



CITY COUNCIL MEETING
City Hall—Council Chambers, 590 40th Ave NE
Monday, November 28, 2022
6:00 PM

Mayor
Amada Márquez Simula
Councilmembers
John Murzyn, Jr.
Connie Buesgens
Nick Novitsky
Kt Jacobs
City Manager
Kelli Bourgeois

MINUTES

The following are the minutes for the Meeting of the City Council held at 6:00 pm on Monday, November 28, 2022, in the City Council Chambers, City Hall, 590 40th 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 Murzyn, Jr.; Councilmember Novitsky

Also Present: Lenny Austin, Police Chief; Kelli Bourgeois, City Manager; Aaron Chirpich, Community Development Director; Jim Hoeft, City Attorney; Sara Ion, City Clerk; Charlie Thompson, Fire Chief; Scott Fizek, Property Manager; Steve Forseth, City Resident; Rex Meier, City Resident

MISSION STATEMENT

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

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

CONSENT AGENDA

Mayor Márquez Simula requested that Item 4 of the Consent Agenda, "Resolution 2022-113, being a Resolution in Support of Anoka County Joint Law Enforcement Council's Renewal of Legislation for Future Public Safety Projects", be pulled for further discussion.

Motion by Councilmember Novitsky, seconded by Councilmember Murzyn Jr., to approve the Consent Agenda as presented, with Item 4 removed for further discussion. All Ayes, Motion Carried 5-0.

1. Approve November 14, 2022 City Council Meeting Minutes

MOTION: Move to approve the November 14, 2022 City Council meeting minutes.

2. Approve November 16, 2022 Special City Council Meeting Minutes

MOTION: Move to approve the November 16, 2022 Special City Council meeting minutes.

3. **Resolution 2022-109, Approving Classification of Tax Forfeit Property**
MOTION: Move to waive the reading of Resolution No. 2022-109, there being ample copies available to the public.
MOTION: Move to adopt resolution No. 2022-109, approving the classification and sale of tax forfeit property in the City of Columbia Heights, MN.
4. Pulled from the Consent Agenda for further discussion “Resolution 2022-113, being a Resolution in Support of Anoka County Joint Law Enforcement Council’s Renewal of Legislation for Future Public Safety Projects”.
5. **Final Compensating Change Order and Payment for 37th Avenue Water Main Rehabilitation, City Project 2203**
MOTION: Move to approve the final compensating change order and accept the work for 37th Avenue Water Main Rehabilitation, City Project 2203, and authorize final payment of \$146,227.94 to Fer-Pal Construction USA LLC.
6. **Refuse Cart Purchase**
MOTION: Move to approve the purchase of 3,000 carts through the Sourcewell Cooperative Purchasing Contract at a price of \$200,000 with funding from the Refuse Fund 603, and amending the 2023 Refuse Budget in the amount of \$200,000 and, furthermore, to authorize the Mayor and City Manager to enter into a contract for the same.
7. **Renew Annual Audit Contract with Redpath and Company for 2022 at \$52,500 and for 2023 at \$56,000**
MOTION: Move to renew the annual audit contract with Redpath and Company for 2022 at \$52,500 and for 2023 at \$56,000.
8. **Rental Occupancy Licenses for Approval**
MOTION: Move to approve the items listed for rental housing license applications for November 28, 2022, in that they have met the requirements of the Property Maintenance Code.
9. **License Agenda**
MOTION: Move to approve the items as listed on the business license agenda for November 28, 2022 as presented.
10. **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 \$1,153,243.25.

ITEM PULLED FROM THE CONSENT AGENDA

4. **Resolution 2022-113, being a Resolution in Support of Anoka County Joint Law Enforcement Council’s Renewal of Legislation for Future Public Safety Projects**

Police Chief Austin stated that the Anoka County Joint Law Enforcement Council (JLEC) is a group comprised of 26 members of Elected Officials and Chief Law Enforcement Officers from across Anoka County. Mayor Márquez Simula and Chief Austin represent Columbia Heights in this group.

