

1. Call to Order. The regular meeting of the City Council of the City of Rogers was called to order by Mayor Ihli on Tuesday, March 26, 2019 at 7:00 p.m. at Rogers Community Center, 21201 Memorial Drive, Rogers, MN, 55374.

Council present: Mark Eiden, Bruce Gorecki, Rick Ihli, Shannon Klick, and Darren Jakel.

Staff present: Paul Byun, Deputy Clerk/Communications Coordinator; Bob Vose, City Attorney; Lisa Herbert, Finance Director; Stacy Scharber, Assistant City Administrator; John Seifert, Public Works Director; Steve Stahmer, and City Administrator; Bret Weiss, City Engineer; Jason Ziemer, City Planner/Community Development Coordinator; and Brad Feist, Fire Chief.

2. Open Forum

Sue Blee, 14165 James Road, Massage Envy

Here to speak on behalf of the massage therapists that apply. Issue with certification/diploma in hand at time of application. 500 hours required nationwide, no issues with establishment license, but have issues with the individual massage therapists license. Looking to get ordinance reviewed and requesting change to just have 500 hours, they are losing therapists to surrounding communities. Another issue is proof of citizenship- need to wait for weeks at minimum for license or passport before beginning hands on work.

3. Presentations

None.

4. Approve Agenda

The agenda was set as submitted.

5. Consent Agenda

- 5.1** Approval of March 12, 2019 City Council Meeting Minutes
- 5.2** Approval of Bills and Claims
- 5.3** Approval of Resolution No. 2019-21, A Resolution Granting Municipal Consent for the Minnesota Department of Transportation Project - Interstate 94 Unbonded Overlay
- 5.4** Approval of Resolution No. 2019-22, A Resolution Declaring May 18, 2019 as the Rogers Clean-Up Day
- 5.5** Approval of Resolution No. 2019-23, A Resolution Recognizing National Public Works Week for 2019
- 5.6** Approve a Dispatch Agreement between the City of Otsego, the City of Albertville Fire Department, the City of Elk River Fire Department, the City of Rogers Fire Department, and the Wright County Sheriff's Office Dispatch Center
- 5.7** Approval of Massage Establishment License and Massage Therapist License for Elisabeth Turner
- 5.8** Approval to Purchase Replacement Network Router
- 5.9** Approval of Special Event Permit for Rogers High School Tot Trot/5k Color Run on Saturday, May 18, 2019

- 5.10** Authorization to Call for Public Hearing to Vacate Public Road Rights of Way and Easement for Portions of Northdale Blvd.
- 5.11** Approval of Tree Top Clearing Inc Proposal for Work to be Completed at Reservoir Fields
- 5.12** Approval of Resolution No. 2019-28 Approving Amendments to the Designated Municipal State Aid Street System for the City of Rogers, Minnesota
- 5.13** Approval of Resolution 2019-24, A Resolution Awarding Cropland Rental Agreements
- 5.14** Approval of Resolution 2019-29, a Resolution Supporting Legislation to Eliminate the Statutory Exemption Preventing Hennepin and Ramsey Counties from Receiving Motor Vehicle Lease Sales Tax Revenue

Klick, pull item 5.1.

Eiden moved, Jakel seconded a motion to approve the consent agenda less item 5.1. Motion carried 5-0.

Eiden moved, Jakel seconded a motion to approve 5.1. Motion carried 4-0-1. Klick abstaining due to absence at previous council meeting.

6. Public Hearings

None.

7. General Business

7.1 Consider Resolution No. 2019-30, Approving a Request form NLD Rogers, LLC to Except 13101 and 13105 Main Street from the Interim Ordinance.

Ziemer's Presentation Highlights: Minnie's Diner Site Redevelopment

- Proposed Project
 - Replat entire block, including gas station
 - Redraw lot lines
 - Create two (2) new lots for redevelopment
 - Redevelop Minnie's Diner site
 - Remove existing 4,020 square foot restaurant space
 - Construct two (2) commercial buildings
 - New, freestanding restaurant: 3,400 square feet
 - New, multi-tenant building: 5,160 square feet (2,000 sf coffee shop; 3,160 sf retail/office space)
- Interim Ordinance (Moratorium)
 - Council approved Ordinance No. 2019-01 on February 26, 2019
 - Interim Ordinance pauses physical development related to zoning, subdivision, site plans, etc.
 - Only areas affected are properties to be guided Commercial & Mixed Use
 - Ordinance in affect during study period – 2040 Comprehensive Plan & Zoning updates
 - Ordinance duration
 - Through December 31, 2019
 - May be lifted early, or extended if necessary

