

CITY OF ST. FRANCIS
CITY COUNCIL AGENDA
St. Francis Area Schools District Office 4115 Ambassador Blvd. NW
July 5, 2022
6:00 p.m.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The regular City Council meeting was called to order at 6:00 p.m. by Mayor Steve Feldman.

2. ROLL CALL

Members Present: Mayor Steve Feldman, Councilmembers Joe Muehlbauer (attended remotely), Kevin Robinson, and Sarah Udvig

Members Absent: Councilmember Robert Bauer

Also present: Deputy City Clerk Natalie Santillo, Police Chief Todd Schwieger, City Planner Beth Richmond (HKGi), Fire Chief Dave Schmidt, Public Works Director Paul Carpenter, Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), Finance Director Darcy Muvihill,

3. APPROVAL OF AGENDA

MOTION BY: ROBINSON SECOND: UDVIG APPROVING THE REGULAR CITY COUCIL AGENDA.

A roll call vote was performed:

Councilmember Robinson	aye
Councilmember Udvig	aye
Councilmember Muehlbauer	aye
Mayor Feldman	aye

Motion carried 4-0

4. CONSENT AGENDA

A. City Council Minutes - June 20, 2022

B. Accept Donation

~~C. Animal Control Service~~

D. Appointment of Election Judges

E. Acknowledgement to Conduct a Raffle- Minnesota Deer Association

F. Acknowledgement to Conduct a Raffle- St. Francis Athletics Booster Club

G. 23115 Ambassador Blvd, Demolition RFP

- H. Asset Forfeiture Policy
- I. Weber- Inc Pay Application #8
- J. Payment of Claims

MOTION BY: MUEHLBAUER SECOND: ROBINSON APPROVING THE
CONSENT AGENDA ITEMS A,B,D,E,F,G,H,I, J.

A roll call vote was performed:

Mayor Feldman	aye
Councilmember Udvig	aye
Councilmember Robinson	aye
Councilmember Muehlbauer	aye

Motion carried 4-0.

C. Animal Control Service

Mayor Feldman pulled this item from the consent agenda to explain how the RFP process went through for the Animal Control services that is being replaced. He asked Police Chief Todd Schwieger to explain so people will know what has been done for the RFP process.

Schwieger explained the RFP process for animal control service for the City of St. Francis, stating they received one proposal on July 10, 2022 for Online Retrievers. He stated since that time they have verified that they have all the licensing in place through the Animal Board of Health, proper insurance and a facility. He stated they serve a number of other counties that boarder St. Francis and are located about 30 miles to the north of the City. He stated they are aware of the requested stipulations and seem to be in agreement.

Mayor Feldman stated he understood the service was 31 miles from St. Francis, they have all the insurances including State and local, their licensing has been vetted. He stated he understood the fees, the City pays no fees if the owner picks up the animal. Schwieger confirmed this.

Mayor Feldman asked if the animal isn't picked up if there are fees that go to the City. Schwieger replied there could be unless they can go to some other owner or shelter for it.

Mayor Feldman asked if it is correct that they have been in other cities such as Elk River and served Mille Lacs County, Isanti County, and Sherburne County. He asked if they have been properly vetted. Schwieger confirmed this.

Mayor Feldman wanted to make sure this is on record so anyone listening in from outside the City knows what has been done on the RFP process. He asked for Council comment. Council had nothing to add.

MOTION BY: UDVIG SECOND: ROBINSON APPROVING THE CONSENT AGENDA ITEM C, ANIMAL CONTROL SERVICE WITH ONLINE RETRIEVERS FOR A ONE YEAR CONTRACT.

A roll call vote was performed:

Councilmember Robinson	aye
Councilmember Muehlbauer	aye
Councilmember Udvig	aye
Mayor Feldman	aye

Motion carried 4-0.

Mayor Feldman thanked Schwieger and stated they will see how that works out.

5. MEETING OPEN TO THE PUBLIC – NONE

6. SPECIAL BUSINESS – NONE

7. PUBLIC HEARINGS – NONE

8. OLD BUSINESS – NONE

9. NEW BUSINESS

A. Turtle Ponds 6th Addition Concept Review

City Planner Beth Richmond gave a presentation on the concept plan review request for the 6th Addition of the Turtle Ponds Development.

