



# ECONOMIC DEVELOPMENT AUTHORITY

## SPECIAL MEETING

City Hall—Council Chambers, 590 40th Ave NE

Monday, December 12, 2022

5:30 PM

---

## MINUTES

The meeting was called to order at 5:30 pm by Chair Szurek.

### CALL TO ORDER/ROLL CALL

Commissioners Present: Connie Buesgens, Gerry Herringer, KT Jacobs, Amáda Márquez Simula, John Murzyn Jr., Nick Novitsky, Marlaine Szurek

Staff Present: Kelli Bourgeois, City Manager; Aaron Chirpich, Community Development Director; Sara Ion, City Clerk; Ben Sandell, Communications Coordinator; Mitchell Forney, Community Development Coordinator; Alicia Howe, Administrative Assistant

### PLEDGE OF ALLEGIANCE

### CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of November 7, 2022
2. Façade Improvement Grant Application Edits
3. Approve financial reports and payment of bills of October 2022 – Resolution No. 2022-xx

### Questions/Comments from Members:

Herringer asked about the payment for the elevator [in the] Van Buren Ramp and that it was noted as the first half. Herringer also asked about the second payment and who was occupying the space. Chirpich stated that there is no contract currently and the ramp is City owned; the goal is to enter into a contract with the occupants who take over the former Fairview building.

Szurek asked about the condition of the ramp. Chirpich stated the structure is in good condition, but the elevator needs to be replaced and there is a list of repairs that need to be made; there have been other repairs made over the years as well.

Szurek asked if the other members saw the edits for the façade improvements that are included in the consent agenda. Chirpich said that the best example for the change is to include nonattached permanent signs.

*Motion by Jacobs, seconded by Novitsky, to approve the Consent Agenda as presented. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2022-24**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF OCTOBER 2022 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF OCTOBER 2022**

**WHEREAS**, the Columbia Heights Economic Development Authority (the “EDA”) is required by Minnesota Statutes Section 469.096, Subd. 9, to prepare a detailed financial statement which shows all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the EDA's credits and assets and its outstanding liabilities; and

**WHEREAS**, said Statute also requires the EDA to examine the statement and treasurer's vouchers or bills and if correct, to approve them by resolution and enter the resolution in its records; and

**WHEREAS**, the financial statements for the month of October 2022 have been reviewed by the EDA Commission; and

**WHEREAS**, the EDA has examined the financial statements and finds them to be acceptable as to both form and accuracy; and

**WHEREAS**, the EDA Commission has other means to verify the intent of Section 469.096, Subd. 9, including but not limited to Comprehensive Annual Financial Reports, Annual City approved Budgets, Audits and similar documentation; and

**WHEREAS**, financials statements are held by the City’s Finance Department in a method outlined by the State of Minnesota’s Records Retention Schedule,

**NOW, THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Columbia Heights Economic Development Authority that it has examined the referenced financial statements including the check history, and they are found to be correct, as to form and content; and

**BE IT FURTHER RESOLVED** the financial statements are acknowledged and received and the check history as presented in writing is approved for payment out of proper funds; and

**BE IT FURTHER RESOLVED** this resolution is made a part of the permanent records of the Columbia Heights Economic Development Authority.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 12<sup>th</sup> day of December 2022

Offered by: Jacobs  
Seconded by: Novitsky

Roll Call: All ayes of present.

\_\_\_\_\_  
Marlaine Szurek, President

Attest:

\_\_\_\_\_  
Alicia Howe, Secretary

## BUSINESS ITEMS

**4. Resolution 2022-25, appropriating \$40,000 of existing fund balance for use in the 2022 budget of Economic Development Authority Administration Fund 204**

Chirpich stated that the Staff report was prepared by Finance Director Klobier. He said that the actual 2022 expenditures within EDA Administration Fund 204 are projected to exceed the original 2022 budget by approximately \$18,000 or 4.5% by the end of the budget year (December 31, 2022).