- Ordinance exceptions
 - Proposed development must meet intent of 2040 Plan
 - Existing zoning, subdivision & other officials controls are adequate to protect planning process
- Developer requires approved exception in order to proceed
 - Ordinance conditionals final approval of applications requesting PUD until planning work is complete
- Evaluation of Request
 - Exception Request
 - Exception includes 2 sites necessary to make application
 - Former Minnie's Diner Site, 13105 Main Street
 - Gas station site, 13101 Main Street
 - End use(s) of site post-development: restaurant, coffee shop & retail/office space
 - Type of application not under consideration
 - Developer proposing to apply for: Preliminary & Final Plat, Site Plan & Variance to reduce parking
 - Not evaluating or approving plat, site plan; only granting ability to apply & go through review process
 - Land Use & Zoning of property
 - Current Comprehensive Plan: *Mixed Use-Regional*
 - Current Zoning: *Retail Business (B-1)*
 - Proposed Comprehensive Plan: *Commercial*
- Determinations
 - Change in Land Use per Comprehensive Plan is from Mixed Use-Regional to Commercial
 - Current zoning is commercial (B-1); end zoning will also be commercial
 - Uses are permitted by current commercial zoning; will be permitted with future zoning
- Findings
 - Proposed development clearly meets intent of 2040 Comprehensive Plan
 - Existing & future zoning & official controls are adequate to support the development, protect the planning process
- Recommendations
 - Approve exception based on determinations & findings as stated

Jakel moved, Eiden seconded a motion to approve Resolution No. 2019-30, A Resolution Approving the Exception of 13101 and 13105 Main Street, from the Interim Ordinance, Allowing NLD Rogers, LLC to Proceed Through the City Review and Approval Process for Site Plan, Preliminary Plat, Final Plat and Variance and development of the site. Motion carried 5-0.

7.2 Approve Resolution No. 2019-25, A Resolution Approving a Site Plan Amendment from Alside for 20015 South Diamond Lake Road

Ziemer's Presentation Highlights: Alside Site Plan

- Application

- Site Plan
- Timelines
 - Submittal: 02/06/2019
 - Completeness review: 02/27/2019
 - 60 day review: 04/28/2019
 - Planning Commission: 03/19/2019
 - City Council: 03/26/2019
- Building Site Plan
 - Add two (2) garage doors to North elevation; remove five (5) parking spaces
 - Add two (2) additional dock doors on West elevation
- Fence Site Plan Amendment
 - Relocate fenced outdoor storage area from Building 3 to Building 2
 - Reduction outdoor storage area at Building 3: 34,400 sf
 - Add outdoor storage area at Building 2: 20,000 sf
 - Fence height match existing: 10 feet
 - Maximum height approved with 2006 Conditional Use Permit (CUP)
- Outdoor storage permitted by CUP
 - Maximum 20% of building area
 - Resolution No. 2018-72 amended 2006 CUP to allow up to maximum allowed by Code (20%)
 - Both buildings will be under maximum allowed (51,840 sf)
- Land Use & Zoning
 - Land Use: *Institutional*
 - Zoning: *Single-Family Residential (R-2)*
 - Overlay District: None
- Recommendations & Action Items
 - Planning Commission Recommendations
 - Recommended approval of Site Plan for Building 2, allowing addition of two (2) garage doors & two (2) additional dock doors
 - Recommend approval of Site Plan amendment to relocate outdoor storage from Building 3 to Building 2
 - Conditions
 - As stated on Resolution No. 2019-25

Eiden moved, Klick seconded a motion to approve Resolution 2019-25, A Resolution Approving a Site Plan Amendment from Alside for 20015 South Diamond Lake Road. Motion carried 5-0.

