

UNAPPROVED

COON RAPIDS CITY COUNCIL MEETING MINUTES OF DECEMBER 20, 2011

OPEN MIC/PUBLIC COMMENT

Donna Naeve, 535 127th Lane, shared her concerns about the lack of directional signage for the Main Street reconstruction project. She asked for the City's assistance in contacting the County to add clearer detour signage.

Mayor Howe stated that staff will contact Anoka County regarding Ms. Naeve's concern, adding that attendees for the recent North Metro Mayors Association meeting at The Harvest Grill traveled through Bunker Hills Park.

CALL TO ORDER

The second regular meeting of the Coon Rapids City Council for the month of December was called to order by Mayor Tim Howe at 7:00 p.m. on Tuesday, December 20, 2011, in the Council Chambers.

PLEDGE OF ALLEGIANCE TO THE FLAG

Done.

ROLL CALL

Members Present: Mayor Tim Howe, Councilmembers Denise Klint, Paul Johnson, Jerry Koch, Bruce Sanders and Scott Schulte

Members Absent: Councilmember Melissa Larson

ADOPT AGENDA

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT THE AGENDA AS AMENDED, REMOVING APPROVAL OF MINUTES OF PREVIOUS MEETINGS. THE MOTION PASSED UNANIMOUSLY.

PROCLAMATIONS/PRESENTATIONS

1. PRESENT PROCLAMATION AND CONSIDER RESOLUTION 11-141 ACCEPTING THE DONATION OF FUNDS FROM THE 2011 EISENHOWER ELEMENTARY

SCHOOL PENNY DRIVE

Mayor Howe indicated Patty Sathre from Eisenhower Elementary School would be presenting monies collected from this year's Kookies Penny Drive.

Mayor Howe explained that Eisenhower Elementary's child nutrition staff is giving back to the community through a penny drive that lasts all school year. Proceeds from their penny drives are donated monthly to several different agencies and nonprofit organizations. "So many people have helped our school, we were just looking for a way to give back to the community," said Patty Sathre, child nutrition site supervisor. Students place pennies in a large jar in the cafeteria designated for a different organization each month. Ms. Sathre said the children are excited to place their pennies in the jar and often comment that they have been saving their pennies for a long time.

Mayor Howe, Fire Chief John Piper, Police Chief Brad Wise, Officer Ken Young, and Fire Marshal Todd Williams served lunch and visited with students in September, October, and November. Proceeds collected will be donated to the Crime Prevention Association, Fire Prevention Association for Safety Camp, and to Senior Services. Students will be donating other collections to organizations such as the Christmas Committee, Coon Rapids North Star Lions Club, American Cancer Society, Alexandra House, and Anoka County Brotherhood Council Food Shelf.

Patty Sathre presented the Council with their total donation of \$114.34 and accepted the Proclamation from Mayor Howe. The Council and staff offered Ms. Sathre a round of applause and thanked the students at Eisenhower Elementary for their generous donation to the City.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT RESOLUTION NO. 11-141, ACCEPTING THE DONATION OF FUNDS FROM THE 2011 EISENHOWER ELEMENTARY SCHOOL PENNY DRIVE.

Councilmember Sanders indicated this contribution was extremely generous and took a great deal of effort from the elementary students. He thanked the students for their contribution.

THE MOTION PASSED UNANIMOUSLY.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

**DECEMBER 6, 2011, COUNCIL MEETING
DECEMBER 13, 2011, WORK SESSION**

This item was removed from the agenda by the Council.

CONSENT AGENDA/INFORMATIONAL BUSINESS

2. AUTHORIZE FINAL PAYMENT, BUNKER HILLS CLUBHOUSE – PROJECT 08-20, C-27 FOLDING PARTITIONS
 3. AUTHORIZE FINAL PAYMENT, BUNKER HILLS CLUBHOUSE – PROJECT 08-20, C-23 MISCELLANEOUS SPECIALTIES
 4. AUTHORIZE FINAL PAYMENT, BUNKER HILLS CLUBHOUSE – PROJECT 08-20, C-08 STEEL ERECTION
 5. APPROVE 2012 WORKERS COMPENSATION COVERAGE WITH THE LEAGUE OF MINNESOTA CITIES INSURANCE TRUST
 6. APPROVE 2012 ADDITIONAL LICENSE RENEWALS
 7. INFORMATION ITEMS – CORPORATE OFFICER CHANGE – TEXAS ROADHOUSE, 2780 MAIN STREET
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MOTION BY COUNCILMEMBER KOCH, SECONDED BY COUNCILMEMBER SCHULTE, FOR APPROVAL OF THE CONSENT AGENDA AS PRESENTED.

Councilmember Schulte suggested the Council proceed with Option 3 for Item 5 on the Consent Agenda. The Council agreed with this recommendation.

THE MOTION PASSED UNANIMOUSLY.

PUBLIC HEARING

8. COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION:
 - A. PUBLIC HEARING, 7:00 P.M.
 - B. AUTHORIZE APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR PROGRAM YEAR 2012 FOR HOUSING REHABILITATION PROGRAM
 - C. AUTHORIZE EXECUTION OF AGREEMENT FOR IMPLEMENTATION OF 2012 PROGRAM
-

A memorandum was presented from Housing and Zoning Coordinator Bennett stating staff requests the City Council authorize the Community Development Block Grant application for 2012 encompassing an 18-month program running from July 1, 2012, through December 31, 2013. Council is requested to conduct a public hearing on the proposed use of the funds for a Housing Rehabilitation Program. The 2012 CDBG project application must be placed on file with the Anoka County Community Development Department by January 12, 2012.

The City receives funds from the federal Community Development Block Grant (CDBG) program through a Joint Cooperation Agreement with the Anoka County Housing and Redevelopment Authority. The Agreement, in effect since program year 2001, provides for pass-through funding from the County to the City removing the City from Anoka County's competitive application process for CDBG funds. The City receives an allocation in accordance with the funding guidelines established by the U.S. Department of Housing and Urban Development (HUD). The Anoka County

Community Development Department requests the City complete the application process to provide program description and project documentation for HUD purposes.

Staff recommends the CDBG allocation continue to be designated for a Housing Rehabilitation Program reflecting previous Council direction to use block grant funds to assist our housing program efforts. Housing rehabilitation activities assisting low- and moderate-income persons is a Housing Goal of the Anoka County Consolidated Plan, a required component of the federal block grant program.

The amount of the CDBG award will be made according to HUD's allocation guidelines; however, because funding levels have not yet been established for program year 2012, last year's funding level has been used for planning purposes. Funding in 2011 provided \$228,094 for housing rehabilitation projects in Coon Rapids. This represented 70 percent of our allocation; the remaining 30 percent is set aside for County program administration costs (15 percent) and County-administered public service program funding (15 percent) as provided for in a Memorandum of Understanding that is part of the Joint Cooperation Agreement.

The City's Housing Rehabilitation Loan Program provides deferred, zero-interest loans to low- and moderate-income residents; 50 percent of the loan is forgiven after five years. The funds assist homeowners in maintaining minimum housing standards in single- and two-family dwellings, including interior improvements on townhouse and other common interest community properties. Funds can also be used on exterior rehab work on a dwelling unit within a common interest community property when the homeowner, and not the association, is responsible for the work. The program also provides assistance with energy related improvements. A one-year tenancy requirement of the program is waived for the rehabilitation of foreclosed properties. This allows residents of low- or moderate-income who have purchased a foreclosed property to begin the rehabilitation process immediately upon purchase.