Mayor Feldman stated he likes this but asked what the space was between the buildings. Richmond displayed a picture and replied seven and eight are the closest and that is 20 feet away.

Mayor Feldman asked what the space was between four and five. Richmond replied that is not measured but is larger than 20 feet.

Mayor Feldman stated he had spoken to City Administrator Kate Thunstrom who he said it was not the time to discuss, but he imagined they are going to have a cul-de-sac or turn around on the roads coming in because they are single lane each way and asked how a vehicle out on the private road. Richmond replied that is something would be more detailed as far as preliminary plans go and they will be working with the applicant on.

Mayor Feldman asked if the fire lane just goes out to 229th but as far as the other side, it is a private road they will plow it themselves not the City, but they will still

want some sort of turn around. He asked if Fire and emergency would always go out on 229th if they were there. Fire Chief Dave Schmidt replied they would exit that way but not necessarily enter that way.

Mayor Feldman asked if they would always exit that way. Schmidt replied potentially.

Mayor Feldman commented he didn't see a way to turn around a vehicle. Schmidt agreed.

Mayor Feldman commented that Fire trucks backing up doesn't work very well. He stated he liked this in the sense it is bringing residential and a commercial use and the way it looks. He stated he didn't think they could do a lot out of it but they have done a good job of doing just that. He asked if there was someone from the project here to answer questions from Council.

Gregg Chaffin, 19497 Zumbro Street NW, Elk River, with Bluewaters Builders Inc., was available to answer questions.

Robinson commented he was privy to the original Planning and Zoning meeting and stated his only concern was having a recreational green space outside the domain of the building. He questioned if the backyards were big enough.

Muehlbauer asked about the plans for the road and buildings and asked encroachment on the wetlands. Mr. Chaffin replied they have had the wetlands delineation plans already in progress and are staked out as to where the boundaries are and the building setbacks.

Udvig commented she thought this is going to be a great addition to the City. She stated she had concerns about the green space as well but hoped that would be worked out or perhaps there are people who don't want green space.

Mr. Chaffin replied some of the conversations they had after putting the plans out for people to look at have included concerns regarding snow plowing and storage, and a turnaround for fire trucks. He stated the road coming in is 25 feet and two lane. He stated some of the concerns brought up about two way traffic is going to be figured out to ensure it works. He added they are adding something to the north.

Mayor Feldman commented he thought Mr. Chaffin has done a good job with the plans and getting past issues with the seller. Mayor Feldman asked if a motion was requested tonight. Richmond replied they were just looking for feedback tonight and no motion is requested.

B. Fleet Management

Police Chief Todd Schwieger gave a presentation on exploring ways of managing the City's fleet of vehicles and the option of leasing and partnering with Enterprise Fleet Management.

Nicolas Houle, Account Executive with Enterprise Fleet Management, stated there was a cost analysis and cost savings using the program. He gave a presentation on what Enterprise Fleet Management does in partnering with organizations in managing their vehicles and lowering operating costs.

Mayor Feldman asked Mr. Houle to explain the phrase "vehicle price increases with the amount of years."

Mr. Houle replied intro pricing, is typically at the end of the model year, 2023 for example, in a normal year there would be a discount off the next year's model. He stated they give clients the intro pricing regardless of when they order the vehicle as long as the manufacturers are offering that and then they give the best incentive the customer is eligible for the day the vehicle is delivered. For example, if a vehicle is ordered now and wasn't delivered until after Christmas they would give the best incentive during that time.

Mayor Feldman commented that is nice because before they would wait it out because the deliveries were a lot quicker and now they have adjust for the time and this would give some flexibility. If they wanted to move on it now they could and still get the incentive, that is nice.

Mr. Houle stated they offer an open-ended lease which is an equity lease. He explained the details and benefits for that.