7.3 Two Items Regarding Requests from Independent School District No. 728:

- **Approval of Resolution No. 2019-26, A Resolution Approving a Variance Allowing Fencing to Exceed the City Code Maximum for Fence Height**
- **Approval of Resolution No. 2019-27, A Resolution Granting Site Plan Approvals for the Construction of New Tennis Courts at Rogers High**

**School, 21000 141st Avenue, and Installation of Chiller Units at
Rogers Middle School, 20085 141st Avenue**

Ziemer's Presentation Highlights: School District Site Plans

- Site Plans
 - Application
 - Site Plan
 - Variance (fence height)
 - Timelines
 - Submittal: 02/01/2019
 - Completeness review: 02/25/2019
 - 60 day review: 04/26/2019
 - Planning Commission: 03/19/2019
 - City Council: 03/26/2019
- Land Use & Zoning
 - Land Use: *Institutional*
 - Zoning: *Single-Family Residential (R-2)*
 - Overlay District: None
- Application
 - Site Plan – Rogers High School
 - Construction of eight (8) new tennis courts
 - Previously slated for tennis courts with site plan for High School
 - Lot coverage: 39% (75% maximum)
 - Parking: 20 spaces immediately adjacent; 158 total spaces
 - Landscape: turf (grass), 12 total trees
 - Fencing: perimeter & interior for court separation
 - Site Plan – Rogers Middle School
 - Installation of chiller units
 - Lot coverage: 46% (75% maximum)
 - Fencing: perimeter
- Recommendations & Action Items
 - Planning Commission Recommendations
 - Recommended approval of Variance to 10-foot fence height (w/findings per Resolution)
 - Recommend approval of Site Plans
 - Conditions
 - None
 - Additional Point(s)
 - Future of existing tennis courts at Middle School

Ziemer, possibility to retain the six courts at the Middle School site to be brought forward to City Council for further discussion.

Eiden, sewer is next to the building?

Ziemer, it was a location that made sense for the school district.

Eiden, why is the coolant on the roof?

Ziemer, there is no one from the school district that can answer that question tonight.
Jakel, just making the comment that they should make sure that is enough sound reduction.
Ihli, I don't see an issue with the location.

Jakel moved, Gorecki seconded a motion to approve Resolution No. 2019-26, A Resolution Accepting the Planning Commission recommendation to approve the Variance request to allowing fences for tennis court at Rogers High School, 21000 141st Avenue North, and chiller unit at Rogers Middle School. Motion carried 5-0.

Jakel moved, Eiden seconded a motion to approve Resolution No. 2019-27, A Resolution Accepting the Planning Commission recommendation to approve the Site Plan for the tennis courts at Rogers High School, 21000 141st Avenue North, and chiller units at Rogers Middle School, 20085 141st Avenue North. Motion carried 5-0.

7.4 Approve Development Agreement with Lhjerv Inc. for Primrose Schools of Rogers

Ziemer, Primrose will need approval for the development agreement in order to continue in development process. They will need to pay their fees/apply for a building permit to begin construction.

Eiden invited the applicant forward for a question.

Eiden, allowed use and looks like a great development. This would be the 5th child care facility in town. I assume there is a need for it. Has Primrose done a market study?

Applicant, building can hold about 180 children. Primrose is incredible supportive and already have their areas selected; three areas they were looking at to develop. Primrose is very focused on early education component.

Eiden moved, Klick seconded a motion to approve the Development Agreement between the City of Rogers and Lhjerv, Inc. for Primrose Schools of Rogers. Motion carried 5-0.

7.5 2018 Year End Closing Activity

Herbert's presentation:

Updated on 2018 Year End Fund Balance:

With the finalization of the 2018 audit still underway, the year-end 2018 General Fund budget variance is projected to be positive. A final Fund Balance increase of approximately \$235,000 for 2018 is likely. The City Council General Fund/Fund Balance Policy is a minimum of 45-50% (of the following year's budgeted expenditures). The City has maintained between a 59-64% Fund Balance since 2013. Maintaining a healthy Fund Balance is critical to both the overall financial health of the City, but also in retaining our AA+ Bond Rating which affects future bonding results including desirable interest rates. To keep the Fund Balance % relatively flat, the \$235,000 increase in Fund balance over 2017 year end, would need to remain in the General Fund. If the City Council choses to discuss a spend down or reallocation of Fund Balance, it is strongly recommended to review the City's overall financial goals and only consider it in the case of an emergency or one time intentional spend down and not for an ongoing operational need. Additional

conversation is anticipated by the City Council, as is done routinely, discussing the City's overall goals and finances.