It is anticipated that the proposed project funding will provide assistance for eight to twelve homeowners. The maximum rehab loan amount is \$20,000, however, additional funds of not more than \$4,999 per project may be provided to homeowners for lead paint abatement projects or other rehabilitation needs. Funds used for lead paint abatement are granted to the homeowner and are not included in the loan amount.

The application process requires the City Council hold a public hearing to take comments on the proposal. Council is also requested to authorize the application for Community Development Block Grant funds for program year 2012 and to authorize the Mayor and City Manager to execute all necessary documents with Anoka County to implement the 2012 CDBG program.

Mayor Howe opened and closed the public hearing at 7:13 p.m. since no one appeared to address the Council.

**MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KLINT,
TO AUTHORIZE THE APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT**

FUNDS FOR PROGRAM YEAR 2012 FOR A HOUSING REHABILITATION PROGRAM; AND AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE A CDBG AGREEMENT, TOGETHER WITH ANY OTHER NECESSARY DOCUMENTS, WITH ANOKA COUNTY REGARDING THE IMPLEMENTATION OF THE 2012 CDBG PROGRAM.

Councilmember Schulte explained the CDBG funds were used throughout the City for housing rehabilitation. He felt this was a positive use for these funds in the community.

Councilmember Johnson indicated this was a federal program that ran through Anoka County in order to benefit the City of Coon Rapids.

THE MOTION PASSED UNANIMOUSLY.

OLD BUSINESS

9. CONSIDER PURCHASE OPTION FOR ROLLING FRITO LAY SALES LP, 9160 EVERGREEN BOULEVARD:
 - A. ADOPT ORDINANCE APPROVING EXECUTION OF OPTION TO PURCHASE REAL PROPERTY
 - B. AUTHORIZE AND DIRECT THE MAYOR AND CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS TO ENTER INTO OPTION
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Community Development Specialist Brown presented a memorandum requesting the Council to consider a purchase option for Rolling Frito Lay Sales LP to purchase approximately 3 acres of City-owned land at 9160 Evergreen Boulevard.

In 2009, the City entered into an option with Rolling Frito Lay Sales LP to purchase a portion of a 12 acre parcel located across Evergreen Boulevard from its distribution facility. Frito Lay paid the City \$10,000 for the option, which expires on December 15, 2011. Because Frito Lay has not executed the option, it wishes to extend it for one additional year. Frito Lay has agreed to pay an additional \$10,000 to extend the option through December 15, 2012. Frito Lay proposes an eventual sale price of \$4 per square foot, or about \$500,000 for the site. The amount of the proposed option is \$10,000. The purchase agreement is contingent on Frito Lay completing a survey of the site to determine the exact dimensions of the parcel to be sold and soil borings to ensure suitability for the proposed use. Frito Lay would be required to obtain site plan approval for its new facility within 180 days of executing the purchase agreement. The Council introduced an ordinance approving execution of the purchase option at its December 6, 2011 meeting.

Previously owned by Shamrock Development, the parcel was donated to the City in 2004 and about half of it is currently used as a public works “boneyard.” A protected wetland covers about 6 acres of the site and the remainder contains substantial fill, making it unsuitable for most types of development. Frito Lay wishes to purchase about 3 acres for a future traffic management facility and parking area for its trailers. Frito Lay has few options to expand on its existing site, but would like to

remain in its current location. The City should retain several acres of usable land at the site for its existing operations. A portion of the site could also be used for a future water tower. Due to the soil conditions, Frito Lay's proposed use is probably the highest and best use of the land; constructing a larger building would most likely be cost-prohibitive.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KOCH, TO ADOPT AN ORDINANCE APPROVING EXECUTION OF AN OPTION FOR ROLLING FRITO LAY SALES LP TO PURCHASE THE REAL PROPERTY AT 9160 EVERGREEN BOULEVARD; AND AUTHORIZE AND DIRECT THE MAYOR AND CITY MANAGER TO EXECUTE THE NECESSARY DOCUMENTS TO ENTER INTO THE OPTION.

Councilmember Sanders requested a change to Paragraph 10.10, regarding choice of law and venue, that Texas be changed to Minnesota. Community Development Director Nevinski indicated Frito Lay was based out of Texas. City Attorney Hiljus requested the document be approved subject to this change. The Council was in agreement with this recommendation.

Councilmember Johnson stated the purchasing option would place funds into the City's General Fund. He was in favor of the sale proceeding.

Mayor Howe questioned if the property had any stipulations after being deeded over to the City. Community Development Specialist Brown explained there were no deed restrictions on the site, however, the soil conditions were leading Frito Lay to turn the site into a parking lot due to its proximity to its existing site.

Councilmember Sanders felt this was an excellent opportunity for the City and would meet a need for Frito Lay.

THE MOTION PASSED UNANIMOUSLY.

10. CONSIDER ADOPTION OF ORDINANCE AMENDING THE CITY'S ZONING MAP, STEVE CULLEY AND THE CITY OF COON RAPIDS, 325/311/295 NORTHDALÉ BOULEVARD, PC 11-31

Planner Harlicker presented a memorandum to Council stating the applicants are requesting adoption of an ordinance rezoning certain properties from Office to Community Commercial.

The proposed action is a change to the land use designation and zoning from *Office* to *Community Commercial*. The area consists of three lots and total 1.52 acres.

Address	Lot Size	Building size	Use
325 Northdale	26,299 sf.	4,797 sf.	Beauty salon
311 Northdale	15,271 sf.	608 sf.	Vacant house

295 Northdale	24,817 sf.	6,450 s.f.	Vacant building
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The subject properties are adjacent to the Community Commercial zoned properties that make up the Foley Boulevard/ Northdale Boulevard commercial area. The abutting properties to the north are a day care center and a municipal water treatment facility. These uses serve as a buffer between the businesses along Northdale Boulevard and the single family neighborhood to the north. The property to the east is a medical office and is zoned Office/PUD. This parcel and Dogwood Street would serve as a buffer to the residences and the school on the east side of Dogwood Street.

ANALYSIS

Rezoning the subject parcels to *Community Commercial* would be the logical extension of the existing commercial zoning at the intersection Northdale and Foley Boulevards. It is consistent with the *Community Commercial* zoning on the south side of Northdale Boulevard. It would allow the redevelopment or revitalization of the subject parcels in a manner that is compatible and consistent with the other parcels in the commercial node.

The Council should also give consideration to the evaluation criteria found in Section 11- 307 when making their decision on this rezoning request.

Section 11-307 Criteria	Comments
Effect of public health, safety, order, convenience, and general welfare in the area.	OK - The proposed zoning will not adversely impact area. The property is adjacent to community commercial, office and utility land uses.
Effect on present and potential surrounding land uses.	OK – The proposed zoning will not adversely impact the surrounding residential land uses.
Conformance with the Comprehensive Land Use Plan.	OK – Assuming the proposed land use amendment is approved, the proposed zone change will be consistent with the City’s Comprehensive Land Use Plan. The proposed land use designation is Community Commercial.
Conformance with any applicable development district.	N/A – There are is no applicable district plan in this area.