Mayor Feldman read from the packet "Enterprise will receive .01% management fee per capitalized price of each vehicle. For example, a \$30,000 vehicle would see a monthly management fee of \$30. This fee is calculated into the projected cost analysis." He asked if he was right in saying the management fee is \$30 per month on a \$30,000 vehicle for as long as they have the vehicle. So one year would be \$360 and two years would be \$720 as the management side of it. Mr. Houle confirmed this and stated that would be calculated in all of the analysis as the management fee.

Mayor Feldman asked if they would still pay the lease fee too. Mr. Houle confirmed this, explaining that would all be a part of the monthly payment, consolidated into one bill organized per vehicle.

Muehlbauer asked if the management fee takes into account depreciation or if it is set at the purchase price for as long as you have the vehicle. Mr. Houle replied they would set each vehicle at an expected term. He stated part of that is for the savings and for the program to be successful. He stated he wouldn't anticipate the vehicles to be run for 15 years or anything but would look at the optimal time to sell

the vehicle. He stated that would be in the analysis. He stated often they sell vehicles after two or three years, sometimes for more or a similar purchase price.

Mayor Feldman asked how long they hold on to vehicles, is it about three years. Police Chief Todd Schwieger replied the Police Department is about four years.

Mayor Feldman commented he has always liked the lease idea. He stated in the private sector, for them, they get penalized for the more mileage put on and other problems but he didn't see that here. Mr. Houle replied correct, the negatives of over mileage or wear and tear are gone. It would be the City's vehicle but would sell for less if it has a lot of wear.

Mr. Houle reviewed the analysis for the current fleet for the City of St. Francis along with a fleet profile and plan. He stated in the first year they would phasing in the program by selling six of the oldest vehicles which would be replaced by six new vehicles and eventually all of the vehicles would be leased. He gave the cost comparison over the next ten years and gave a savings amount of \$700,453 through the partnership.

Mayor Feldman commented when he first read through this, he thought it sounds too good to be true. He stated he liked that they are \$2.3 million in inventory worldwide so they will have the ability to get vehicles to the City quicker and at a better price which he liked. He stated he also liked the maintenance end and that an open lease means there are "no early termination, mileage or wear and tear penalties. The City would also receive the equity when the vehicle was sold as profit or to put toward a replacement vehicle."

Mayor Feldman asked, giving the example of \$30,000, that Mr. Houle is telling him that the \$30 management fee has the lease part of it in it too and if there is a commission when they sell the vehicle for the City. Mr. Houle replied they will get a lease payment per month which will be per vehicle. For example if the City does a squad car for the Police Department and a truck for the Fire Department they are each going to have their own quotes for the vehicles and will be set up based on what is determined to be the length of time to run the vehicle. He stated maybe it is three years. Then they will have the payment, the management fee, interest, everything will be in the payment very transparent.

Mayor Feldman asked if the management fee and the lease fee of .01% if that is what that is. Mr. Houle explained the .01% is the profit, how they are able to do the program. Mayor Feldman replied the lease is on top of that. Mr. Houle confirmed this.

Mayor Feldman asked if there is a commission when they sell the vehicle for the City. Mr. Houle replied at the end of each vehicle, and part of the analysis, there is a \$400 charge at the end of a leased vehicle as a charge for leasing the vehicle.

Mayor Feldman asked if that is a flat charge. Mr. Houle replied yes and then if they sell a vehicle for the City that is not part of the program there is a \$500 charge.

Mayor Feldman asked if it is \$500 for a vehicle that is not a part of the program and \$400 for one that is. Mr. Houle confirmed this. He stated in today's market a vehicle not part of the program typically sells for more than it should.

Mayor Feldman asked if Enterprise reached out to the City or if the City reached out to them. Mr. Houle replied they had talked to the City of Anoka Police Department, there was a connection there, and he reached out to the City.

Mayor Feldman asked why they didn't do this before, especially with the times today and having trouble getting vehicles. He asked if this was good for Police, Fire and Public Works. Mr. Houle replied yes, they are looking to collaborate for the whole City on all departments.

Mayor Feldman asked Public Works Director Paul Carpenter about the 1-ton crane pick up truck that they need next year. Carpenter replied Mr. Houle could help with that. Mayor Feldman stated that is what he is talking about. Carpenter confirmed this.

