



CITY COUNCIL MEETING

November 22, 2021

7:00 PM

Fridley Civic Campus, 7071 University Avenue N.E.

MINUTES

CALL TO ORDER

Mayor Lund called the City Council Meeting of November 22, 2021, to order at 7:03 p.m.

PRESENT

Mayor Scott Lund
Councilmember Dave Ostwald
Councilmember Tom Tillberry
Councilmember Stephen Eggert
Councilmember Ann Bolcom
Walter Wysopal, City Manager
Scott Hickok, Community Development Director
Andrew Biggerstaff, City Attorney
Korrie Johnson, Acting Director of Finance

PLEDGE OF ALLEGIANCE

PROCLAMATIONS/PRESENTATIONS

None.

APPROVAL OF PROPOSED CONSENT AGENDA

Motion made by Councilmember Tillberry to adopt the proposed Consent Agenda. Seconded by Councilmember Bolcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES

1. Approve the Minutes from the City Council Meeting of November 8, 2021

OLD BUSINESS

2. Ordinance No. 1396, Amending the Fridley City Code Chapter 214, Signs (Second Reading)
3. Ordinance No. 1397, Amending the Fridley City Code Chapter 11, Fees, Amending Fees Charged for Signs and/or Billboards (Second Reading)

NEW BUSINESS

4. Resolution No. 2021-114, Approving Agreement for Energy Assistance Program with Minnesota Department of Commerce
5. Resolution No. 2021-116, Approving Gifts, Donations and Sponsorships Received Between October 16, 2021, and November 12, 2021

CLAIMS

6. Resolution No. 2021-118 Approving Claims for the Period Ending November 17, 2021.

ADOPTION OF REGULAR AGENDA

Motion made by Councilmember Bolkcom to adopt the regular agenda. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM, VISITORS: Consideration of Items not on Agenda – 15 minutes.

No one from the audience spoke.

REGULAR AGENDA ITEMS**NEW BUSINESS**

7. Resolution No. 2021-115, Cancelling an Interfund Loan in the Amount of \$840,000 for the 53rd Avenue Lift Station Improvement Project

Korrie Johnson, Acting Director of Finance, provided an overview of the consideration of Resolution No. 2021-115 canceling an interfund loan in the amount of \$840,000 for the 53rd Avenue lift station improvement project. She stated that the improvements were deemed necessary, and the lift station was not in the Capital Improvement Plan in 2020. A loan was initiated from the Community Investment Fund (CIF) to the Sanitary Sewer Fund on May 26, 2020, for up to \$840,000. The Sanitary Sewer Fund had sufficient cash reserves to pay for the project. She noted that the CIF will be charging a loan origination fee to the Sanitary Sewer Fund, explaining that the fee is 1.2 percent of the loan value, for a total of \$1,020. She stated the fee would cover staff time and logistics involved in initiating the loan. Staff recommends approval of Resolution No. 2021-115.

Councilmember Bolkcom stated that it is great the project was able to be funded without the loan.

Mayor Lund agreed noting that it will be nice to have those funds available for another use.

Motion made by Councilmember Bolkcom to adopt Resolution No. 2021-115, Canceling an Interfund Loan in the amount of \$840,000 for the 53rd Avenue Lift Station Improvement Project. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

8. Resolution No. 2021-117, Approving Proposed 2022 Rates and Fees for the Public Utilities and Solid Waste Abatement

Korrie Johnson, Acting Finance Director, presented consideration of Resolution No. 2021-117 approving 2022 utility rates which include water, sanitary sewer, storm water, and solid waste abatement. She reviewed the proposed 2022 budget calendar. She reviewed the general assumptions for the different utility rates over the next five years noting that the goal of the City is to have stable predictable rates over time. She reviewed the proposed 2020 rate highlights for the Solid Waste Abatement Fund noting a nine percent decrease for all customers, which equates to a savings of \$1 per quarter. She stated that recycling commodity pricing has rebounded, which means the recycled goods are worth more money. She stated that the 2022 recycling rate from Republic Services will be \$3.81 for the months January through April and \$3.03 for the months May through December.

Ms. Johnson stated the Water Utility Fund rate is proposed to have three percent fixed rate and variable rate increases for 2022. She highlighted other considerations for the fund including the repayment of the CIF interfund loans through 2026, a three percent increase in the utility rates in 2022 and continuing annually through 2026, a general decrease in water usage, and use of American Rescue Funds for capital projects. She provided highlights on proposed capital projects, noting \$8,740,000 in infrastructure projects from 2022 through 2026 and \$344,200 in equipment projects from 2022 through 2026. She noted that American Rescue Plan (ARPA) Funds totaling \$844,500 will be used for water infrastructure projects in 2023 and 2024. ARPA funding will allow the water fund to meet cash balance requirements, and no external debt issuances are anticipated for this fund from 2022 through 2026.