While the information below presents largely routine accounting entries in nature, they also provide useful current information and requires formal approval by the City Council.

2018 Transfers – upon finalizing all 2018 previously authorized transfers, several additional transfers are being recommended:

· **Streets:**

Transfer \$27,700 from Fund 100 General Fund (unspent budget occurred within the Paved Streets Department 100-430-3121 MSA Maintenance and Street Repairs) to Fund 401 Pavement Management Program (PMP). The monies are part of unspent MSA (maintenance dollars) funding for the past year. The PMP requires additional approvals for spending as they relate to the program. These funds will continue to be spent on MSA eligible projects.

Transfer \$14,350 from Fund 100 General Fund (unspent budget occurred within the Unpaved Streets 100-430-3122 Gravel & Dust Control) to Fund 402 Revolving Capital Improvement Projects (Transportation Fund) Unpaved Streets Sinking Fund (402-000-0000-10100-4015). These funds will be considered for use as part of necessary capital projects related to unpaved streets as per discussions during budget workshops and Transportation Task Force Meetings. Any sinking fund spending must be authorized by the City Council at such future date project funding is requested.

· **Debt Service Fund:**

Transfer \$46,758.88 from Fund 334 2011A G.O. Improvement Bonds Equipment Certificates to Fund 400 Capital Improvement Projects (buildings and equipment) to close the fund (UMD restricted cash account 5009). The bonds were defeased in 2018 with all debt payments having been paid on this issuance.

· **Capital Project Fund:**

Transfer \$138,809.54 from Fund 417 Reimer Addition (Town Center Development)/Lyndhaven Meadows to Fund 438 Storm Sewer Trunk Fund (restricted cash account 5010) for the completion of the 129th Avenue Wetland Outlet Pipe not completed with the original project.

· **TIF and related transfers:**

Transfer \$17,141.38 from TIF#15 Wellstead Housing Fund 461 to TIF#12 202 Housing Fund 458 related to administrative costs. The total maximum allowable administration costs for TIF#12 over the life of the TIF District were exceeded in 2017 and 2018. The TIF#15 budget has room within the administrative budget to allow for the transfer. All TIF Districts are reviewed and evaluated periodically to make sure all Statutory requirements are being met. Ehlers and Associates, the City's TIF Financial Advisors have recommended this transfer. The City could have also chosen to amend the TIF#12 Budget, however, there are significant costs associated with an amendment, therefore the more reasonable adjustment is being recommended.

TIF#1 has a balance of \$645,716.19. TIF #1's current primary funding commitment is for the Fletcher Bypass Project - preliminary design and ROW acquisition.

Potential future revenues for TIF#1 include reimbursement for potential future TIF District Lloyd/Justen (Downtown) Project#1606 for \$442,010, potential final reimbursement for the 101/144

Interchange Project, or the sale of land parcels purchased by TIF#1 (ie. former Holiday Gas Station property), should the City Council determine it is beneficial.

The TIF#1 Plan was amended in 2011 prior to its expiration. The Amended Plan includes these remaining eligible expenditure purposes: 129th Avenue/Main Street (CSAH 150) Memorial Drive realignment supporting the downtown area; CSAH 13 (Brockton Lane) from CSAH 81 to CSAH 144 intersection supporting industrial/commercial traffic flow; Fletcher Bypass Phase I, Industrial Boulevard to CSAH 144 Phase I supporting industrial/commercial/residential traffic flow; Downtown acquisition of right of way for transportation and economic development purposes; Downtown redevelopment planning; feasibility studies and related activities needed to support Federal, State and County project funding and grant applications for grants that support economic development or redevelopment of the Development District as a whole.

As identified above, unless the potential future revenues are realized, the declining balance in TIF#1 will cause the approach of decertification in the coming few years.

2018 Budget Carryover – upon yearend review of our budget to actual expenditures there is one City budget carryover being requested by staff for 2018. This item was not included in the 2019 budget discussions.

Request account number 100-430-3121-45800 Paved Streets MSA Capital Equipment unspent budget of \$8,988, to be carried over to the same account for 2019. This request is to complete the recondition work on the 2000 IT28 Caterpillar Front End Loader which was funded by the 2018-19 Interfund Loan and MSA dollars.