Finance Director Darcy Mulvihill commented they have added three vehicles after they talked so there are three more vehicles than the 19.

Mayor Feldman asked if there are nine. Mulvihill replied there are 22.

Mayor Feldman stated this sounds too good to be true. He asked if it was correct that there was no contract either. Mr. Houle replied the management fee is how they make a small profit so part of this is they need long-term partnerships which is part of his role.

Mayor Feldman asked if they were to do this and after two years they see it's not working for the City, what is the out clause. Mr. Houle replied to fire him the City would not buy another vehicle from him. They would pay off the leased vehicles as they run them and just go back to buy them on their own. He stated they don't want unhappy customers and rely on word of mouth.

Muehlbauer asked how many other cities they partner with in Minnesota. He stated Mr. Houle mentioned Anoka and Champlin. Mr. Houle replied he would have to divide it for Cities specifically but it goes to government for the category, for Cities, Counties, Sheriff's departments there are over 50 to 60 alone. He listed the close cities were Anoka, Plymouth, New Hope, Crystal, many counties in the northern part of the State.

Muehlbauer referred to the graph and the amount over ten years of how much was saved, he asked how much St. Francis could expect to save annually. Mr. Houle

replied in the first few years they would have the greatest savings because they would be selling the oldest vehicles and putting in new ones so there would be the net annual savings as listed in the chart, compared to today's costs. He stated the savings are going to level off when they get rid of the older vehicles that cost the most.

Muehlbauer asked after the first year they could look at the savings. He asked on average how much government agencies save in the first year. Mr. Houle replied that would be the net cash in the second column. He stated that would be \$177,000.

Muehlbauer referenced Mr. Houle's comments that Enterprise is competitive with the State bids and asked what the word competitive means, a little high or a little low or if it varies. Mr. Houle replied it would vary by vehicle. He stated they use the SourceWell pricing which protects clients and protects the company in being very transparent and following processes. He stated on some vehicles they may be lower, some higher but average out to be lower.

Mayor Feldman asked about availability and if they are more readily about to get vehicles than the State side of it. Mr. Houle replied they are going to be proactive so the City will have an account manager and himself for each vehicle they are looking for. They are going to be reaching out to the City asking for everything to be organized so they can send it in to their contacts before it is even open.

Mayor Feldman stated that something has been cancelled, he asked Schwieger if that was correct. Schwieger replied in February they had a vehicle they had ordered last year cancelled, he thought there were 200 other agencies in the State have vehicles cancelled.

Mayor Feldman commented an important part of this is having vehicles readily available and accessibility of getting vehicles when they need them within a timeframe of when they need them. Not a year or two years out and then finding out at the end they can't get the vehicle. He stated that is his concern.

Mr. Houle replied that is one nice thing that they have their own investment having their own rental addition, they have to do the same thing and make sure they are receiving those. He stated not everything will be perfect but they will do everything possible to get in the best position. If there was a world event or a major delay they would be in very well equipped to substitute other vehicles. If they need to find something out of stock from around the country they are able to do all the leg work for the City and provide solutions.

Mayor Feldman commented they have multiple outlets. Mr. Houle confirmed this. He stated they are not perfect and will have the same challenges as other but are well equipped for different environments.

Mayor Feldman commented Schwieger, Carpenter, and Schmidt have seen some difficulties. Schwieger agreed, adding it has just been in the last couple years. He stated Mayor Feldman asked why they haven't done this before and it was because they never thought of it. They had always just put their orders in the fall of the year and had always gotten the vehicle without question. It has been just the last year of seeing delays and then not getting vehicles. He stated that was one of the thing that prompted them to seek other options.

Mayor Feldman commented there is an individual that is involved with the City doing investment program and she just ordered a new Chevy and got it. But it came shy of a couple chips in it. He asked if that is still an issue whether they go with Enterprise or someone else. Mr. Houle replied that is an issue. One nice thing is that they have constant communication so every manufacturer is different. Some will take a very limited amount and allocate how many they are going to build based on previous orders. Some will take more than they can possibly build and work from the front of the line to the back. Others will prioritize based on volume for their biggest customers. He explained what can lead to cancellations but they may know options that could be removed to have a better chance.