Planning Commission

At the Planning Commission meeting held on November 17th, two residents spoke at the public hearing. They were concerned the rezoning would result in increased traffic and noise. The

Commission discussed the types of uses allowed in the *Community Commercial* district and compared them to the uses allowed in the *Office* district. Since most of the additional uses allowed in the *Community Commercial* district require a conditional use permit, noise, as well as any other adverse impacts, can be addressed as part of the conditional use permit process.

Some Commissioners believed that the site constraints on the individual properties would limit redevelopment and reuse possibilities to smaller, less intrusive uses.

Other Commissioners thought that since the *Office* district allows many smaller uses such as office and retail that are suitable for these sites, *Office* is the appropriate zoning district. They believed that the zone change is not required for these properties to be redeveloped or be reused and the proposed change may have detrimental impacts on the area.

Prior to considering the proposed zone change, the Commission made a motion to recommend denial of a proposed Comprehensive Plan amendment from *Office* to *Community Commercial* based on the following:

1. The current land use designation is compatible with the surrounding land use designations and land uses.
2. A change in the land use may have a detrimental impact on the area.
3. A change is not required to allow these parcels to redevelop, the land use designation of office fits more appropriately on these parcels.

The motion failed with a 3:3 vote.

The Commission then made a motion to recommend approval of the proposed zone change based on the following:

1. The proposed rezoning is compatible with the surrounding zoning and land uses.
2. The proposed rezoning would not have an adverse impact on the area.
3. Redeveloping these parcels as *Community Commercial* would be a logical extension of the existing *Community Commercial* zoning to the south and west.
4. The proposed rezoning is consistent with the proposed land use designation of *Community Commercial*.

The motion failed with a 3:3 vote.

This item was introduced at the December 6th City Council meeting.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT AN ORDINANCE APPROVING THE PROPOSED ZONE CHANGE BASED ON THE FOLLOWING FINDINGS:

1. THE PROPOSED REZONING IS COMPATIBLE WITH THE SURROUNDING ZONING AND LAND USES.
2. THE PROPOSED REZONING WOULD NOT HAVE AN ADVERSE IMPACT ON THE AREA.
3. REDEVELOPING THESE IS PARCELS AS *COMMUNITY COMMERCIAL* WOULD BE A LOGICAL EXTENSION OF THE EXISTING *COMMUNITY COMMERCIAL* ZONING TO THE SOUTH AND WEST.
4. THE PROPOSED REZONING IS CONSISTENT WITH THE PROPOSED LAND USE DESIGNATION OF *COMMUNITY COMMERCIAL*.

Councilmember Klint questioned why the rezoning was necessary. Community Development Director Nevinski indicated Mr. Culley's proposed use did not fit with the Office land use. Staff felt the property fit better with the Community Commercial land use.

Councilmember Klint expressed concern that the City was making a change for one specific business. Community Development Director Nevinski stated this was correct, however, an application was before the Council to change the land use for three properties based on the needs of the area.

Councilmember Klint asked if the property value would be affected by the land use change. Community Development Director Nevinski indicated this may have an impact on the price.

Councilmember Sanders reviewed the discussion from the Planning Commission with the Council. He indicated the objections were a potential for noise and increased traffic along Northdale Boulevard. He did not find these to be concerns.

Councilmember Koch supported the land use change. He stated the property was now vacant and a renovation of the area was needed.

THE MOTION PASSED 5-1, COUNCILMEMBER KLINT OPPOSED.

11. CONSIDER RESOLUTION 11-134, AMENDING THE CITY'S COMPREHENSIVE PLAN, STEVE CULLEY AND CITY OF COON RAPIDS, NORTHDALÉ BOULEVARD, AND FLINTWOOD STREET, PC 11-30
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Planner Harlicker presented a memorandum to Council stating the applicants are requesting approval of an amendment to the City's Comprehensive Land Use Plan to change the land use designation from Office to Community Commercial.

The proposed action is a change to the land use designation from *Office* to *Community Commercial*. The area consists of three lots and total 1.52 acres.

Address	Lot Size	Building size	Use
325 Northdale	26,299 sf.	4,797 sf.	Beauty salon
311 Northdale	15,271 sf.	608 sf.	Vacant house
295 Northdale	24,817 sf.	6,450 s.f.	Vacant building

The subject properties are adjacent to the Community Commercial zoned properties that comprise the Foley Boulevard/ Northdale Boulevard commercial area. The abutting properties to the north are a day care center and a municipal water treatment facility. These uses serve as a buffer between the businesses along Northdale Boulevard and the single family neighborhood to the north. The property to the east is a medical office and is zoned Office/PUD. This parcel and Dogwood Street serve as a buffer to the residences and school on the east side of Dogwood Street.

Changing the land use designation of the subject parcels to *Community Commercial* would be the logical extension of the existing commercial land uses at the intersection Northdale and Foley Boulevards. It is consistent with the *Community Commercial* land use designation on the south side of Northdale Boulevard. It would allow the redevelopment or use of the subject parcels in a manner that is compatible and consistent with the other parcels in the commercial node.

The City's Comprehensive Plan identified the Northdale and Foley Boulevard commercial area as an area that may require some revitalization. Changing the subject properties land use designation to *Community Commercial* would allow these properties be rehabbed and redeveloped in a manner consistent with the community commercial character of the area.

The stated intent of the *Community Commercial* land use designation is to provide for moderate intensity shopping centers and peripheral businesses serving wide areas of the city and having minimal detrimental influences on surrounding residential area.

Planning Commission

At the Planning Commission meeting held on November 17th, two residents spoke at the public hearing. They were concerned the proposed amendment would result in increased traffic and noise. The Commission discussed the types of uses allowed in the *Community Commercial* district and compared them to the uses allowed in the *Office* district. Since most of the additional uses allowed in the *Community Commercial* district require a conditional use permit, noise, as well as any other adverse impacts, can be addressed as part of the conditional use permit process.

Some Commissioners believed that the site constraints on the individual properties would limit redevelopment and reuse possibilities to smaller, less intrusive uses.

Other Commissioners thought that since the *Office* district allows many smaller uses such as office and retail that are suitable for these sites, *Office* is the appropriate zoning district. They believed that

the amendment is not required for these properties to be redeveloped or be reused and the proposed change may have detrimental impacts on the area.

The Commission made a motion to recommend denial of a proposed Comprehensive Plan amendment from *Office* to *Community Commercial* based on the following:

1. The current land use designation is compatible with the surrounding land use designations and land uses.
2. A change in the land use may have a detrimental impact on the area.
3. A change is not required to allow these parcels to redevelop, the land use designation of office fits more appropriately on these parcels.

The motion failed with a 3:3 vote.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT RESOLUTION 11-134 APPROVING THE PROPOSED LAND USE AMENDMENT BASED ON THE FOLLOWING FINDINGS:

1. THE PROPOSED LAND USE AMENDMENT IS COMPATIBLE WITH THE SURROUNDING LAND USE DESIGNATIONS AND LAND USES.
2. THE PROPOSED LAND USE AMENDMENT WOULD NOT HAVE AN ADVERSE IMPACT ON THE AREA.
3. REDEVELOPING THESE IS PARCELS AS *COMMUNITY COMMERCIAL* WOULD BE A LOGICAL EXTENSION OF THE EXISTING *COMMUNITY COMMERCIAL* LAND USES TO THE SOUTH AND WEST.

THE MOTION PASSED 5-1, COUNCILMEBER KLINT OPPOSED.