Chief Austin said that this group was formed in 1970 in order to help municipalities within Anoka County. The JLEC works on countywide projects that impact public safety and does so in the spirit of cooperation in an effort to provide cohesion in a cost-effective manner that benefits all municipalities with economy of scale. One important piece of the Anoka County JLEC that was passed years ago was a state statute that authorizes a Public Safety Levy that can be used by the Anoka County Board for public safety projects that the JLEC first approves; this amount cannot exceed eight million dollars. That Public Safety Levy is drawn out separately on tax statements but is part of the County's overall Certified Levy. When that statute was passed by the State of Minnesota (with some discussion), it was set to expire at the end of 2023. At the time of the creation of the statute, all of the Cities and Townships in Anoka County passed resolutions of support for the statute to the State of Minnesota.

Chief Austin explained as that statute is set to expire at the end of 2023, JLEC and at the Anoka County Chiefs Association, they have discussed keeping that statute in place. The statute doesn't dictate how much we levy, rather just authorizes the levy to occur for approved projects. The Public Safety Levy has been used for various large projects in the past with Countywide implications, including 800-megahertz two-way radio implementation and the Anoka County Public Safety Data System (which is our CAD dispatch system, records system, etc.). He added that the Public Safety Data System project started about nine years ago as it was over 15 years since it had been updated and the project came in under budget. He also said that the radio implementation made a huge impact on the department.

Chief Austin stated approval of the item would be in support of the two proposed changes: 1) the amount for the Public Safety Levy would not be included with the levy from the County in the future and 2) the statute would continue to be in place until 2033.

Motion by Councilmember Novitsky, and seconded by Councilmember Murzyn Jr., to waive the reading of Resolution 2022-113, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Novitsky, and seconded by Councilmember Murzyn Jr., to adopt Resolution 2022-113, being a Resolution in Support of Anoka County Joint Law Enforcement Council's Renewal of Legislation for Future Public Safety Projects. All Ayes, Motion Carried 5-0.

PUBLIC HEARINGS

11. Consideration of Resolution 2022-111, Revocation of the License to Operate Rental Units Within the city of Columbia Heights against the rental property at 1204/1206 Cheery Lane NE for failure to meet the requirements of the Residential Maintenance Codes

Fire Chief Thompson reported that this item is for revocation of the license to operate rental units within the city of Columbia Heights against the rental property at 1204/1206 Cheery Lane NE.

He stated that on July 8, 2022, inspectors for the City, inspected the property described and noted violations. A compliance letter listing the violations was mailed by regular mail to the owner at the address listed on the rental housing license application. On August 15, 2022, September 12, 2022, October 11, 2022, and October 24, 2022, inspectors for the City performed re-inspections and noted that violations remained uncorrected. A Statement of Cause was mailed via regular mail to the owner at the address listed on the rental housing license application. On November 16, 2022, inspectors for the City checked records for this property and noted that the violations remained uncorrected.

Based upon said records of the enforcement office, the following conditions and violations of the City's Property Maintenance Code were found to exist, to-wit:

a. Shall repair/replace displaced storm windows next to 1204 entry door and southwest window. Repairs shall be performed in a workmanlike manner and conform to surrounding areas. b. Shall repair/replace rotted deck boards. c. Shall repair/replace deteriorated (rotted) windowsill in 1204 lower-level southwest corner. d. Shall supply for every openable window and other outside openings required for ventilation, approved tightly fitting screens.

Mayor Márquez Simula opened the public hearing.

No one wished to speak.

Motion by Councilmember Jacobs, seconded by Councilmember Buesgens, to close the public hearing and waive the reading of Resolution 2022-111, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Jacobs, seconded by Councilmember Novitsky, to adopt Resolution 2022-111, being a Resolution of the City Council of the city of Columbia Heights approving revocation pursuant to City Code, Chapter 5A, Article IV, Section 5A.408(A) of the rental license listed. All Ayes, Motion Carried 5-0.

12. Consideration of Resolution 2022-112, Revocation of the License to Operate Rental Units Within the city of Columbia Heights against the rental property at 4636/4638 Washington Street NE for failure to meet the requirements of the Residential Maintenance Codes

Fire Chief Thompson reported that this item is for the revocation of the license to operate rental units within the city of Columbia Heights against the rental property at 4636/4638 Washington Street NE.

