



City of Saint Paul

City Hall and Court House
15 West Kellogg Boulevard
Phone: 651-266-8560

City Council Meeting Minutes - Final

*Council President Kathy Lantry
Councilmember Dan Bostrom
Councilmember Amy Brendmoen
Councilmember Nathaniel Khaliq
Councilmember Russ Stark
Councilmember Dave Thune
Councilmember Chris Tolbert*

Wednesday, October 23, 2013

3:30 PM

Council Chambers - 3rd Floor

ROLL CALL

The meeting was called to order by Council President Lantry at 3:31 p.m.

Councilmember Stark excused

Present 5 - Councilmember Dan Bostrom, Councilmember Amy Brendmoen, Councilmember Nathaniel Khaliq, City Council President Kathy Lantry and Councilmember Chris Tolbert
Absent 2 - Councilmember Russ Stark and Councilmember Dave Thune

CONSENT AGENDA

Note: Items listed under the Consent Agenda will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the Consent Agenda for separate consideration.

Approval of the Consent Agenda (Items 1 - 11)

*Items 8 and 9 were removed from the Consent Agenda for separate consideration.
Councilmember Tolbert moved approval of the Consent Agenda as amended.*

Consent Agenda adopted as amended

Yea: 5 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry and Councilmember Tolbert
Nay: 0

Absent: 2 - Councilmember Stark and Councilmember Thune

- 1 **RES 13-1654** Approving a closed door session of the City Council on Wednesday, November 6, 2013.
Adopted

- 2 **Min 13-43** Approving the minutes of the October 2 and 9, 2013 City Council meetings.
Adopted
- 3 **RES 13-1553** Authorizing the City of Saint Paul to execute a grant contract amendment for a timeline extension with the State of Minnesota for the 2011 Metropolitan Medical Response System (MMRS) Grant.
Adopted
- 4 **RES 13-1612** Authorizing the Fire Department to accept a donation of \$100 from the Saint Paul Retired Teachers Inc. to continue to provide public safety education to the City of Saint Paul and its residents.
Adopted
- 5 **RES 13-1630** Authorizing the Fire Department to conduct various fire training exercises at 1511 Burns Avenue.
Adopted
- 6 **RES 13-1606** Approving the Memorandum of Agreement (2013 - 2015) between the City of Saint Paul and Manual and Maintenance Supervisors Association for the purpose of creating an exception to the compensatory time earning limit for the classification of Golf Course Superintendent.
Adopted
- 7 **RES 13-1618** Creating the classification of Parks Safety and Security Supervisor, occ code 494B, in the Saint Paul Supervisors Organization, Employee Group 09 Salary Schedule, Grade 010.
Adopted
- 10 **RES 13-1650** Approving subordination of mortgage for Uni-Lex Partners.
Adopted
- 11 **RES 13-1631** Accepting the donation of dog food and other animal supplies from Animal Ark for use by St. Paul Animal Control.
Adopted
- FOR DISCUSSION**
- 8 **RES 13-1599** Authorizing the Parks and Recreation Department to enter into a three-year contract with the Sanneh Foundation for the management of Conway Recreation Center. (Laid over from October 23)
Council President Lantry moved to lay the matter over to November 20 at the request of the Parks department.

Laid over to November 20

Yea: 5 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry and Councilmember Tolbert

Nay: 0

Absent: 2 - Councilmember Stark and Councilmember Thune

Councilmember Thune joined the meeting.

Present 6 - Councilmember Dan Bostrom, Councilmember Amy Brendmoen, Councilmember Nathaniel Khaliq, City Council President Kathy Lantry, Councilmember Dave Thune and Councilmember Chris Tolbert

Absent 1 - Councilmember Russ Stark

9 RES 13-1653

Authorizing the Parks and Recreation Department to prepare a Request for Proposal to solicit contractors to operate some or all of the city-owned golf courses and golf club houses.

Councilmember Tolbert requested a staff report. Parks and Recreation Director Mike Hahm said the RFP was the first step in seeking out management partners for the Como and Phalen courses. He said current employees at those courses would be moved to the Highland course or to other areas within the department. He said this action was being taken after three years of having the golf program under a performance plan, which was one of the requirements under the City's Compete Saint Paul policy. He said they would look to golf organizations and community members for feedback on the RFP once it was public, and for input into prospective vendor screening, and establishment of contract terms. He stated that the golf program was \$4.5 million in debt at the beginning of the three years and in excess on \$7 million now, and the debt was carried as a negative fund balance. He stressed that the losses were not a reflection on the efforts of the staff at the courses, but on structural issues and the City's inability to continue to support and subsidize golf. He asked for the Council's support and said the hope was to bring contracts to the Council for approval In January.

