

**MINUTES OF THE REGULAR MEETING
CITY COUNCIL
LITTLE CANADA, MINNESOTA**

MARCH 23, 2022

Pursuant to due call and notice thereof a regular meeting of the City Council of Little Canada, Minnesota was convened on the 23rd day of March, 2022 in the Council Chambers of the City Center located at 515 Little Canada Road in said City.

Mayor John Keis called the meeting to order at 7:30 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL: Mayor Keis, Council Members McGraw, Fischer, Miller and Torkelson.
Absent: None.

ALSO PRESENT: City Administrator Chris Heineman, Public Works Director Bill Dircks, Parks & Rec/Community Services Director Bryce Shearen and Community Development Director Corrin Wendell.

MINUTES

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-40 – APPROVING THE MINUTES OF THE MARCH 9, 2022 WORKSHOP AND THE MARCH 9, 2022 REGULAR MEETINGS AS SUBMITTED

The foregoing resolution was duly seconded by Fischer.
Ayes (5). Nays (0). Resolution adopted.

ANNOUNCEMENTS

None.

PUBLIC COMMENTS

None.

CONSIDER A CONDITIONAL USE PERMIT FOR AN OVERSIZE GARAGE AT 2921 CONDIT STREET

The Community Development Director reported that Carlos Gutierrez, property owner of 2921 Condit Street, has applied for a conditional use permit for a 1,300 square foot garage. She explained that the applicant proposes to demolish his existing two-car garage and construct a new 26-foot by 50-foot attached garage with a new breezeway to connect the house to the garage. She stated the property is 0.51 acres and is a corner lot. She noted the Zoning Code allows single family properties to have an attached garage in excess of 1,000 square feet by Conditional Use. She reviewed the site plan and elevation drawings, and stated all of the setbacks and rear lot coverage requirements are met. She noted the siding and colors will match the existing house. She explained that since this house is on a corner, the 50-foot depth of the garage will be visible on Yorkton Ridge, so staff and the Planning Commission have asked for additional design requirements in order to visually break up the long wall and roof line of the north side. She noted the applicant will be installing two, eight-foot wide windows in that wall. She stated there will be a 4-foot fence also installed along the north property line, so the

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Council may feel that is enough to break up the scale of the building mass. She reviewed the conditions that are recommended for the approval.

Keis opened the public hearing. McGraw asked if the driveway would be replaced. Carlos Gutierrez stated the concrete driveway will not be replaced, but the existing class 5 parking area will be paved. He does not want to reduce the 10-12 pitch of the roof since it matches the house, and would reduce the storage area in the upper level of the garage. He stated that he would rather add a dormer on the north side. He noted there are three or four trees, a berm and a Lilac bush along the north boulevard that will remain.

There were no comments from the public. Upon motion by McGraw, seconded by Torkelson, the public hearing was closed.

Torkelson introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-41 – APPROVE A CONDITIONAL USE PERMIT FOR A 1,300 SQUARE FOOT ATTACHED GARAGE AT 2921 CONDIT STREET, PID 062922130060 (LOT 3, BLOCK 1, YORKTON RIDGE ESTATES), SUBJECT TO THE FOLLOWING CONDITIONS:

- 1. NO BUSINESS ACTIVITIES SHALL OCCUR WITHIN THE GARAGE STRUCTURE***
- 2. THE PARCEL SHALL NO LONGER BE ELIGIBLE FOR AN ACCESSORY SHED***
- 3. ADD WINDOWS TO THE GARAGE DOOR FACING CONDIT STREET***
- 4. BREAK UP THE SCALE OF THE GARAGE WALL THAT FACES YORKTON RIDGE WITH THE ADDITIONAL MODIFICATIONS:***
 - ADDITION OF 2 WINDOWS TO NORTH GARAGE WALL***
 - THE PITCH OF THE ROOF MUST MATCH THE HOUSE AND ADD A DORMER, OR SIMILAR FEATURE, TO THE NORTH ROOF LINE***

The foregoing resolution was duly seconded by McGraw.
Ayes (5). Nays (0). Resolution declared adopted.

CONSIDER A VARIANCE FOR A REDUCED SIDE-YARD SETBACK AT 209 RYAN DRIVE

The Community Development Director stated that Roger Stanke, property owner of 209 Ryan Drive, has applied for a Variance to allow a reduction in the side yard setback requirement from 20 feet to 8 feet to accommodate a new building addition. She stated that this property is zoned, I-1 Industrial and is about one acre in size in the Ryan Industrial Park. She reported the applicant is proposing to construct a 1,360 square foot addition (34 feet by 40 feet) to the west side of his existing commercial building. She explained that due to the long and narrow parcel shape, property size, existing building layout, poor soils and wet conditions, the applicant was very limited on where the addition could be added. She stated the Zoning Code requires a 20-foot side yard setback in Industrial Districts.

