at the Library.

Councilmember Spriggs mentioned that he met with a resident and Mayor Márquez Simula regarding the initiative of blue zones. He added that he met with Fire Chief Thompson about providing CPR classes for residents. Due to his work at the hospital, he asked people to wear their helmets, wear a seatbelt, and slow down when driving.

Mayor Márquez Simula stated she attended the Northeast Bank pizza lunch at the police station, the Sister's City meeting to continue to plan the September 21st statute unveiling event, the art fundraiser at Rail Werks, pool with the police, the Rotary Operation Pollination meeting, and the blue zone meeting with Councilmember Spriggs. She added that last Friday was bring-your-child-to-work day and thanked Staff for creating a fun day. She mentioned that she attended the Friends of the Library meeting, the Multicultural Advisory Committee for the Police Department meeting, the Art and Info Fair, and the swearing in for Officer Abdullahi. She noted that there are 15 trading cards for the Police Department and when all 15 are collected, community members can bring them to the Police Department and get a goodie bag. She stated she attended a play at Northrop called Kumbaya for Juneteenth. She congratulated Aaron Chirpich for being the next City Manager and mentioned that it was a unanimous choice.

Report of the City Manager

Interim City Manager Hansen thanked the City Council for allowing him to be the Interim City Manager. He added that the choice of City Manager is also supported by City Staff. He thanked those who organized the Art and Info Fair. He mentioned that Music in the Park begins on July 10th and is sponsored by Northeast Bank. The first Music in the Park will be at Huset Park East from 6:30-8 pm. Additionally he noted that there were over 79 properties that participated in the City-wide garage sale.

Interim City Manager Hansen noted that Top Value Liquor Store was voted the top liquor store in the area. They also received the award in 2021, 2022, and 2023.

ADJOURNMENT

Motion by Councilmember Jacobs, seconded by Councilmember Spriggs, to adjourn. All Ayes, Motion Carried 5-0.

Meeting adjourned at 6:53 pm.

Respectfully Submitted,

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Sara Ion, City Clerk/Council Secretary