12. **CONSIDER ADOPTION OF ORDINANCE ESTABLISHING A STOP SIGN ON 108TH LANE AT EAGLE STREET**

Public Services Director Gatlin presented a memorandum to Council stating Councilmember Sanders contacted City staff regarding traffic issues at 108th Lane and Eagle Street. This request was forwarded to the Traffic Review Committee for review. Council introduced an ordinance to install a stop sign stopping eastbound traffic on 108th Lane at Eagle Street at their December 6, 2011 meeting. Council is requested to adopt the ordinance establishing a stop sign at this location.

The Traffic Review Committee met in the field on November 10, 2011 to evaluate Councilmember Sanders traffic concerns at 108th Lane and Eagle Street. During the field review it was determined that sight distance problems exist at the intersection. Due to a combination of planting materials, electric utility equipment and the curvature of the road on Eagle Street, it is difficult to see when traffic on 108th Lane approaches Eagle Street. Removing vegetation may not completely solve this

problem. Because Eagle Street functions as a through street, stopping traffic on 108th Lane to allow adequate visibility is appropriate at the intersection.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT AN ORDINANCE ESTABLISHING A STOP SIGN STOPPING EASTBOUND TRAFFIC ON 108TH LANE AT EAGLE STREET. THE MOTION PASSED UNANIMOUSLY.

13. CONSIDER PARKING ON THE SOUTH SIDE OF 128TH AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD:
 - A. ADOPT RESOLUTION NO. 11-126 RELATING TO PARKING RESTRICTIONS ON 128TH AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD
 - B. ADOPT AN ORDINANCE REPEALING SECTION 2 OF ORDINANCE NO. 1292 AND BANNING PARKING ON THE SOUTH SIDE OF 128TH AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD
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Public Services Director Gatlin presented a memorandum to Council stating this past summer the Traffic Review Committee received complaints about speeding traffic on 128th Avenue. Upon review, staff discovered that action was taken by the City Council in 1989 to impose parking restrictions on both sides of 128th Avenue from Coon Creek Boulevard to Crooked Lake Boulevard. This was required because of State Aid standards at the time.

Since that date the signs have been removed - apparently by the neighborhood. The Public Works Department reinstalled signs restricting parking on both sides of the street. Residents have requested consideration for removal of parking restrictions on at least one side of the roadway. Consideration of that request is appropriate at this time.

After the recent installation of parking restriction signs on both sides of the street, residents on 128th Avenue between Crooked Lake Boulevard and Coon Creek Boulevard have asked for possible consideration to remove parking restrictions on at least one side. Originally restrictions were imposed because of State Aid standards requiring parking prohibitions on both sides of the street for a roadway of 32 feet in width. These State Aid standards have since been changed to allow a roadway of 32 feet to be posted on one side only for no parking. Staff confirmed this change in the State Aid rules. State Aid has indicated that it is possible to remove the old parking restrictions and restrict parking on one side only, based on the new State Aid standards.

This issue has been discussed with the neighborhood and they would prefer to have parking restrictions imposed on the south side of 128th Avenue, the side with mailboxes. Since State Aid has approved this change based on the rule change, it is appropriate to consider action to repeal former parking restrictions and impose new parking restrictions on the south side only.

Mayor Howe was pleased that the City would be posting signs and striping the road in the spring.

He felt the residents along this roadway would be pleased and that the action taken by the City would increase safety to the area.

MOTION BY COUNCILMEMBER KLINT, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 11-126 RELATING TO PARKING RESTRICTIONS ON 128TH AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD; AND ADOPT AN ORDINANCE REPEALING SECTION 2 OF ORDINANCE NO. 1292 AND BANNING PARKING ON THE SOUTH SIDE OF 128TH AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD. THE MOTION PASSED UNANIMOUSLY.

NEW BUSINESS

14. CONSIDER FIRST AMENDMENT TO THE HARVEST GRILL LEASE AT BUNKER HILLS GOLF CLUB

City Manager Fulton presented a memorandum requesting the Council consider a first amendment to The Harvest Grill lease at Bunker Hills Golf Club. He recognized the impact of the road closure on the Harvest Grill and discussed the first amendment details further with the Council, adding that Council discussed this during their work session prior to the Council meeting. It was noted the interests of the City would be protected through personal guarantees and collateral positions throughout the term of the lease.

Councilmember Johnson requested an update on the County's timeline. Public Services Director Gatlin noted this was a design build project and the City has been told this stage would be constructed from July 2011 through August of 2012. A delay was anticipated as the County got a late start on this section of the roadway.

Councilmember Johnson felt this would adversely impact the golf course and The Harvest Grill. He encouraged staff to put pressure on the County to meet the construction timeline.

City Manager Fulton indicated the partnership between the City and The Harvest Grill was going extremely well. He was encouraged by the management and staff at this facility.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER KLINT, TO APPROVE THE PROPOSED FIRST AMENDMENT TO THE HARVEST GRILL LEASE AT BUNKER HILLS GOLF CLUB. THE MOTION PASSED UNANIMOUSLY.

15. APPROVE CONTRACT WITH SRF CONSULTING TO COMPLETE A HIGHWAY INTERCHANGE REQUEST AT COON RAPIDS BOULEVARD AND STATE TRUNK HIGHWAY 610

Community Development Director Nevinski presented a memorandum to Council stating Council is asked to approve a contract with SRF Consulting to complete a Highway Interchange Request (HIR) for a full access interchange at Coon Rapids Boulevard and State Trunk Highway 610. DISCUSSION Earlier this year the Council reviewed the findings of a study by SRF Consulting which identified several feasible alternatives to construct a full access interchange at Coon Rapids Boulevard and TH 610. The preferred alternative included a "folded diamond" interchange on the south side of TH 610 and a "button hook" design touching down on Foley Boulevard on the north side of TH 610. With a concept identified, the next step in the process is to submit an HIR to MNDOT and the Met Council for review.

Staff shared a proposal from SRF Consulting details the HIR process, which is divided into three tasks.

1. Presentation of and feedback on the proposed project.
2. Completion of Qualifying Criteria based on previously completed work.
3. Completion of Technical Criteria based largely on feedback from the MNDOT / Met Council committee.

It should be noted that this proposal is only for Tasks 1 and 2 due to the unknown scope yet to emerge for Task 3. Tasks 1 and 2 are anticipated to be completed in March. Task 3 could be completed by May.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER SCHULTE, TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE ATTACHED PROPOSAL FROM SRF CONSULTING TO COMPLETE A HIGHWAY INTERCHANGE REQUEST FOR COON RAPIDS BOULEVARD AND TRUNK HIGHWAY 610 IN THE AMOUNT OF \$6,500.

Councilmember Johnson supported the interchange and welcomed the addition to the community.

Mayor Howe agreed stating the commercial and industrial uses in this area of the City would benefit from the interchange.

Councilmember Klint agreed the interchange was needed, but did not want to invest City funds into the feasibility study until the State's position was addressed.

Councilmember Schulte indicated this step would create proper documentation that could be brought to the State for further review. Community Development Director Nevinski stated this was a part of the formal process required by MNDOT. The City needed to take this step in order to move forward with this interchange and seek approval from the State.

Councilmember Sanders explained if the project were funded by the State, action on this item would prepare the City for the project. He supported the Council taking action this evening.