Councilmember Tolbert asked Mr. Hahm to confirm that no current employees would lose their jobs. Mr. Hahm said there were accommodations for existing certified staff to be relocated at Highland or transferred to open positions in other areas of Parks, including a couple of situations requiring a slight reduction in pay and the employee's willingness to take the new position. He said there were six management position in golf that would be more difficult to relocate, and depending on choices made by those employees, they could be in a position where a couple of managers might face lay-offs. He said they were continuing to look for available positions to relocate those employees.

Councilmember Tolbert asked whether disinvestment in golf would free up funds for other front line Parks services that were lacking. Mr. Hahm said the City could not continue to add to the program's \$7 million cash deficit, and had to take affirmative action such as that being discussed, or investing the City's general fund dollars to subsidize golf at the expense of existing programs. He said having some flexibility in the Parks budget and not needing to take action over the past couple of years had allowed personnel to be added or retained at Payne-Maryland, Conway, McDonough, and Wilder.

Councilmember Tolbert confirmed with Mr. Hahm that Parks would continue to promote and invest in the Highland course.

Councilmember Tolbert asked for details of contractual oversight in terms of maintaining affordable golf and other programming such as skiing. Mr. Hahm said the City was not giving up oversight but was looking for management partners to manage under the parameters set forth in the RFP. He said they fully intended to continue the ski programs. He said they would make sure the golf community and neighborhood groups were familiar with the provisions of the contract and that it provided appropriate oversight and control, and the contract would come before the City Council for approval.

Councilmember Brendmoen said she appreciated Councilmember Tolbert's questions. She said community members had expressed concerns about the speed of the process, and it was helpful to hear that there were plans to include them going forward. She stressed that the community and the City should have a way to evaluate the process on a regular basis and make adjustments if needed.

In response to a question from Councilmember Thune, Mr. Hahm said the total loss per year had ranged from \$600,000 to \$1 million and that all four courses were losing money. He noted that there was also debt service for the Highland properties. He said the ski program had a separate budget and they had worked very hard to unburden golf. Councilmember Thune asked whether there were other Parks programs that did make money. Mr. Hahm said some budgets with assessments or fees for services held their own, but most recreation programs had general fund or state grant support. He said adult athletic programs were self-sufficient or close to it. He said golf was at the far end of the spectrum in terms of being expected to support itself and fund other things in St. Paul and in Parks agencies elsewhere.

Councilmember Thune said it sounded like the City was just shedding services. Mr. Hahm said they were trying to prevent another loss that would put the City in the position of having to cut other programs. He reiterated that golf was expected to break even and the department did not budget to subsidize it, and they were now carrying a cash deficit of \$7 million. Councilmember Thune said not subsidizing golf was a choice, and the choice could be made to subsidize golf instead of other services or to raise taxes.

Councilmember Thune questioned whether small changes in costs for personnel could add up to significant savings, and he asked whether a lot of the losses were due to the debt service at Highland. Mr. Hahm said the debt service at Highland accounted for about 40% of the annual loss. He said the goal with the RFP was to get in a position where they were not contributing to the operating losses and could begin to return some revenues to the program and address the debt service. Councilmember Thune questioned whether that could be done while still paying the current employees. Mr. Hahm said those employees would be going to existing positions at Highland. Councilmember Thune asked whether rates at the partnered courses would be the same as at Highland. Mr. Hahm said the RFP allowed for some flexibility but made clear that the intention was to retain the same basic rate structure. but the intention was to Thune questioned whether \$1 million would be saved if employees were just reassigned, and said his concern was that rates would get too high. Mr. Hahm said the RFP and contract would address those things, and any rate changes or improvements would require approval by the City.

Councilmember Khaliq expressed frustration that this situation had been allowed to go on for so long while other recreation programs were being cut. He said golfers could afford to play golf and would find their way to courses, but children needed rec centers and affordable programming in their neighborhoods. He said Mr. Hahm had provided assurances about keeping rates low, and he urged the Council to adopt the resolution without hesitation.

Councilmember Tolbert asked whether there had been any interest expressed in advance of the RFP given that the courses were currently losing money. Mr. Hahm stated that the management model was a common model and there had been interest expressed. Mr. Tolbert asked what would happen if there was no interest. Mr. Hahm said that question had been raised and the simple answer was that they didn't know, but indications were that there was an interest.

Councilmember Bostrom asked whether the department had contracted someone to help draw up the RFP. Mr. Hahm said they had worked with a consultant. Councilmember Bostrom suggested contracting someone to do outreach and get input from stakeholders. He asked why the costliest course was outside the scope of this plan. Mr. Hahm said rules associated with the outstanding revenue bond restricted the ability to work with a management partner at that location, and keeping

Highland open provided a place to reassign staff from other courses. He said there was also value in retaining one course as the department tested partnerships at the other courses.