The EDA adopted the original 2022 budget in September 2021. In January 2022, the Council adopted new employee pay scales, in response to a city-wide compensation study performed by an external consultant. This was both to comply with a state statute requiring pay equity within local government, and to remain a competitive employer amidst the dual challenges of employee retention and high inflation. These new pay scales are the reason the expenses in EDA Administration Fund 204 are projected to exceed the original 2022 budget. There was not an increase in activities or staffing beyond the levels originally planned.

State statute and generally accepted accounting principles treat any dollar amount expended over the legally adopted budget as a reportable compliance violation, even if there are additional funds on hand to pay for the excess expenditures. Consequently, Staff recommends increasing the legal level of the 2022 budget in EDA Administration Fund 204 by \$40,000 to allow for any final variance from the \$18,000 estimate currently available.

Staff notes that in November, this same 2022 budget matter was addressed by the Council, Resolution 2022-106, for various City funds not administered by the EDA (Funds 101, 201, 225, 228, and 240).

*Motion by Novitsky, seconded by Murzyn Jr., to waive the reading of Resolution 2022-25, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Novitsky, seconded by Murzyn Jr., to adopt Resolution 2022-25, being a resolution appropriating \$40,000 of existing fund balance for use in the 2022 budget of Economic Development Authority Administration Fund 204. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2022-25**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS , MINNESOTA, APPROPRIATING \$40,000 OF EXISTING FUND BALANCE FOR USE IN THE 2022 BUDGET OF ECONOMIC DEVELOPMENT AUTHORITY ADMINISTRATION FUND 204**

**WHEREAS**, the Economic Development Authority of Columbia Heights, Minnesota (the Authority) adopted an initial 2022 budget by resolution 21-15, as required by its bylaws and Minnesota statute; and

**WHEREAS**, that initial budget was based on the best estimates of 2022 activity available at the time; and

**WHEREAS**, it is now estimated that the actual 2022 final expenditures of Economic Development Authority Administration Fund 204 will exceed that prior estimate by the close of the City’s 2022 fiscal year on December 31st; and **WHEREAS**, the principal difference from those prior estimates has been reviewed and determined by the Authority to be reasonable and necessary;

**NOW, THEREFORE, BE IT RESOLVED**, that the 2022 City of Columbia Heights’ budget is amended to appropriate \$600,000 from the fund balances of government operating funds as listed on Exhibit A for 2022 use within those same funds.

**BE IT FURTHER RESOLVED**, that, after appropriate examination and due consideration, the Authority amends 2022 budget to appropriate \$40,000 of existing fund balance for use in the 2022 budget of Economic Development Authority Administration Fund 204.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 12<sup>th</sup> day of December, 2022

Offered by: Novitsky  
Seconded by: Murzyn Jr.  
Roll Call: All ayes of present.

\_\_\_\_\_  
Marlaine Szurek, President

Attest:

\_\_\_\_\_  
Alicia Howe, Secretary

**5. Façade Improvement Grant Camera Installation Bid**

Coordinator Forney reported that the Façade Improvement Grant Program’s (FIGP) initial intent was to provide businesses with a means to improve their façade while also investing in the safety of the community. As part of this, the FIGP pays for the installation of exterior cameras on participating businesses. Due to the pandemic and low grant program participation, no cameras have been funded since 2019. Rather than funding one or two camera projects, Staff

found it to be best to bid a handful at a time. This saves the City money with regards to completing them all at once. Approving Marco's bid includes the instillation of cameras and recording systems at all five businesses.

Of the five businesses, three have applied for and received approval for their project. All but two are working on their project or have completed the project. The businesses are listed as follows: Tasty Chicken Pizza & Grill, 4633 Central Avenue; Matt's Automotive Service Center, 4501 Central Avenue; VFW Post 230, 4446 Central Avenue; Lowell's Auto Repair, 4457 University Avenue; and Fridley Heights Cyclery, 4755 University Avenue.

Forney noted that Lowell's Auto Repair recently indicated that they may not want to participate but Staff recommends including them in the bid to hopefully encourage them to still participate.

