



South St. Paul

WORKSESSION AGENDA

SSP City Hall
125 3rd Avenue North
Training room

Monday, July 25, 2022
7:00 pm

AGENDA:

1. 2023 Professional Services Budget
2. Billboards Update
3. Primary Canvassing – Friday, August 12th
4. Council Comments & Questions



Agenda Item: 2023 Professional Services Budget

Discussion:

As we prepare for 2023 budget discussions, the Administration thought it would be helpful and meaningful to have a brief discussion about ongoing, professional services that have historically, and / or could in the future, appear as relatively significant line items in an annual budget. Specifically, we would like to make the Council aware of those Professional Services that we foresee as potentially experiencing some change in the 2023 Budget, namely: Legal Services, Odor Monitoring, and Property Maintenance (city-owned).

Legal Services

Currently, the City has a retainer agreement with LeVander, Gillen, and Miller to serve as City Attorney for all Civil Law matters, and a separate agreement with Campbell Knutson for all Prosecution Services. Both firms have approached the administration in recent months to signal a desire to increase billing rates.

LGM has served in the capacity of City Attorney for decades. The most recent Agreement with LGM was adopted in 2001 and amended in 2011 and 2014. LeVander has advised that they will be seeking a rate adjustment (approximately 12% on non-litigation rates, approximately 30% for attorney and 18% for paralegal on litigation rates) in 2023. A table comparing current and proposed rates is presented below:

	Current (Since 1/2014)		Proposed (Commence 1/2023)	
Retainer	\$1,500/month		\$1,500/month	
<i>Hourly Rates</i>	<i>Attorney</i>	<i>Paralegal</i>	<i>Attorney</i>	<i>Paralegal</i>
Non-Litigation	\$125	\$85	\$140	\$95
Litigation	\$125	\$85	\$165	\$100
Pass-Thru	-	-	\$210	\$130

As the table above indicates, LGM is proposing the creation of a “Pass-Through” fee which would be applicable, generally speaking, to development projects that require substantial involvement of the City Attorney. Technically, the City does not currently charge “developers” (broad meaning) for these fees directly; rather for most development applications our fee schedule includes an Escrow that is collected to reimburse the City (at City Rates) for the costs we incur and are billed for by LeVander for reviews. Staff and LGM have worked in the past year to both update our fee schedule and escrow schedule, and to more diligently track attorney (and other consultant) time spent on development applications. So, in practice we are already passing through attorney time to developers through our current system (again, at the City’s standard rates). What LGM is proposing is that rather than bill these developers vis a vis the Escrow at “non-litigation” rates, we would integrate into a development agreement (for those projects warranting the use of a development agreement) this new “Pass-Through” fee.

Separately from our relationship with LGM, the City is currently in the third year of a 5-year Contract with Campbell-Knutson for Prosecution Services. This Contract was awarded in late 2019 to cover the years 2020 through 2024 at a not-to-exceed rate of \$165,000 per year. Although the Administration has yet to receive a formal request, the former City Administrator was approached in May 2022 about an adjustment to the annual rate cap. As Campbell-Knutson tells it, since 2020 they have been burning through the annual fee typically 2-3 months before the end of the year, effectively providing several months of service “pro bono”. No further discussion on this topic has taken place between the Administration and Campbell-Knutson in the past two months, but it is possible that a request will be forthcoming before the end of 2022 to consider a fee adjustment (at what rate, we have not been told).

Odor Monitoring

In recent years, the City’s Budget for Development Services (Planning, Zoning, Building Inspections) has included a line item of between \$30,000 - \$40,000 for Odor Monitoring. This budgeted item has been used to pay for staff persons from Short Elliot Hendrickson (SEH) to respond to odor complaints received through the City’s odor complaint hotline or online form submittal (during business hours), travel to South St. Paul, employ an olfactometer to measure odor unit readings, and to review that data and prepare a technical analysis of any readings received in order to verify an odor complaint.

For 2023, Staff is suggesting a reduction in this professional services line item. With the recent restructuring of Community Development and the hire of a full-time code enforcement officer, the Administration is confident that we have the internal capacity to maintain if not improve the odor complaint response process. SEH (or another technically capable consultant) would continue to provide independent analysis with their technical expertise to verify odor complaints, but the City would no longer be reliant upon their availability to provide timely response in data collection.

Fundamentally, approaching odor monitoring as a “complaint-based” process identical to our other code enforcement responses should make for more efficient, consistent, and timely administration of this particular City Code issue. If Council is supportive of this approach, this would contribute significantly to an overall reduction of \$54,200 in professional services expenditures for 2023 from the Development Services budget, but a \$15,000 increase in professional services expenditures in 2023 within the Code Enforcement budget.

City-owned Property Maintenance

For 2023, the Administration is proposing two notable changes with respect to maintenance of certain city-owned properties. For purposes of this discussion, Staff is referring specifically to EDA-owned vacant properties, generally scattered throughout town but concentrated on and around Concord Street, as well as public “streetscapes” along key gateway corridors in the community.