Ms. Johnson stated that the Sanitary Sewer Utility Fund is proposed to have three percent fixed and variable rate increases. She highlighted other considerations stating that the Metropolitan Council Environmental Services (MCES) charges comprise about 70 percent of the total fund expenses, noting that the increase from 2021 to 2022 is over five percent. She said the cancellation of the \$840,000 interfund loan from the CIF and noted that the three percent increase in utility rates in 2022 is proposed to continue annually through 2026. She provided details on proposed capital projects noting \$3,185,000 in infrastructure projects from 2022 through 2026 and \$283,300 in equipment projects from 2022 through 2026. She stated that American Rescue Plan (ARPA) Funds totaling \$1,620,000 will be used for sanitary sewer infrastructure projects in 2022, 2023, and 2024. ARPA funding will allow the sanitary sewer fund to meet cash balance requirements beginning in 2023 and no external debt issuances are anticipated from 2022 through 2026.

Ms. Johnson stated for the Storm Water Utility Fund a ten percent fixed rate increase is proposed for 2022, which equates to \$1. She stated that this assumes a ten percent increase in the utility rates in 2022 and will continue annually through 2025, with a three percent increase proposed for 2026. The increase is needed due to increasing capital and operational needs to comply with the new stormwater permit. In

2022, the fund will not meet the lower limit fund balance threshold. She noted that \$5,090,000 is planned in infrastructure projects from 2022 through 2026 and \$122,000 in equipment projects for the same period. American Rescue Plan (ARPA) Funds totaling \$480,000 will be used for storm water infrastructure projects in 2022 and no external debt issuances are anticipated from 2022 through 2026.

Ms. Johnson provided examples of different utility customer billing for both commercial and residential users. She also provided comparisons to other municipalities, noting that Fridley ranked 15 out of the 27 communities that participated. She stated that staff recommends approval of the proposed resolution adopting the proposed 2022 public utility and solid waste abatement rates as presented.

Mayor Lund recognized that the Council has discussed this topic previously. He noted that utilities are a business and increases are inevitable.

Ms. Johnson noted that the City is attempting to keep increases small and stable for residents.

Councilmember Bolkcom stated that ARPA is a great program and asked for details on when the funds must be used.

Ms. Johnson replied that Fridley received half the funds in 2021 and the remaining half will be received in 2022. She stated that the funds have to be used by 2026. She noted that Fridley plans to use the funds during the period of 2022 through 2025. She confirmed that the funds can only be used for certain purposes such as infrastructure and utility funds.

Councilmember Bolkcom commented that these funds are a great use for updating dated infrastructure.

Ms. Johnson agreed it is great for the City to use the ARPA funds in this manner as it helps the residents, commercial businesses, and improves the infrastructure.

Councilmember Bolkcom asked for more details on the stormwater permits.

Ms. Johnson stated that she would defer that question to a later date to allow her to gather additional information.

Councilmember Bolkcom commented that the stormwater permit requirements are mandated, and the City must comply.

Mayor Lund stated that for once, these mandates will be funded through ARPA rather than the City having to increase costs to support the mandates.

Councilmember Bolkcom noted that even though the funds will help, it will not cover the entire cost the City will incur from the mandates.

Councilmember Eggert stated that as a mature suburb, the infrastructure has been in existence for many decades and therefore the City has a program to update the infrastructure in order to continue to provide great service to the residents. He commented that there is more work for stormwater today because it

was not considered 50 years ago. He stated he is happy the City has a solid program to work through and maintain the utilities for its residents.

Motion made by Councilmember Eggert to adopt Resolution No. 2021-117, Approving Proposed 2022 Rates and Fees for the Public Utilities and Solid Waste Abatement. Seconded by Councilmember Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

INFORMAL STATUS REPORTS

Councilmember Bolkcom commented that she participated in the latest recycling day which was well run.

Mayor Lund wished everyone a happy Thanksgiving. It was confirmed that City offices are closed on Thursday and Friday for the holiday.

Councilmember Ostwald noted that the energy assistance program is currently open for those who need assistance on their energy bills. He stated that the program opened October 1 and runs through May 31. He noted that past due water bills are also being included for assistance, and that information can be found on the City website or by calling City Hall.

ADJOURN

Motion made by Councilmember Ostwald to adjourn. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:35 P.M.

Respectfully Submitted,

Melissa Moore
City Clerk

Scott J. Lund
Mayor