Councilmember Johnson supported the Council proceeding as well as it would create a shovel ready project in the City if funding were available. Public Services Director Gatlin indicated a design process would need to be completed before the project was shovel-ready.

THE MOTION PASSED 5-1, COUNCILMEMBER KLINT OPPOSED.

16. ACCEPT PROPOSAL FROM SEH, INC. FOR ENGINEERING SERVICES FOR WATERMAIN LINING ON 93RD AVENUE/EVERGREEN BOULEVARD, PROJECT 12-9

Public Services Director Gatlin presented a memorandum to Council stating in 2010, as part of our street reconstruction program, we completed a watermain relining project on Xeon Street south of 121st Avenue. This project was done as a demonstration to explore new technology for lining watermains similar to the lining operation done for the last several years on our sanitary sewer system. The project was very successful and allowed the watermain to be relined rather than excavated and replaced. Staff wishes to continue with the watermain lining program similar to the sanitary sewer lining program. SEH, Inc. provided engineering services for us on the Xeon Street project in 2010. They have submitted a proposal for engineering services for the relining project planned on 93rd Avenue for 2012. Consideration of the proposal is appropriate at this time.

In 2010, the Public Works Department began a relining program for our watermain system. The first segment was done on Xeon Street south of 121st Avenue in conjunction with the reconstruction of Xeon Street. The project was successfully completed and staff feels the program should be continued on other sections of watermain throughout the City that are experiencing maintenance difficulties. We have had several watermain breaks on 93rd Avenue and Evergreen Boulevard. This segment to be considered is shown on Figure No. 1 in the SEH proposal and includes 93rd Avenue from Coon Rapids Boulevard to Evergreen Boulevard, and Evergreen Boulevard from 93rd Avenue to 93rd Lane. The project will include relining this section of watermain and providing temporary water services to the businesses in the area during construction. The proposal from SEH provides engineering services to prepare the preliminary design report, plans and specifications, assist the City in the bidding process, and provide construction and inspection services for the watermain relining project.

If Council approves the proposal, design work will begin immediately. We plan to have the project bid in the spring of 2012. Construction will start in May, 2012 and be completed by July, 2012.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO ACCEPT THE PROPOSAL FOR ENGINEERING SERVICES FOR WATERMAIN LINING ON 93RD AVENUE AND AUTHORIZE EXECUTION OF THE AGREEMENT FOR ENGINEERING SERVICES IN ACCORDANCE WITH THE PROPOSAL DATED DECEMBER 2, 2011.

Councilmember Johnson asked if the soil in this area would be corrected. Public Services Director Gatlin indicated the soil in this area was corrosive and the relining would address the concerns.

Councilmember Schulte requested further information on the relining process. Public Services Director Gatlin indicated this was a new process, pioneered first in Canada. He stated the City has had great success with the relining process.

THE MOTION PASSED UNANIMOUSLY.

17. RECEIVE COON RAPIDS MORTGAGE ASSISTANCE FOUNDATION REPORT

A memorandum was presented from Housing and Zoning Coordinator Bennett stating the Coon Rapids Mortgage Assistance Foundation (CRMAF) By-Laws, Article. III, Section. 14, require that minutes of meetings of the Board of Directors be forwarded to the Coon Rapids City Council. Forwarded herewith are minutes of the Annual Meeting and the Board of Directors meeting which were both held on December 1, 2011. The By Laws also include the provision that the City Council may veto the election of Foundation Directors.

President Donna Naeve reviewed the minutes of the Annual Meeting of the Foundation, along with the minutes of the Board of Directors meeting for December 1, 2011. Included were the following actions:

1. Lyle Haney and Jim Stanton were re-elected to three-year terms on the Board of Directors.
2. Donna Naeve, Jim Stanton, Lyle Haney and Brad Crandall were elected to the offices of President, Vice President, Treasurer and Secretary, respectively.
3. Staff was directed to develop a visioning process to assist the Board of Directors in establishing goals and objectives in identifying the purpose and use of the funds of the Coon Rapids Mortgage Assistance Foundation. This visioning process will engage an outside facilitator and will be paid for by Foundation funds held in Deposit Fund 82000.
4. The potential of new programming was briefly discussed but development efforts will not begin until the conclusion of the Opportunity City Program which will assess our current tools and practices.
5. The Bylaws were amended to recognize the compliance with the Minnesota Open Meeting Law, to create a gender neutral document, to permit meeting notice provided to directors by way of electronic mail and to correct several typographical errors. The proposed amendments to the Bylaws are attached together with the Resolution of the Coon Rapids Mortgage Assistance Foundation providing for said amendments. (A signed copy of the resolution is on file.) Article XII of the Bylaws provides for amendments to the Bylaws; it also provides that the City Council may veto any amendment to the Bylaws. In the absence of a veto by Council, the Bylaw amendments will become effective on December 21, 2011.

Financial reports were reviewed and approved. The Board of Directors is recommending program modifications including 1) \$250,000 in additional funding to the Coon Rapids Home Improvement Loan Program, 2) extension of the existing service contract for program administration with the Center for Energy and Environment for a three year period, and 3) the expansion of the ReGenerations Down Payment Assistance Fund to include the refinancing of existing mortgages. City staff will provide recommendations to the City Council for consideration of these matters in action following this memorandum.

The Foundation requests that the City Council receive this report with attached minutes and place it on file.

Article III, Section 3. of the Bylaws of the Coon Rapids Mortgage Assistance Foundation provides the City Council with the power of veto over the election of the directors elected at the Annual Meeting. If no veto is forthcoming, the election of the Lyle Haney and Jim Stanton will stand.

Article XII of the Bylaws of the Coon Rapids Mortgage Assistance Foundation provides the City Council with the power of veto over amendments of the Bylaws adopted by the Board of Directors. If no veto is forthcoming, the amendments to the Bylaws will be effective December 21, 2011.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KOCH, TO RECEIVE THIS REPORT WITH THE APPROPRIATE MINUTES AND PLACE IT ON FILE. THE MOTION PASSED UNANIMOUSLY.

18. **COON RAPIDS MORTGAGE ASSISTANCE FOUNDATION RECOMMENDATIONS CONCERNING HOUSING LOAN AND DOWN PAYMENT ASSISTANCE PROGRAM:**
- A. **APPROVE FUNDING INCREASES FOR THE COON RAPIDS HOUSING PROGRAM LOAN FUNDS**
 - B. **AUTHORIZE EXECUTION OF AMENDMENT TO THE SERVICE CONTRACT WITH THE CENTER FOR ENERGY AND ENVIRONMENT**
 - C. **APPROVE AMENDMENT TO THE PROGRAM GUIDELINES OF THE REGENERATIONS DOWN PAYMENT ASSISTANCE LOAN PROGRAM**
-

A memorandum was presented requesting The Coon Rapids Mortgage Assistance Foundation (CRMAF) Board of Directors convened their annual meeting and the first 2011-2012 Board of Directors meeting on December 1, 2011. Board President Naeve's report to Council, including draft minutes of their meetings, precedes this item on your agenda. Upon recommendation of the Board of Directors, the City Council is asked to authorize certain changes to the Coon Rapids Housing Program Loan Fund and the ReGenerations Down Payment Assistance Loan Program.