Previously, the maintenance of vacant development lots – which includes snow removal from sidewalks, landscape maintenance, and junk removal - was paid for through a variety of sources: TIF, Parking Lease Revenues, the “Development” Fund, and the HRA being most common. For 2023, Staff is recommending that the maintenance costs for these lots be sourced from the Economic Development Authority’s annual budget. The amount of this expenditure has continued to decline year over year for several years now, as the EDA’s inventory of vacant land continues to dwindle due to land sales for development. Total costs in 2021 for these services were just over \$20,000, down from \$40,000 in 2020. For 2022, these costs are trending towards totaling less than \$15,000.

Finally, Staff is suggesting that the 2023 EDA budget direct funding towards the maintenance of the public streetscapes along Concord Street, Grand Avenue/3rd Avenue/Southview Boulevard, and Concord Exchange. Broadly speaking, this would include plant and tree maintenance (pruning, weeding, dead-heading, etc), mulching, grass trimming/edging, and trash removal. Through our recent major investments in each of these corridors, the City has made a significant statement about each of their importance in advancing our City's economic development vision. Staff believes that maintaining the public streetscapes in these corridors is critical to the continued success and momentum of private investment in these key economic development areas. With the recent restructuring of staff allocation out of the EDA Budget, there are sufficient financial resources to assume this expenditure.



Agenda Item: Billboard Update

Discussion:

In May 2022, the City issued a Request for Proposals seeking a qualified developer/operator of digital billboards to propose an approach towards implementing digital billboards in appropriate locations within the City. The City received two proposals in response, and the Administration has determined that Blue Ox Media, a Minnesota company specializing in digital advertising implementations throughout the Twin Cities, best meets the City’s expectations in a long-term partnership such as this. As we look towards the requisite approvals processes in early fall, Staff wanted to provide Council with an update on the status of this effort.

Blue Ox Media’s Proposal

Below are the key terms and considerations of Blue Ox Media’s proposal to the City:

- Blue Ox to pursue all necessary permits/approvals at their own expense
- Blue Ox solely responsible for all costs of construction, installation, operation, and ongoing maintenance of digital billboards
- Upon receipt of all unappealable, necessary governmental approvals, Blue Ox to make a \$50,000 bonus payment to City (per sign/site)
- Annual rental rate (year 1) of sign at I-494 \$125,000; 3% annual increases over 20 year term with one 10-year option
- Annual rental rate (year 2) of sign at USH-52 \$90,000; 3% annual increases over 20 year term with one 10-year renewal option
- Blue Ox to allow City/other designated authority to preempt digital advertising with emergency alerts at no cost
- Blue Ox to provide up to 30 hours per month per fact to City for its use at no cost; Blue ox to assist with design/copy creation at no cost if city desires
- Blue Ox to provide 30% discount to published rate to any business/nonprofit that resides in SSP
- Blue ox solely responsible for removal upon termination within 120 dates of lease expiration, and restoration of the site

SITE 1: HWY 52	
First 20 years of the term:	\$2,418,333.70
10-year option period:	\$1,863,453.71
TOTAL: 30 years	\$4,281,787.41

SITE 2: HWY 494	
First 20 years of the term:	\$3,358,796.81
10-year option period:	\$2,588,130.15
TOTAL:	\$5,946,926.96

Next Steps

Assuming that the Council continues to support moving forward with this initiative, Staff will continue to work with Blue Ox to present all information necessary to achieve local and state approvals for an installation at the City-owned site on the south side of 494, west of Concord Street. Should approvals be gained, installation and lease commencement is expected before the end of 2022. As we look forward, Staff would be interested in engaging the Council in a discussion about how the Council envisions best integrating lease revenues into the City's financial picture. Staff would suggest that these revenues could – probably should – be used for something more than simply suppressing the tax levy; for example dedicating a specific percentage towards infrastructure, parks, reserves, etc.



Worksession Agenda

Date: 7/25/2022

Department: City Clerk

Prepared by: Deanna Werner

Administrator:  _____

3

Agenda Item: Primary Canvassing

To be considered: Call of a Special Meeting to canvass the returns of the 8/9/2022 Primary Election

Overview: Municipalities with seats on the ballot at the August 9th, 2022 Primary are required to canvass the returns of the August 9th Primary on the 2nd or 3rd day after the election. This means the council will have to meet in a Special Meeting on either, Thursday, August 11th or Friday, August 12th to canvass the returns which will finalize the candidates for City Council who will appear on the ballot on November 8th, 2022.

The City is required to provide 72-hour notice of time and place for this Special Meeting, so a decision on the date and time of the Special Meeting should be decided upon. It is not required that all council members be present for the canvass, it is just necessary for a quorum to be present. This should be a very brief meeting, 5-10 minutes.

Source of Funds: N/A