Councilmember Tolbert said he felt golf was a public asset and amenity and should be staffed by public employees, and he would not support the resolution.

Councilmember Thune asked whether it would be possible to present this as an attractive opportunity for prospective management partners while still keeping golf affordable. Mr. Hahm said these management models were performing successfully in other areas, including Ramsey County. Councilmember Thune expressed concern about the lack of public discussion prior to the RFP process. Mr. Hahm stressed that nothing was being done that would affect the current rate structure, and the City had a right to approve the rates initially and going forward.

Councilmember Thune asked for the time frame. Mr. Hahm said the plan was for the RFP to be released the following Monday, followed by a question and answer and discussion period, and culminating in a contract award in January for the 2014 season. Councilmember Thune asked whether it could be done in stages, with only the clubhouses or concessions being managed privately. Mr. Hahm said it was possible, but reiterated that it was a management model being used successfully elsewhere. Councilmember Thune said it was hard to stop the process once it was started. Mr. Hahm said this was a common management model using established best practices, and this was just a first step. He said he would be in a better position to answer specific questions going forward. Councilmember Thune said he'd like to see examples of the management model being used successfully elsewhere.

Councilmember Bostrom asked about pay rates for the private employees. Mr. Hahm said there was a prevailing wage clause in the RFP and the management company would have to pay within a range for the specific job titles, however the contract would not proscribe how the work force was organized.

Councilmember Bostrom asked who would provide maintenance at the courses; he noted that the City had hundreds of thousands of dollars of equipment. Mr. Hahm said the managing partner would be responsible for maintenance, and use of equipment would be addressed in contract negotiations. He said other details, such as assigning responsibility for clean-up and tree replacement after a storm, would also be part of contract negotiations. Councilmember Bostrom said he didn't have enough information to support the item.

Councilmember Thune suggested a four-week layover to allow time for Council members to get more information about how this type of thing worked elsewhere and what the impact would be here. Mr. Hahm said that would mean it couldn't be implemented next season. Councilmember Thune asked why it hadn't come before

the Council sooner. Council President Lantry said there was a sequence in notification, and while the public was just hearing about this now, Council members had been getting monthly golf reports for the past three years. She said the intent was not to privatize and shed services, but choices had to be made as to which services were subsidized at what level. She said steps had been taken over the previous three years to engage as many people as possible and make golf successful, but she was not willing to lose another \$1 million. She said the losses were due to competition, and competition would keep rates down. She said the RFP would attract professionals who knew what they were doing and could make the program work. She said a partnership might bring changes, and that they might be good changes. She reiterated that she was unwilling to continue to subsidize golf over other Parks programs. She said she didn't feel golf was a core City service, and for the time being the City was keeping Highland.

Councilmember Bostrom said if the City was going to get out of the golf subsidy business, the proposal should also include Highland. Council President Lantry said the bond documents did now allow Highland to have a private partner, and retaining Highland allowed Parks to protect at least some current Como and Phalen employees.

Councilmember Khaliq said it was disingenuous to disallow even this first step, and irresponsible for the Council to continue down the same path. He said the concerns being expressed would be addressed when contract was brought back for the Council to review.

Office of Financial Services Director Todd Hurley reviewed the details of golf finances after the previous three years when Compete St. Paul began. He said the choice was to continue and really subsidize the program or maintain public courses with private management. He explained the bond rules which prevented private for-profit management at Highland.

Councilmember Tolbert asked how there could be public input into the RFP before its release the following Monday. Mr. Hahm reviewed the issues and concerns that had been communicated in conversations over the previous week, and said a process would be set up to engage the community during the solicitation and review process. He said they would work with the Human Rights and Equal Employment Opportunity (HREEO) department to set the process up.

Councilmember Bostrom asked what type of bonds the City had for the Xcel and RiverCentre. Mr. Hurley said the Xcel bonds were taxable bonds and the RiverCentre bonds were tax exempt, but the RiverCentre contract was a qualified management which could not be used for the golf courses.

Councilmember Thune repeated his desire to lay the matter over and obtain more information about the management model. He suggested that the City could manage the courses using the practices in the management model. Mr. Hahm said the contracts being used elsewhere were already available and public, and had been reviewed by the department over the past couple of years.

Councilmember Brendmoen said she had had the opportunity to look at the RFP and that had been helpful. She asked whether the matter could be laid over for two weeks and a draft RFP released, since Mr. Hahm didn't appear have the votes for approval. Mr. Hahm said it was currently a draft document and if it were released it would be released to everyone. He said there was some time pressure, but if the Council wanted to lay the matter over he would make the management agreements and draft proposals available for further review.