Mayor Feldman commented Schwieger is going to tell Mr. Houle what he wants a police car to have and asked if Mr. Houle is going to say they can't get that and if it would cause the order not to be built. Mr. Houle confirmed this adding if what they desire may cause it not to be built. He would communicate it and his communication would be he could put the order in and would recommend removing a certain option.

Mayor Feldman commented that really is the times today. He asked for Council comment.

Udvig commented that when she looked at it, she thought it was a really good deal. She thought it would be helpful for the department heads. She stated they are always looking for ways to make things easier on the Staff. She thought it looks like a good idea and liked the fact that if it isn't working there isn't an obligation to stay with it. She thought that if the Staff that it was a good idea Council should seriously consider it.

Robinson referenced the report mentioning fleet maintenance and asked if that would still be done, if they have vendors locally or if fleet maintenance would have to be done elsewhere. Mr. Houle replied there are local vendors that are on the program already. He stated in discussions Elk River has been mentioned but if there is a vendor that comes up it could be explored as something that could be added if they are willing.

Robinson asked if local vendors could apply to take care of St. Francis vehicles. Mr. Houle replied in discussions it seemed like it would be best to utilize vendors that are in there but he would be happy to discuss adding them.

Robinson asked if repairs and recalls would get priority because of the Enterprise relationship. Mr. Houle replied customers who show the Enterprise fleet vehicle usually get expedited service.

Robinson asked if the fuel program is an additional benefit that has to be paid for. Mr. Houle replied that is something that is a benefit as a customer. He stated that would be a benefit administratively in tracking fuel expenses.

Robinson stated there is KwikTrip, Casey's, and County Market. Mr. Houle replied the only one that would be excluded would be a member's only such as Costco or Sam's Club. He stated he has used his card at KwikTrip easily.

Robinson asked if there would be administrative costs or if there would be administrative time that would be impacted. Mr. Houle replied he looked at it as an 80% of administrative time reduced because they are going to be making decisions and communicating with Enterprise who is doing the leg work but it is still the City's fleet.

Robinson asked if it would be an email or phone call from Staff and then Enterprise would go to work. Mr. Houle confirmed this.

Mayor Feldman commented that on a squad car, Schwieger would still contact out for the lights, the same with Fire and Public Works. Mr. Schwieger replied that is something that Enterprise works directly with Guardian to outfit squads so they could assist with getting squads built.

Mayor Feldman commented for the record, that the sad thing about today is that body cams is not something that the City has put into effect here because what happened in the City, it is the times. This is one of those things that is a sign of the times, availability and getting vehicles in a timely fashion at a price that's conducive. All this is done to the economy and the times they are living in. He stated they need to be flexible and adjust to the times. He gave the example of two years ago when Schwieger says he could get 20 applicants for an open position and today they are lucky to get three. He stated they have to adjust to today, not two years ago. He pointed out to Staff and Council that the mindset of before is not the way it is today, they have to adjust and be flexible accordingly. He stated this seems to be a plan that could work for the City.

Muehlbauer commented he is interested to see the savings and if it does actually save the City money. He stated that it is providing a better service at a lower cost for the residents and that's the main goal.

Mayor Feldman commented he thought that this is right and added he realized one thing that in these days of the market is that they can see something that was there the week before and when you go to buy it, it could not be there. Availability,

accessibility, and getting the product is a big deal, especially in today's world. He agreed with the savings because they always want a better service at a lower cost but just being able to get the product is a big deal today.

MOTION BY: ROBINSON SECOND: MAYOR FELDMAN TO GO WITH FLEET MANAGEMENT FOR CITY VEHICLES INCLUDING POLICE, FIRE, PUBLIC WORKS, AND CITY HALL.

A roll call vote was performed:

Councilmember Muehlbauer	aye
Councilmember Udvig	aye
Councilmember Robinson	aye
Mayor Feldman	aye
Motion carried 4-0	

Mayor Feldman thanked Mr. Houle adding he is looking forward to the savings, availability, and getting the products when they need them. He stated he really wished they had done this before and will have to see how it works out but it is a good start, especially at a time with a cancelled vehicle.