Allocation of Additional Funding for Housing Improvement Loan Programs

The City of Coon Rapids Housing Program was developed by the CRMAF Board of Directors with the assistance of City staff. The program includes the following loan funds: Home Improvement Incentive Program Loan Fund, Home Rehabilitation Assistance Program Loan Fund, Two-Family

Home Rehabilitation Program Loan Fund and the Emergency Home Repair Program Loan Fund. The first loans were issued in July 2005. To date, \$2,425,000 has been allocated to this program. As of October 31, 2011, 170 loans have been funded and 95 percent of the funds committed. A map showing the general locations of properties assisted with our program is attached.

At their meeting on December 1, the Board of Directors reviewed loan activity in each loan program fund and is recommending that additional funds be made available for home improvement loans made through the program. The Board is recommending that an additional \$250,000 be allocated for the loan program. Previous action by the City Council authorizes the Executive Committee of the Board of Directors to place the allocation among the individual loan funds at their discretion. At this time it is proposed to be allocated in the following manner: \$150,000 to the Home Improvement Incentive Program and \$100,000 to the Home Rehabilitation Assistance Program. It is anticipated that upon conclusion of the Opportunity City Program process currently underway, new program development and funding will be forwarded for Council action.

Extension of Service Contract

The Service Contract with the Center for Energy and Environment (CEE) to administer the Housing Program loan funds terminates on December 31, 2011. CEE has successfully administered this program for the City of Coon Rapids since March 1, 2005, and has indicated their interest in continuing program administration. They seek an extension of the Service Contract under the existing terms of the contract, including compensation. Staff review of their performance is positive and believes there is benefit of program continuity by extending the contract with CEE. The Board of Directors is recommending the contract be extended through December 31, 2014.

Expansion of ReGenerations Down Payment Assistance Loan Program to Refinancing Mortgages

The Regenerations Down Payment Assistance Loan Program has been available to home buyers in Coon Rapids since April 2010. The program promotes and facilitates the repair or modernization of existing single-family housing units through the use of a federally insured FHA Section 203(k) mortgage. The program provides down payment assistance of up to 3.5% of the purchase price of the property plus the rehab costs in the form of a forgivable loan; the maximum amount of down payment assistance is \$6,000. The loan is fully forgiven after ten years of principal residence occupancy by the borrower. There is no maximum purchase price on property assisted with this program, however, the maximum mortgage under the FHA Section 203(k) program is currently \$318,550 for property in Anoka County.

As of the end of November, 13 down payment assistance loans have been made under this program. Down payment assistance loans totaling \$62,664 have resulted in over \$218,127 in rehab investment in these properties and returned twelve vacant, foreclosed properties to owner occupancy. Eight of the 13 households (62%) have minor children of school and pre-school age; 85 percent are first-time home buyers. A map showing the geographic distribution of properties purchased using the ReGenerations Down Payment Assistance Loan Program is attached.

Following discussion on the matter, the Coon Rapids Mortgage Assistance Foundation recommends expanding this program to provide incentive for current residents refinancing an existing mortgage to

use the FHA Section 203(k) mortgage to make needed repairs or renovations to their properties. The program terms would be the same as for a new home buyer – up to \$6,000 in assistance forgiven after ten years. Participation would require at least \$10,000 in improvements. Program guidelines would be amended to prohibit cashing out any equity during the refinancing of the mortgage. Equity could be used, however, to partially fund renovations included in the 203(k) mortgage. The ReGenerations Down Payment Assistance Loan Program was originally funded at \$300,000 and no additional allocation to the program is needed at this time.

Councilmember Schulte was pleased with the success of this program and how the funding was being disbursed throughout the entire City. He thanked the Committee and Foundation for being good stewards of the dollars available to the citizens of Coon Rapids.

Mayor Howe indicated the success of this program was also due to staff and Ms. Bennett's ability to pass along the information to local realtors.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER SANDERS, TO APPROVE FUNDING INCREASES FOR THE COON RAPIDS HOUSING PROGRAM LOAN FUNDS AS PROPOSED IN THE AMOUNT OF \$250,000; AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE AN AMENDMENT TO THE SERVICE CONTRACT, TOGETHER WITH ANY OTHER NECESSARY DOCUMENTS, WITH THE CENTER FOR ENERGY AND ENVIRONMENT TO ADMINISTER THE COON RAPIDS HOME IMPROVEMENT LOAN AND EMERGENCY HOME REPAIR LOAN PROGRAMS OF THE CITY OF COON RAPIDS HOUSING PROGRAM EXTENDING THE TERM OF THE CONTRACT THROUGH DECEMBER 31, 2014; AND APPROVE AN AMENDMENT TO THE PROGRAM GUIDELINES OF THE REGENERATIONS DOWN PAYMENT ASSISTANCE LOAN PROGRAM EXPANDING THE USE OF THE PROGRAM TO PROPERTY OWNERS REFINANCING AN EXISTING MORTGAGE WITH AN FHA SECTION 203(K) MORTGAGE AS DESCRIBED HEREIN.

Councilmember Johnson was pleased that the entire City was well-represented by the benefits of this program. He thanked all those involved in this program for serving the community well.

THE MOTION PASSED UNANIMOUSLY.

19. CONSIDER RESOLUTION NO. 11-136 RE-APPROVING FUNDS WITHIN THE 2011 GENERAL FUND BUDGET AND AMENDING THE 2011 AND 2012 BUDGETS

Finance Director Legg presented a memorandum to Council stating at the close of each year, the General Fund budget is compared to year-to-date revenues and expenditures ensuring that each activity does not exceed budgeted amounts. Net adjustments equal to zero are being recommended.

General Fund expenditures were reviewed with activity managers or department heads. It is anticipated that overall expenditures for 2011 will be \$23,987,590, which includes \$98,160 being

carried forward to the next year. This is \$410,674 under the 2011 estimate shown in the 2012 budget document. The carry-forwards include budgeted amounts that will not be received before year-end or are not needed until 2012. Accounting standards require that purchases be recorded in the year the items or services are actually received.

The 2011 revenues are estimated to be \$25,616,516 or \$439,885 more than previously estimated in the 2011 budget document.

The 2011 General Fund balance is projected to increase by \$850,529, after carry-forwards, over the estimate shown in the 2012 budget.

Comparisons of the 2011 estimated General Fund revenues and expenditures to the 2011 amended budget are as follows:

REVENUES

Revenues are estimated to be \$25,616,516 which is \$606,640 or 2.4% over the amended revenue budget of \$25,009,876. A summary of budgeted General Fund revenues compared to the current estimate is as follows:

	Amended Budget	Mid Year Estimate	Current Estimate	Current Estimate Over (Under) Amended Budget
General Property Taxes	\$17,319,408	\$17,002,463	\$17,146,000	(\$173,408)
Business Licenses	424,020	475,747	546,949	122,929
Non-business Licenses/Permits	950,700	998,700	990,695	39,995
Fines and Forfeitures	365,000	501,425	488,700	123,700
Investment Income	216,400	218,000	325,000	108,600
Intergovernmental Revenue	999,085	916,495	953,580	(45,505)
Charges for Services	1,398,650	1,541,700	1,632,135	233,485
Utilities Tax	3,013,613	3,161,101	3,158,153	144,540
Other	323,000	361,000	375,304	52,304
TOTAL	\$25,009,876	\$25,176,631	\$25,616,516	\$606,640