Deputy City Attorney Jerry Hendrickson explained some potential problems

associated with releasing a draft RFP.

Councilmember Thune moved a two-week layover.

Council President Lantry said in the interim she would like to know where the \$1 million loss for the 2014 season would come from if the item did not go forward.

Laid over to November 6

Yea: 5 - Councilmember Bostrom, Councilmember Brendmoen, City Council President Lantry, Councilmember Thune and Councilmember Tolbert

Nay: 1 - Councilmember Khaliq

Absent: 1 - Councilmember Stark

12 RES 13-1671

Authorizing the issuance of Taxable General Obligation Capital Improvement Bonds in order to finance a portion of the costs of the Lowertown Ballpark Project and delegating a pricing committee to set the terms thereof within parameters set forth in this resolution; fixing the form and specifications of the Bonds; directing the execution and delivery of the Bonds; providing for the payment of and levying a tax for the Bonds; authorizing the Parks and Recreation Department to submit grant applications for the Lowertown Ballpark Project; and approving a Record of Internal Loan for the Lowertown Ballpark Project.

Parks and Recreation Department Director Mike Hahm described the actions included in the resolution and companion Housing and Redevelopment Authority (HRA) items. He thanked the Council for their engagement, and acknowledged the work of Office of Financial Services Director Todd Hurley, Deputy City Attorney Jerry Hendrickson, the City's outside counsel, and representatives of the Saints. He reviewed the business deal reached with the Saints. He said the first \$1 million on the \$6 million internal loan had been secured, and the bond rates were better than forecast.

Mr. Hurley gave a staff report on the planned bond sale, and the potential positive outcomes for the Saints and the City of the better than expected market.

Councilmember Brendmoen moved approval.

Adopted

Yea: 5 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry and Councilmember Tolbert

Nay: 0

Absent: 2 - Councilmember Stark and Councilmember Thune

The Council recessed and the HRA reconvened to consider the following items (see HRA minutes):

RES 13-1656 Resolution Authorizing Approval of 2013 Technical Budget Amendment Related to Tax Increment Financing for the Regional Ballpark

RES 13-1655 Resolution Approving and Authorizing an HRA Loan to the St. Paul Saints Baseball Club, Inc. to Assist in the Financing of the Regional Ballpark, District 17, Ward 2

The HRA adjourned and the Council reconvened.

- 13 RES PH 13-272** Approving adverse action against the Taxicab Driver (Renewal) license application submitted by Abdi Wali Ahmed.
- Assistant City Attorney Geoff Karls referred Council members to the incident information report and said it didn't provide much information other than that driving conditions may not have been good, which was consistent with the applicant's statement about the incident.*
- Councilmember Thune said he hated to take away someone's livelihood, and his preference was to grant the license with no same or similar violations in 18 months. Council President Lantry noted that City employees who drove as part of their jobs operated under the same regulations and would not be given a second chance under the same circumstances. She suggested the applicant could still get a non-driving position with the taxi cab company. She said she was not comfortable granting the license without more information.*
- In response to questions from Council members Tolbert and Khaliq, Mr. Karls said the violation was a citation and a fine had been paid, and there was no court proceeding.*
- Councilmember Thune moved to grant the license with the condition that it be suspended if there was a same or similar violation within 18 months.*
- Yeas - 3 Nays - 3 (Bostrom, Brendmoen, Lantry)*
- Motion failed.*
- Council President Lantry moved to adopt the recommendation of the Department of Safety and Inspections.*
- Adopted (License application denied)**
- Yea:** 6 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry, Councilmember Thune and Councilmember Tolbert
- Nay:** 0
- Absent:** 1 - Councilmember Stark
- 14 RES PH 13-233** Amending the Police Department 2013 budget in the amount of \$206,806.99 to use unclaimed monies for the purchase of a condensed mobile shelving unit in the property room.
- Withdrawn**
- 15 RES PH 13-255** Authorizing the Police Department to enter into the Annual Plan Agreement with the State of Minnesota, State Patrol; and amending the 2013 Police Special Funds budget for this agreement.
- Councilmember Thune moved approval.*

Adopted

Yea: 6 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry, Councilmember Thune and Councilmember Tolbert

Nay: 0

Absent: 1 - Councilmember Stark

ADJOURNMENT

Councilmember Brendmoen moved adjournment.

Meeting adjourned at 5:19 p.m.

Yea: 6 - Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry, Councilmember Thune and Councilmember Tolbert

Nay: 0

Absent: 1 - Councilmember Stark

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