The Community Development Director explained that if there are unique circumstances with the property, then a variance could be considered. She showed a floodplain map that shows the floodplain

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extends over the south and east side of the property, and soil testing on the east side showed 45 feet of peat and bad soils before hitting buildable soil. She noted the water table levels are very high due to a nearby creek. She explained that these physical factors cause the request to meet the practical difficulty criteria under Minnesota Law. City staff does not find this proposal to be detrimental to the public health, welfare or injurious to other properties nearby, and the proposed addition is reasonable and consistent with the I-1, Industrial zoning district as well as the neighboring area.

Keis opened the public hearing. Roger Stanke, owner of 209 Ryan Drive, stated they originally were going to tear down the part of the building that was built in 1974 and build a 200 foot structure, but after soil testing was done, it was determined a lot of soil corrections would need to be done. He explained the business has grown a lot and they use large CNC machines so more space is needed.

There were no additional comments from the public. Upon motion by Keis, seconded by Fischer, the public hearing was closed.

Torkelson introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-42 – APPROVE THE VARIANCE AT 209 RYAN DRIVE, PID 313022340011 (LOT 1, BLOCK 1, RYAN INDUSTRIAL PARK), TO ALLOW A REDUCED SIDE YARD SETBACK OF 8 FEET ON THE WEST SIDE TO ACCOMMODATE A BUILDING ADDITION, BASED ON THE FOLLOWING FINDINGS OF FACT:

- 1. The property is found to be of unique circumstance because of the challenging soils, high ground water, and the development configuration is the best and highest use of the site to be able to construct the addition.***
- 2. City staff does not find this proposal to be detrimental to the public health, welfare, or injurious to other property in the territory in which the property is situated.***
- 3. The physical factors of the property are the main reason for the variance request in that it produces an extreme hardship that is limited to the topography and wetland located on the site. In addition, under Minnesota law, we find that practical difficulty has been met, meaning (1) the property owner proposes to use the property in a reasonable manner permitted by the ordinance, (2) the owner's plight is due to circumstances unique to the property not created by the property owner.***
- 4. The request for variance is not based on an economic hardship and solely based on the physical aspects of the site and is the best and highest use of the property.***

The foregoing resolution was duly seconded by Miller.
Ayes (5). Nays (0). Resolution declared adopted.

CONSENT AGENDA

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-43 – APPROVING THE CONSENT AGENDA WHICH CONTAINS THE FOLLOWING:

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- Approval of the Vouchers
- Approve Contract with RES Pyro for Canadian Days Fireworks on July 29 & 30, 2022

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution adopted.

4th QUARTER FINANCIAL REPORT AND YEAR-END CLOSE

The Finance Director stated that the auditors will be coming in May to give their presentation about the City's 2021 annual comprehensive financial report. She explained that budget revenues continue to be at the lowest percentage of budget collected when compared to the last five years. This is due to the sheriff's reimbursement that was not received in 2021. She stated that 2020 revenues were higher than previous years due to the one-time CARES Act fund and FEMA reimbursement funds that were received in 2020.

The Finance Director reported that property tax collections were 99.22% for 2021, which is the highest level in the last 5 years. She stated liquor license revenue reflects the reduction in fees that were granted to acknowledge the loss of sales that these establishments experienced during the pandemic. The number of building permits issued in 2021 are higher than 2020, but valuation of the building permits is trending lower than 2020. This is causing the permit revenue to be lower than 2020. The Finance Director reported that fine revenue was higher in 2021 when compared to 2020, since there was a decrease in traffic stops at the beginning of the pandemic, and investment income is down due to the low interest rate environment that continued to occur in 2021.

The Finance Director reported that As of December 31st, actual expenditures are at 95.77% of the budget. She noted this is the lowest percentage in the last five years. She explained that the lower percentage of expenditures to budget can largely be attributed to savings in the public works department for salt purchase savings, and salary savings from the Public Works Maintenance position that was vacant during the 1st half of 2021.

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-44 – ACCEPT THE 4TH QUARTER 2021 FINANCIAL REPORT AS PRESENTED

The foregoing resolution was duly seconded by McGraw.
Ayes (5). Nays (0). Resolution declared adopted.