EXPENDITURES

Expenditures, including carry-forwards of \$98,160, are estimated to be \$23,987,590 which is \$701,805 or 2.8% under the amended budget of \$24,689,395. A summary of expenditure estimates compared to budget by department is as follows:

	Amended	Mid Estimate	Current Year Estimate (Including	Current Estimate Over (Under) Amended Budget
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	Budget*		carry-forwards)	
City Manager Department	\$1,661,369	\$1,619,908	\$1,432,969	(\$228,400)
Legal Department	767,598	781,919	725,798	(41,800)
City Clerk Department	253,340	240,439	190,640	(62,700)
Finance Department	1,651,038	1,608,508	1,580,238	(70,800)
Community Development Dept.	1,900,758	1,818,183	1,785,058	(115,700)
Police Department	8,109,066	8,153,165	8,056,866	(52,200)
Fire Department	3,880,449	3,820,139	3,751,349	(129,100)
Public Works Department	6,330,272	6,252,613	6,464,672	134,400
Contingency	135,505	103,390		(135,505)
TOTAL	\$24,689,395	\$24,398,264	\$23,987,590	(\$701,805)

*prior to reallocating funds

Personal Services

It is estimated that expenditures in the Personal Services category will be \$18,857,948. This is \$597,205 under budget due to vacancies and fewer seasonal employee hours than budgeted.

Other Charges and Services

It is estimated that expenditures in the Other Charges and Services category will be \$3,547,888 or \$3,604,908 with carry-forwards. This is \$83,700 under budget primarily due to less being spent than was budgeted for utilities, travel and conferences.

Supplies

It is estimated that expenditures in the Supplies category will be \$1,294,921 or \$1,301,921 with carry-forwards. This is \$6,200 over budget primarily due to an increase in motor fuels and lubricants.

Capital Outlay

It is estimated that expenditures in the Capital Outlay category will be \$171,273 or \$205,413 with carry-forwards. This is \$41,500 under budget primarily due to savings from the amounts originally budgeted.

Other Disbursements

It is estimated that expenditures in the other disbursements category will be \$17,400 which is \$14,400 over budget due to unbudgeted concession merchandise at the Ice Center.

2011 CARRY-OVER TO 2012 BUDGET

Council is asked to consider carrying forward \$98,160 in the General Fund and \$1,103,196 for other funds into fiscal year 2012 for items not purchased or completed in 2011.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 11-136 RE-APPROPRIATING FUNDS WITHIN THE 2011 GENERAL FUND BUDGET AND AMENDING THE 2011 AND 2012 BUDGETS.

City Manager Fulton indicated the City's revenues were higher than projected and commended the Finance Department for their efforts on the budget on behalf of the citizens.

Councilmember Schulte agreed and thanked staff for their efforts.

THE MOTION PASSED UNANIMOUSLY.

20. CONSIDER RESOLUTION NO. 11-135 PROVIDING RE-APPROPRIATION OF THE 2011 GENERAL FUND CONTINGENCY

Finance Director Legg presented a memorandum to Council stating labor and benefits for 2011 should be allocated to the General Fund activities. All 2011 contracts have now been settled.

Re-appropriation to the personal services line item is now being requested based on the 2011 labor contracts and approved salary adjustments. Resolution 11-135 re-appropriating the personal services line item to the General Fund activities is attached for your consideration. The allocation totals \$164,495. The resolution moves funds from the contingency account to individual activities within the General Fund for budgetary purposes.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 11-135 PROVIDING RE-APPROPRIATION OF THE 2011 GENERAL FUND CONTINGENCY. THE MOTION PASSED UNANIMOUSLY.

21. GOVERNMENT ACCOUNTING STANDARD BOARD (GASB) STATEMENT 54 IMPLEMENTATION:

- A. CONSIDER RESOLUTION NO. 11-137 COMMITTING SPECIFIC REVENUE SOURCES IN SPECIAL REVENUE FUNDS**
- B. CONSIDER RESOLUTION NO. 11-138 COMMITTING FUND BALANCES AND DELEGATING THE AUTHORITY TO ASSIGN FUND BALANCES**

Finance Director Legg presented a memorandum to Council stating the Government Accounting Standards Board (GASB) requires implementation of GASB Statement #54 for the 2011 financial statement by formalizing the commitment of the specific revenue sources to specified purposes for all its Special Revenue Funds and requiring new fund balance classifications for financial reporting.

GASB's Statement #54 definition of Special Revenue Funds states that special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund and comprise a substantial portion of the fund's revenues. Resolution 11-137 defines the specific revenue source of each Special Revenue Fund and the specific purposes for which they are committed.

The Statement also separates fund balance into five categories versus three under old standards (reserved, designated and undesignated):

1. Nonspendable fund balance - amounts not in a spendable form or are required to be maintained intact.
2. Restricted fund balance - amounts subject to externally enforceable legal restrictions.
3. Committed fund balance - amounts that can be used only for specific purposes determined by formal action of the City Council. Only the City Council can lift or change the commitment with formal action similar to the original constraint.
4. Assigned fund balance - amounts intended for specific purposes. Intent can be expressed by the governmental body or by an official the governing body delegates the authority to. Staff recommends the Finance Director.
5. Unassigned fund balance - residual amounts that are available for any purpose in the General Fund. This category can only be found in the General Fund since other funds are for very specific purposes.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 11-137 COMMITTING SPECIFIC REVENUE SOURCES IN SPECIAL REVENUE FUNDS; AND ADOPT RESOLUTION NO. 11-138 COMMITTING FUND BALANCES AND DELEGATING THE AUTHORITY TO ASSIGN FUND BALANCES.

Councilmember Johnson thanked staff for the thorough report on this item.

THE MOTION PASSED UNANIMOUSLY.

22. APPROVE CARPET REPLACEMENT AND OTHER REPAIRS AT CITY HALL

A memorandum was presented from Facilities/Fleet Maintenance Doherty stating the 2011 Facility Construction Fund includes funds for carpet replacement. Council is requested to approve this work.

The hallway carpet from the Civic Center entrance to the Police Department is the original carpet installed in 1996. It is beginning to show signs of wear and should be replaced. Staff has secured a bid from St. Paul Linoleum and Carpet, an approved contractor on the State of Minnesota Materials

Management contract site, in the amount of \$77,430. The City has used this firm for previous carpet projects at City Hall with very good results. The scope of work includes replacement of all carpet in the hallway from the Civic Center entrance to the Police Department, the Council Chambers and the IT office area. A professional designer was consulted with to select the colors and patterns for the project to preserve the architectural elements of the original design.

In addition to the carpet replacement, baseboard repairs and painting is needed in the main hallway and the Police Department. The City has received a quote from Sovia's Painting and Decorating based on estimated time and materials in the amount of \$12,000 for the painting. RAK construction, used to remodel the HR/ Legal office window, has proposed \$2,100 to repair existing baseboards. The majority of this project will be completed during City Hall off hours and should not result in any substantial disruption of normal operations.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO APPROVE CARPET REPLACEMENT AND OTHER REPAIRS IN THE CITY HALL IN THE AMOUNT OF \$91,430. THE MOTION PASSED UNANIMOUSLY.

23. AUTHORIZE PURCHASE OF NEW CIVIC CHAIRS AND THREE-WHEELED HAND TRUCK

Finance Director Legg presented a memorandum to Council stating Staff is requesting authorization to purchase new stackable chairs and a three-wheeled hand truck to move the stacks of chairs for the Civic Center banquet room.