Heights Cyclery received grant approval in 2022 but decided they no longer wanted to move forward with their project. They would still like to be considered to receive cameras. The police find this site beneficial due to its proximity to University Ave and its frontage road. In 2019, the EDA faced a similar situation with Your Exchange which is located at 4639 Central Ave. Your Exchange applied for the Façade Grant but was not approved by the EDA. The EDA still provided cameras to Your Exchange even though they did not qualify for the traditional Façade Improvement Grant.

Tasty Chicken Pizza & Grill is in a slightly different situation than Heights Cyclery. Tasty Chicken Pizza & Grill never applied for the traditional FIGP. Instead, police were at the business responding to a call and spoke with the owner about the camera aspect of the program. The owner would like to be considered for the cameras even though they have not applied for the traditional Façade improvement grant program.

Earlier this month Staff reached out to five businesses with a request for proposals letter. As part of the RFP process, the police department and IT Staff conducted a site walkthrough with prospective companies to ensure everyone was on the same page. Of the five businesses invited, three attended the walk through. As of November 30, 2022, five days after the requested bid by date, Staff had only received one bid. The bid from Marco totals \$41,353.31 and covers all the businesses.

Each year the EDA allocates \$50,000 to the Façade Improvement Grant Program. So far this year, the program has issued or is in the process of issuing five grants, which totals \$22,285.05. If the EDA chooses to approve the full bid of \$41,353.31, it will put the grant program over its 2022 budget by \$13,638.36. This option is allowable since cameras have not been purchased since the 2019 iteration of the program, creating a surplus of funds in recent years. The EDA has plenty of reserves from the FIGP fund to cover the difference. The bid was processed for each individual business, allowing the EDA to pick and choose the locations it would like to prioritize if the EDA would like to stay below its 2022 budgeted amount.

Staff recommends approving Marco's camera bid in full. The cameras at each of these businesses meet the intent of the program. Staff also recommends approving all the businesses. The EDA has the money necessary and has not had to purchase cameras for three years. Although Tasty Chicken Pizza & Grill did not apply for the grant program, Staff believes adding cameras to this location will assist in making the Central Avenue Corridor a safer place. With no language in the program stating they are not eligible, the decision falls to the EDA.

Questions/Comments from Members:

Szurek asked if the VFW had cameras. Murzyn Jr. said that they did not. Forney said that they applied but the project was held off until now so there could be one request for bids.

Szurek asked if the City has done business with Marco before. Forney said that they have used them for previous projects, but the City does still go out for bids and would also for future projects.

*Motion by Buesgens, seconded by Jacobs, to accept the proposal from Marco, in the amount of \$41,353.31, for the installation of security cameras and recording devices; and furthermore, to authorize the City Manager to enter into an agreement for the same. All ayes of present. MOTION PASSED.*

*Motion by Buesgens, seconded by Novitsky, to accept the form and substance of the Business Licensing Agreement and to authorize the executive director to enter into said agreements with Tasty Chicken and Pizza, Matt's Automotive, Lowell's Auto Repair, Fridley Heights Cyclery, and VFW Post 230. All ayes of present. MOTION PASSED.*

**OTHER BUSINESS**

Chirpich thanked the EDA for their service and adjusting their schedule to combine it with the last Council meeting of the year.

Szurek asked about the "sign on the corner of Central and 44th". Chirpich said that they worked with Alatus to update the sign.

Szurek said that Frattalone's shut down and asked when the Dollar Tree may vacate. Chirpich said that tentatively in July 2023 that the building will be completely vacated and demolished.

Márquez Simula thanked Staff, businesses, and the EDA for voting to allow the security cameras on Central Avenue and that it will be helpful for businesses to be able to work with the Police Department.

Herringer wished Staff and the EDA a happy holiday season.

Szurek asked thanked Staff for the work they do and answering her questions throughout the year. She wished everyone a Merry Christmas and Happy New Year.

**ADJOURNMENT**

*Motion by Márquez Simula, seconded by Buesgens, to adjourn the meeting at 5:55 pm. All ayes.*  
**MOTION PASSED.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alicia Howe". The signature is written in a cursive, flowing style.

---

Alicia Howe, Administrative Assistant