Interfund Loans – The City currently has two ongoing interfund loans approved within our annual budgets. They are the 1) Rogers Activity Center (RAC) Capital Project Loan, 2) 2018-19 Equipment Financing Loan.

1) In 2020 the RAC capital interfund loan (capital campaign shortfall) will be repaid. At that time it will alleviate the current levy's additional need for the interfund loan repayment of the original capital building costs by approximately \$110,176 per year (the \$85,000 RYHA & Booster Club original 20 year commitment will be met in 2027).

After review of our existing RAC Capital Project Interfund Loan from the RSAC Fund, the current loan balance at 12/31/18 is \$296,713. The \$1.00 per ticket sale price revenue increased anticipated loan repayment revenues by \$3,976 for 2018. The 2009 City Council action allowing for a 0% interest interfund capital loan continues to allow every donation made by the Rogers Youth Hockey Association, Rogers Royals Booster Club, and other private donations to be applied to "brick and mortar" costs for the project. It also shortened the original interfund loan term to approximately 13 years rather than the original 20 years anticipated. The 2018 RAC special revenue fund operational levy of \$261,364 covered the interfund loan annual principal payment with a levy of \$110,176 for the City contribution share (made in lieu of capital campaign shortfall at the onset of the project). The \$3,976 gate receipt donations, the \$85,000 donated annually by the RYHA (\$65,000) and Booster Club (\$20,000), plus the City levy of \$110,176, totaling \$199,152, reduced the interfund

loan during 2018. The 2006A Gross Revenue Bonds were refinanced in 2015 as the 2015A GO Improvement and Abatement Bonds reducing the annual principal and interest payments for the RAC. The total estimated interest savings due to the refinancing of the bonds is \$691,000 over the life of the bonds. The 2019 annual Debt Levy is \$210,381. The principal amount remaining on the Refunding Bonds as of 12/31/18 is \$1,945,000 and will expire in 2029.

2) The City Council authorized the use of an interfund loan versus issuance of an equipment certificate to finance 2018-2019 capital equipment. This saves the City issuance costs typical with bonding that include Municipal Advisors, Bond Rating Agencies and Legal and Underwriting costs. The smaller the bond issue the larger percentage the issuance costs play into the overall cost to borrow money. The interfund loan was created on 3/31/18, with a not to exceed amount of \$951,023, with an interest rate of 2%, for a 5 year term for City equipment and 2.2% for an 8 year term for a Fire Truck. The interfund loan principal balance is \$655,699.97 as of 12/31/18. The annual interfund loan levy for payment in 2019 is \$170,527.

3) The Public Works Facility Interfund Loan Debt and 2016-2017 Equipment Interfund Loans were both paid off at 12/31/18 per City Council authorization and use of General Fund/Fund Balance and Under-served Municipalities Distribution (UMD) Funding.

2018 Close Funds -

After the 2018 year end analysis, it has been determined that the following funds can be closed:

Fund #334 2011A G.O. Improvement Bond Eq Certs - Transfer from Fund 334 to Fund 400 (UMD Restricted Cash Account 5009) and Close Fund

Fund #417 Lyndhaven Meadows - Transfer from Fund 417 to Fund 438 (Storm Sewer Trunk Restricted Cash Account 5010) and Close Fund

Fund #435 Boulder Pass/Pulte Homes - Old Fund - No Transfer is necessary to Close Fund

Fund #436 Shaniahs Field - Old Fund - No Transfer is necessary to Close Fund

Fund #456 TIF#10 Belgarde - Old Fund - No Transfer is necessary to Close Fund

Fund #457 TIF#11 Marfield - Old Fund - No Transfer is necessary to Close Fund

Gorecki asked about the \$235,000. Herbert stated \$235,000 in fund balance increase keeps us just under 64%.

Jim Kelly, road management funds being transferred?

Herbert, yes. Unused road management funds are transferred over to another fund related to road management.

Jakel moved, Gorecki seconded a motion to Authorize the 2018 transfers, Budget Carryovers and Closing of Funds as Identified In Agenda Memo as of 12/31/18. Motion carried 5-0.

8. Other Business

None.

9. Correspondence and Reports

None.

10. Adjourn

Mayor Ihli adjourned the meeting at 7:42 p.m.

Respectfully submitted,

Paul Byun
Deputy Clerk/Communications Coordinator