2021 GENERAL FUND BUDGET AMENDMENTS

The Finance Director stated that the Council is requested to consider amending the 2021 General Fund budget for activity that was not included in the Original 2021 Budget. She explained that the City is required by State Statute to pay the Fire Relief Association for all the payments received by the City from the State of Minnesota for the Fire Relief Aid. The City budgeted \$58,000 for Fire Relief Aid, but received \$70,980, so staff is proposing to increase the revenue and expenditure account by \$12,980. The Finance Director reported that emerald ash borer (EAB) was discovered in the City in 2021, and the Canadian Days Committee donated \$6,556 for the removal of several trees in Spooner

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Park, so staff is proposing to increase the revenue and expenditure accounts by \$6,556, and move \$6,000 from Council Contingency Fund to Shade Trees Fund for the amount EAB treatment and tree removal costs that are over the Original Budget amount.

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-45 – APPROVE AMENDING THE 2021 GENERAL FUND BUDGET REVENUES BY \$19,536 AND EXPENDITURES BY \$25,536 TO RECOGNIZE REVENUES THAT WERE RECEIVED OVER THE ORIGINAL BUDGET AMOUNTS AND EMERAL ASH BORER EXPENSES

The foregoing resolution was duly seconded by Keis.
Ayes (5). Nays (0). Resolution declared adopted.

2021 TRANSFER FROM GENERAL FUND TO GENERAL CAPITAL IMPROVEMENTS FUND

The Finance Director explained that per the City’s Fund Balance Policy, the City will strive to maintain an unassigned minimum fund balance in the General Fund in the range 42.5% to 65% of the subsequent year’s budget expenditures. She stated if the unassigned fund balance rises above the desired range; excess funds will be transferred to the General Capital Improvements Fund. She explained that the General Capital Improvements Fund is used for capital improvements including building maintenance and repairs, public works equipment, park improvements, and Emerald Ash Borer removal and replacement. She noted that currently, the primary source of funding for this fund is 80% of the Local Government Aid (LGA) funds that the City receives each year and periodic transfers from the General Fund. There is approximately \$1.2 million planned in expenditures in this fund per year over the next five years.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-46 – APPROVE A TRANSFER FROM THE GENERAL FUND TO THE GENERAL CAPITAL IMPROVEMENTS FUND IN THE AMOUNT OF \$900,000 EFFECTIVE DECEMBER 31, 2021, PER THE CITY’S FUND BALANCE POLICY

The foregoing resolution was duly seconded by Fischer.
Ayes (5). Nays (0). Resolution declared adopted.

RECEIVE AND AWARD BIDS FOR 2022 IMPROVEMENT PROJECTS

The Public Works Director reported that on March 10, 2022, the bids for the were opened for the 2022 Street Improvements Projects on Yorkton Ridge, Maple Lane & Jackson Street, Ryan Drive, and Woodlynn Avenue. He stated that OMG Midwest, Inc. was the lowest bidder with a total bid amount of \$1,329,210.94. The City of Little Canada has contracted with OMG Midwest, Inc. on similar projects in the past and have found their work to be timely with good workmanship.

The Public Works Director noted that approximately \$150,000 is owed to the Ramsey-Washington Metro Watershed District, for the city’s share of the Ryan Drive Culvert Replacement Project. This is

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a cost outside of this construction contract and will be paid for with the remaining Capital Improvement Plan funding that was budgeted. The Public Works Director reported that the street improvements will be funded through the City's Infrastructure Capital Improvement Fund, and special assessments; the utility improvements will be funded through the City's Infrastructure Capital Improvement Fund and Coronavirus Response, along with \$36,618 in Relief Supplemental Appropriations Act funds.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-47 – AWARD THE BID FOR THE 2022 STREET IMPROVEMENT PROJECTS TO OMG MIDWEST, INC. IN THE AMOUNT OF \$1,329,210.94

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution declared adopted.

RECEIVE AND AWARD BIDS FOR RONDEAU PARK IMPROVEMENTS

The Parks & Rec/Community Services Director reported that on March 11, 2022, the bids were opened for the 2022 Rondeau Park Improvements Project. He explained the improvements include new sidewalks and trails throughout the park, drainage improvements near the basketball court, drainage and grading to accommodate new shelter and playground, and tree and landscaping plantings. He stated that Sunram Construction, Inc. was the lowest bidder with a total bid amount of \$139,166.96. The City of Little Canada has worked with Sunram Construction, Inc. on similar projects in the past and has found their work to be timely with good workmanship.