He stated that on July 14, 2020, inspectors for the City, inspected the property described and noted violations. A compliance letter listing the violations was mailed by regular mail to the owner at the address listed on the Rental Housing License Application. On August 22, 2022, September 9, 2022, and October 17, 2022, inspectors for the City performed re-inspections and noted that violations remained uncorrected. He stated that there was a delay in the inspections because the property owner was working with the Assistant Fire Chief on a repair plan. Since it was not repaired, a Statement of Cause was mailed via regular mail to the owner at the address listed on the rental housing license application. On November 14, 2022, inspectors for the City checked records for this property and noted that the violations remained uncorrected.

Based upon said records of the Enforcement Office, the following conditions and violations of the city's Property Maintenance Code were found to exist, to-wit:

a. Shall repair/replace deteriorated rear driveway concrete

Councilmember Jacobs asked about if the property owner had two years to make repairs. Chief Thompson stated that is correct and due to the coming cold weather, the property owner would typically enter into some sort of agreement with the City about the repair, but that has not taken place.

Councilmember Jacobs asked if the tenants were informed about the public hearing. Chief Thompson stated that is correct.

Mayor Márquez Simula opened the public hearing.

Property Manager Fizek stated that he has managed the property for the last year or two. He stated that on September 9, 2022, the property was inspected and there were several items that were repaired by that inspection. Fizek said that the owner had previously made repairs to the driveway in 2020, and then asked for an extension in 2022 which was not granted, so he then had repairs made in October 2022. However, the workmanship was not done to the City's standard because when the product was put down when it was too cold. He said that it would be a shame to put two tenants out due an issue with the concrete driveway when all the interior repairs were made.

Councilmember Buesgens asked who did the work for the concrete pad for the parking in the back. Fizek said that it was owner's team, not a professional contractor.

Councilmember Buesgens further stated that they have had two years to make the repairs and if they don't have the funds to take care of the property that they should get out of the business.

Fizek stated again that it is a shame to put tenants out due to an exterior issue.

Councilmember Novitsky stated that the City gave plenty of time for the repairs to be made.

Motion by Councilmember Buesgens, seconded by Councilmember Murzyn Jr., to close the public hearing and waive the reading of Resolution 2022-112, 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 2022-112, being a Resolution of the City Council of the city of Columbia Heights approving revocation pursuant to City Code, Chapter 5A, Article IV, Section 5A.408(A) of the rental license listed. All Ayes, Motion Carried 5-0.

ITEMS FOR CONSIDERATION

13. Approval Consideration for the Issuance of Series B Multifamily Housing Revenue Bonds (Reuter Walton Project)

Director Chirpich reported that the City has received a request from Reuter Walton Development to issue additional tax-exempt bonds on their behalf to support the construction of their 62-unit affordable housing development that is currently under construction on the vacant City owned development site just north of the Public Safety building.

Chirpich stated that on June 22, 2021, the City Council approved Resolution 2021-53, a resolution which authorized the preparation and submission of a Housing Program to the Metropolitan Council and granted the preliminary issuance of multi-family housing revenue bonds (tax-exempt bonds) to finance the Reuter Walton affordable housing project in an amount not to exceed \$11,000,000. Thus, the City submitted the Housing Program to the Metropolitan Council and submitted an allocation application to the Minnesota Department of Management and Budget (MMB) requesting the tax-exempt bonds.

Chirpich further stated that on January 11, 2022, the MMB notified the City that the Reuter Walton project was allocated tax-exempt bonds in the amount of \$9,886,000, and the City closed on the sale and completed the issuance of the initial series 2022A bonds on June 28, 2022. Subsequent to this allocation, Reuter Walton requested that the City submit a second application for an additional allocation to MMB in the amount of \$560,000. The second allocation request was approved by MMB on July 5, 2022, bringing the total allocation for the project to \$10,426,000. Because the original authorizing resolution, and Housing Program approved by the City in 2021 had a limit of \$11,000,000, the second bond allocation can be authorized under the authority of the initial approval. This means that rather than repeat the entire bond authorization process, the City can amend the original bond closing and sales agreements to include the second allocation. To this end, the City's public finance counsel at Kennedy and Graven have prepared the amended and restated loan agreement, indenture, regulatory agreement, and purchase agreement to reflect the proposed second allocation.

Chirpich noted that bonds of this type are not an obligation of the City or its taxpayers, rather an obligation of the developer. Only project revenues of the developer, in this case, rent collected after completion of the project would be pledged for repayment of the

bonds. While the City must approve issuance of the bonds and all bond documents, the transaction is largely handled by the private borrower and the underwriter that serves as the initial purchaser of the bonds.