As you know, the Civic Center has banquet rooms that are rented to the public as well as used by the Senior Center daily. About half of the current chairs were purchased when the facility opened in 1996 and are still used heavily. Over the last ten years, about 80 chairs have been replaced, using the original vendor to match the chairs as closely as possible. However, the original chair design has changed making the size of the chair smaller. With the smaller size of the chair, stacking the old and the new chairs has been an issue causing damage to many of the chairs. Staff is recommending that all of the chairs be replaced due to the condition and the damage caused by having mismatched chairs, along with the age and high volume of use. The new chairs are less expensive, lighter and easier to stack. The total estimated cost for 250 new chairs and a three-wheeled hand truck is \$25,405.23. The total cost includes freight charges and tax.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT RESOLUTION NO. 11-139 AMENDING BUDGETS FOR CHAIRS TO ALLOW FOR A TRANSFER TO THE GENERAL FUND IN THE AMOUNT OF \$13,405 FROM THE SENIOR ACTIVITY FUND; AND AUTHORIZE THE PURCHASE OF NEW CIVIC CENTER CHAIRS AND THE THREE-WHEELED HAND TRUCK IN THE AMOUNT OF \$25,405. THE MOTION PASSED UNANIMOUSLY.

24. AUTHORIZE PURCHASE OF TREADMILL FOR FIRE STATION 2

Finance Director Legg presented a memorandum to Council stating Staff is recommending the purchase of a treadmill for Fire Station 2.

A treadmill at Fire Station 2 was anticipated to be replaced in 2013. However, the treadmill is in a deteriorated condition and staff is recommending that it not be repaired, but replaced early. The cost of a new one is \$4,215 including tax and freight. This was not anticipated for the 2012 budget. The City Code requires that capital outlay items be specifically identified in the budget.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER JOHNSON, TO AUTHORIZE THE PURCHASE OF A TREADMILL IN THE AMOUNT OF \$4,215. THE MOTION PASSED UNANIMOUSLY.

25. CONSIDER RESOLUTION 11-133 ESTABLISHING 2012 WAGE SCHEDULE AND AMEND THE VACATION ACCRUAL SCHEDULE FOR UNREPRESENTED EMPLOYEES

City Manager Fulton presented a memorandum requesting the City Council adopt a resolution establishing the 2012 wage schedule for unrepresented employees and amending Section 10.4 of the May 2008 Employee Handbook on Personnel Policies and Procedures. This resolution is being presented in compliance with City Code Section 3-301, which requires the annual presentation of a compensation plan to the City Council. **DISCUSSION** Unrepresented employees received a 1% salary adjustment for 2011 to maintain internal equity within the City's personnel classification system as well as with external comparisons.

The City's 2012 Compensation Plan includes the following components:

1. There are 23 pay grades.
2. Each salary range minimum is approximately 75 percent of its range maximum.
3. The wage schedule includes a six percent merit pay range to reward employees who demonstrate excellent work performance.
4. The 2012 wage schedule for unrepresented positions includes a 1% pay adjustment effective January 1, 2012, and 1% pay adjustment effective July 1, 2012.

The number of regular full-time positions approved for 2012 is 227, which is the same as 2011 and commensurate with 2001 staffing levels.

All regular full-time and part-time employees will be compensated at a rate between the minimum and maximum of their salary range. The only exceptions are employees who exceeded the maximum rate when the new pay plan was implemented January 2005.

The vacation accrual schedule was modified in the Public Works 2008-2009 collective bargaining agreement for employees with more than 20 years of service. Since then, the Firefighters, Police and Police Sergeants collective bargaining agreements have been modified to reflect similar vacation accrual schedules. One day of vacation will be added during years 21-25.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT RESOLUTION NO. 11-133 ESTABLISHING 2012 WAGE SCHEDULE FOR UNREPRESENTED EMPLOYEES AND REVISING THE VACATION LEAVE SCHEDULE CONTAINED IN SECTION 10.4 OF THE MAY 2008 EMPLOYEE HANDBOOK ON PERSONNEL POLICIES AND PROCEDURES.

Councilmember Schulte asked how often the City revised the Personnel Handbook. City Manager Fulton indicated the City completed a major revision of the Personnel Handbook 4-5 years ago. He noted the policy is kept current with minor revisions when required. All information was current with the recent labor contracts.

Councilmember Johnson clarified that the Council was taking action on this item based on Fair Equity Standards from the State along with changes needed by the City. City Manager Fulton noted the 2012 budget would include a comprehensive pay equity study as this has not been completed in 10 years.

THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

26. OVERFLOW PARKING AT COON RAPIDS ICE CENTER

Community Development Director Nevinski presented a memorandum to Council stating at the November 15th Council meeting, the Mayor asked how the parking needs were determined for the new Coon Rapids Ice Center. He noted a recent event resulted in considerable overflow parking into the surrounding neighborhoods.

To answer the question, staff reviewed minutes from the June 2010 Planning Commission meeting where the ice arena site plan was considered. The parking ratio discussion included the following: *Parking is located on the south and east side of the building. The main parking area is located on the south side of the building, adjacent to the entrance to the arena. Overflow parking is available in the existing parking lot on the west side of the arena. Parking ratios for ice arenas in other communities ranged from one space for every three seats to one space for every five seats. The proposed parking ratio is one space for every 3.3 seats. The city code parking ratio for similar uses such as theaters, auditoriums, arenas and other places of assembly is 1 space for every three seats.*

Minutes from July 6, 2010 the Council meeting were also reviewed and state:

The Commission discussed the number of parking spaces and the parking ratio. The 233 parking spaces equal a parking ratio of about 3.3 spaces per seat. A survey was conducted of other arenas the range was 3 spaces per seat to up to 5 spaces per seat. It was explained that over flow parking will be available on the west side of the arena in the existing parking lot and the over flow parking will be connected via sidewalk to the main entrance of the arena. Over flow parking will continue to be available when future phases of the community center are completed.

It appears that overflow parking was anticipated, and there was discussion about leaving the existing parking at Big Lots in place. However, during building demolition the condition of the parking lot was determined to be very poor and utilities that needed to be removed were underneath, leaving little existing asphalt to save.

There is only one similar sized event scheduled for the remainder of the season. Staff recommends managing parking for that event either on street or by preparing an area to the west side of the arena. Plans can then be made to install an interim overflow parking area in the summer of 2012, paying attention to cost and storm water runoff.

Mayor Howe thanked staff for reviewing this item further and stated the Council may need to review this issue further.

Councilmember Johnson indicated this past Saturday the Mites team was playing indoors along with the Varsity Girls team and the outdoor rink was being used by the general public. He noted parking spaces were available.

Councilmember Klint questioned if the lighting outside the arena should be on overnight. Public Services Director Gatlin stated several lights were left on overnight to protect against vandalism but that staff will review decreasing some of the lighting while still maintaining sufficient lighting.

Mayor Howe expressed concern with shadowing on the outdoor ice rink created by the overhead lights. He stated this may have to be addressed by the City to assure the site is secure and property lit as well.

ADJOURN

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER JOHNSON, TO ADJOURN THE MEETING AT 8:18 P.M. THE MOTION PASSED UNANIMOUSLY.

Tim Howe, Mayor

ATTEST:

Cathy Sorensen, City Clerk