10. MEETING OPEN TO THE PUBLIC – NONE

11. REPORTS – NONE

12. COUNCILMEMBER REPORTS

Udvig reported she attended the Work Session on June 28, 2022. She stayed in town and enjoyed the City and events that several homeowners put on. She hoped everyone had a safe Fourth of July, she didn't hear a ton of sirens so hoped it was fairly calm. She thanked the St. Francis Ambassador for sending her a picture at the parade and wishing her a happy Fourth of July.

Muehlbauer reported he attended the Work Session. Otherwise, he has been busy. He hoped to be back for the meeting the beginning of August as well as for National Night Out.

Robinson reported he also attended the Work Session which was spirited, rigorous, and over three hours. They started talking about the budget situation for the coming year and open conversation.

Mayor Feldman read a text from Jackie Godell from the Ambassador Program who was at the parade and was the ambassador along with six queens. The text said "we got a lot of compliments from Brad Johnson who is running for County Attorney on how well the girls represented St. Francis." He stated that is what the Ambassador Program does, that is the return. That is what they do, it's good public relations, but they let people know about St. Francis and represent the City well. He stated he was at that

Work Session too and commented that this Council can agree to disagree but they always discuss fully and walk away with a direction to a solution or a solution but they work together to benefit the majority of the residents in the City, which is the goal. He stated he is very happy and proud of this Council, as he is with the Staff that works as a solidified team to benefit the residents they serve. That is really what they are is a customer service business. The residents own the team, the Council manages the team, the City Administrator coaches the team, and then there is the team itself with department heads and Staff that do an excellent job in the City. He stated he is very happy to be a part of it and thought he could speak for Council saying that they feel the same.

Mayor Feldman stated he had a privilege, along with City Administrator Kate Thunstrom to go out and tour the Northrop Grumman facility, a 3,200-acre facility in St. Francis. He stated since he was in combat 50 years ago, armament has changed a lot. He was amazed at the technology to lesson collateral damage, which will always be in combat, and be safer for the troops. He stated everything has a positive and negative but the technology is unbelievable. He stated he was glad he attended. He stated with the Work Session, that people don't realize how much this Council and Staff does.

Mayor Feldman stated the last Work Session did go three hours and they do a lot of things behind the scenes that people don't realize but he is very proud of the Staff that do the amount of work they do. He or Council stated he could ask anything of any Staff member and they don't get hesitation but they step up to the plate and do the job. He gave the example of the sidewalk in front of City Hall, they were having some issue with the fill-in area that was soft and Jeremy solved the problem. That is what he is talking about, initiative, thinking outside the box and getting the job done. That is what Staff has done in all the departments. He stated it is taking the initiative to do their job as best they can because all they have ever asked is to do the job the best they can, learn from mistakes and don't repeat them. Council won't ask Staff do things they could or wouldn't do themselves. He stated this how they have lived through the last six years and looking forward as elections come up. He thanked Staff for all they do and hoped that people realize that it is Staff and Council work to make this City better. He stated their goal was to make this City better from the time they can in and they are on the right track.

Mayor Feldman complimented the Building Committee on the City Hall/ Fire Station. He stated the work that they do and the questions they ask will hopefully set the ground work for a facility that will benefit the City in many ways. He thanked Deputy Clerk Natalie Santillo for filling in for City Clerk Jenni Wida and welcomed Public Works Director Paul Carpenter. He thanked City Planner Beth Richmond for her help along with everyone else.

13. UP COMING EVENTS

July 16, 2022 – Recycling Event at Public Works- 8:00 a.m. – 12:00 p.m.

July 18, 2022– City Council Meeting – 6:00 p.m.

July 20, 2022 – Planning Commission Meeting – 7:00 p.m.

August 2, 2022– National Night Out- 5:00 p.m.- 8:00 p.m.

12. ADJOURNMENT

There being no further business, Mayor Feldman adjourned the regular City Council at 7: 03 p.m.

A handwritten signature in cursive script, reading "Jennifer Wida".

Jennifer Wida, City Clerk