Chirpich said that City has previously issued tax-exempt bonds for other various developments, such as the Sullivan Shores townhomes, Crestview senior care facilities, the Legends of Columbia Heights, and Grand Central Flats. With the issuance of tax-exempt bonds, the City has required that the developer reimburse the City for all costs associated with the issuance of the bonds, as well as pay an issuance fee in the amount of 1% of the principal amount issued for the tax-exempt bonds. In the case of the second request by Reuter Walton, the City would realize an issuance fee in the amount of \$5,600.

Staff recommended approval of Resolution 2022-110, a resolution which formally approves the issuance and delivery of the series 2022B housing revenue bonds.

Motion by Councilmember Buesgens, seconded by Councilmember Novitsky, to waive the reading of Resolution 2022-110, there being ample copies available to the public. All Ayes, Motion Carried 5-0.

Motion by Councilmember Buesgens, seconded by Councilmember Jacobs, to approve Resolution 2022-110, a resolution authorizing the issuance, sale, and delivery of multifamily housing revenue bonds (42nd and Central Apartments Project), series 2022B to provide additional financing for the costs of a multifamily housing development; approving the forms of and authorizing the execution and delivery of the series 2022B bonds and related documents; providing for the security, rights, and remedies with respect to the series 2022B bonds; and taking certain other actions. All Ayes, Motion Carried 5-0.

CITY COUNCIL AND ADMINISTRATIVE REPORTS

Report of the City Council

Councilmember Jacobs stated that she continues to attend the Citizen Justice Academy; attended the special session for the canvassing of the 2022 election; attended the last Council meeting virtually; and previously attended the “Trunk-or-Treat” event, and the appreciation lunch at the Public Safety Building. She thanked Director Hansen and Staff for the additional “wrong way” signs on Monroe and said she hoped that the neighborhood and drivers are safer. Jacobs congratulated the Mayor and the newly elected Councilmembers and stated she looks forward to 2023 with the new Council; she had nine residents reach outs.

Councilmember Buesgens said that she attended the Ratio open house; attended the Metro F Line Draft Corridor Plan Virtual Open House, where they are looking for input for bus stop locations; she added that the Bus Rapid Transit Route (BRT) for Central Avenue will start in 2025 and finish in 2026. She attended the Metro Council annual meeting and attended the Citizen Justice Academy.

Mayor Márquez Simula stated she had a nice holiday break; attended the Ratio open house and made a TikTok video which has had hundreds of views; met the new restaurant owner for the café going in

next to City Hall; attended the Citizen Justice Academy; attended the Youth Commission meeting; and she spoke at a LatinX event at the University of Minnesota with CLUES.

Report of the City Manager

Manager Bourgeois said that at the last community forum, there was a gentleman that mentioned the sidewalk at the Ratio Apartments. She followed up on the item and noted that sidewalk is on private property, it is a code compliant sidewalk, and there is no enforcement action for the City to take. She stated that the Holiday Train is back, scheduled for December 13, 2022, at 8:00 pm at Lions Park. She said that the 2023 City calendars will be finished soon; they can be preordered at www.columbiaheightsmn.gov/photos and are ten dollars.

COMMUNITY FORUM

Mayor Márquez Simula opened the community forum.

Steve Forseth, City resident, thanked the Council for their reports and stated that their attendance at events is an honor as a Councilmember and that they are representing the City at these events. He made comments in regard to Councilmember Jacobs still representing the City at events when the results of the investigation indicated that she did not act ethically. He commented further on how she has not resigned and asked what actions she is taking to show she is not racist. Forseth asked for Councilmember Jacobs' resignation.

Rex Meier, City resident, spoke regarding Forseth's comments and stated that if people took the time to analyze the facts of what took place, that no one really knows the details, and the comments that were made tonight were borderline McCarthyism. He said that he doesn't think that racism doesn't exist but using racial injustice for personal gain is just as wrong as the injustice itself; everyone deserves the benefit of a doubt.

ADJOURNMENT

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

Meeting adjourned at 6:45 pm.

Respectfully Submitted,



Sara Ion, City Clerk/Council Secretary