The Parks & Rec/Community Services Director stated that in addition to the park improvement bids, staff also received a quote from St. Croix Recreation for the poured-in-place rubber surfacing. He explained that poured-in-place rubber surfacing offers one of the best surfaces for ADA accessibility and longevity. He noted the quote utilized state contract pricing and includes a discount since the City purchased the playground equipment from St. Croix Recreation, so they will already be on site.

The Parks & Rec/Community Services Director explained that the Rondeau Park improvements will be funded through the American Rescue Plan Act funds (ARPA) and the City's General Capital Improvement Fund. Staff recommends utilizing ARPA funds in the amount of \$506,768.56 and General Capital Improvement Funds in the amount of \$23,450.00. He noted the City received the first half of ARPA funds in the amount of \$533,786.39. Keis clarified that the playground equipment and picnic shelter have already been purchased and paid for.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-48 – AWARD THE BASE BID PLUS ALTERNATE BID FOR THE 2022 RONDEAU PARK IMPROVEMENTS PROJECT TO SUNRAM CONSTRUCTION, INC. IN THE AMOUNT OF \$139,166.96

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The foregoing resolution was duly seconded by Keis.
Ayes (5). Nays (0). Resolution declared adopted.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-49 – APPROVE THE PURCHASE OF POURED-IN-PLACE RUBBER SURFACING FROM ST. CROIX RECREATION FOR \$119,470.00

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution declared adopted.

CLASSIFICATION & COMPENSATION STUDY AND IMPLEMENTATION PLAN

The City Administrator stated that at the Council Workshop on February 23, 2022, Dr. Tessia Melvin from DDA Human Resources, Inc. presented the results of the classification and compensation study. He noted this study provides an updated compensation system that is clear and easy to understand which will help with the retention and ability to attract and hire staff. He explained the classification and compensation study included an analysis of our current compensation plan for compliance in the Minnesota Pay Equity Program, and as a result, DDA Human Resources recommended an update to our current pay plan to include 15 pay grades and 7 steps for each grade.

The City Administrator explained that following the February Workshop, the City Council referred the study to the City Council Personnel Committee for further consideration. He reported that a Personnel Committee meeting was held on March 8, 2022 and Dr. Melvin joined the meeting to explain how the salary data from other cities was used to compare to positions in Little Canada. He reported that the Personnel Committee reviewed the proposed pay grades and grid, and discussed the details and financial impacts on implementing this new compensation system. After discussion, the Committee recommended City Council approval of the revised pay grid system as proposed with employees placed in recommended steps and a mid-year implementation date of June 29, 2022.

The City Administrator reported that the total impact to the current budget for implementing the new pay grid system as proposed is approximately \$32,560. This would be split between \$18,400 from the General Fund and \$14,160 from the Water and Sewer Fund. He noted the adopted 2022 budget includes a Council Contingency line item in the amount of \$53,480 which can be utilized to implement the classification and compensation study.

Keis asked if this would affect all employees. The City Administrator stated this will positively impact each and every employee.

Fischer stated he was impressed with DDA Human Resources, Inc., and stated this was the first comprehensive compensation assessment done in a very long time. He noted this will cost money, but it was the right thing to do for our employees. McGraw stated he was also very impressed with Dr. Melvin, and with how Council member Fischer asked detailed questions. He noted the City has very good employees and they should be paid as very good employees. He suggested that the City should repeat a compensation study like this every four or five years.

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Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-3-50 – APPROVE THE PAY GRADES AND PAY GRID DEVELOPED BY DDA HUMAN RESOURCES, INC. AND ADOPT THE JUNE 29, 2022 IMPLEMENTATION DATE AS PRESENTED

The foregoing resolution was duly seconded by McGraw.
Ayes (5). Nays (0). Resolution declared adopted.

COUNCIL REPORTS & MEETING UPDATES

McGraw reported that the Executive Director position for Nine North has now been posted and the process is anticipated to take about eight months. He noted they are doing a national search.

Fischer reported that the Fire Department Long-Range Planning Committee met and spent time discussing the building needs over the next few years. He noted that the City saved 15% on the cost of the new ladder truck by approving the purchase a couple of months ago, as the vehicle prices were recently increased again. He stated the Fire Relief Association met and they will be due a substantial increase in their contribution since their investments did well, so that will be coming before the City Council soon.

Torkelson announced that Lennar will be hosting a neighborhood meeting tomorrow night about their proposed townhome development on the Heinel property along County Road D.

There being no further business, the meeting was adjourned at 8:41 p.m.

John T. Keis, Mayor

Attest:

Christopher Heineman, City Administrator