



AGENDA

City Council Workshop

**Workshop
September 26, 2023
HADLEY CONFERENCE ROOM
5:00 PM**

- 5:00 PM Parks and Recreation Commission Interview Candidate: Gina Stokes
- 5:10 PM Parks and Recreation Commission Interview Candidate: Kari Moore
- 5:20 PM Parks and Recreation Commission Interview Candidate: Jen Schorr
- 5:30 PM Discussion RE: Parks and Recreation Commission Interview Candidates
- 5:35 PM 2023 Legislative Session Housing Bill Overview
- 5:55 PM Proposed Updates to City Policy EPB-021: Housing Assistance – Housing Improvement Areas (HIA)
- 6:10 PM Storage of Lower-Potency Hemp Products in Licensed Liquor Stores
- 6:25 PM Review of 2023A Debt issuance
- 6:35 PM Administrator Update
- 6:40 PM Council Topics
- 6:55 PM Recess for Regular Meeting

Continue after Regular Council Meeting. Hadley Conference Room

School Resource Officer



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Julie Williams, Recreation Superintendent
Date:	September 26, 2023
Subject:	Parks and Recreation Commission Interview Candidate: Gina Stokes

BACKGROUND

At the September 26, 2023 work session, the City Council will interview Gina Stokes for consideration to serve on the Parks and Recreation Commission. At this time, the Parks and Recreation Commission has two vacancies. Recreation staff has interviewed the applicant ahead of the Council work session.

Application and staff interview materials will be provided to the City Council under separate cover.



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Julie Williams, Recreation Superintendent
Date:	September 26, 2023
Subject:	Parks and Recreation Commission Interview Candidate: Kari Moore

BACKGROUND

At the September 26, 2023 work session, the City Council will interview Kari Moore for consideration to serve on the Parks and Recreation Commission. At this time, the Parks and Recreation Commission has two vacancies. Recreation staff has interviewed the applicant ahead of the Council work session.

Application and staff interview materials will be provided to the City Council under separate cover.



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Julie Williams, Recreation Superintendent
Date:	September 26, 2023
Subject:	Parks and Recreation Commission Interview Candidate: Jen Schorr

BACKGROUND

At the September 26, 2023 work session, the City Council will interview Jen Schorr for consideration to serve on the Parks and Recreation Commission. At this time, the Parks and Recreation Commission has two vacancies. Recreation staff has interviewed the applicant ahead of the Council work session.

Application and staff interview materials will be provided to the City Council under separate cover.



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Hannah Dunn, Community Development Specialist Max Lohse, Community Development Specialist
Date:	September 26, 2023
Subject:	2023 Legislative Session Housing Bill Overview

City staff has prepared a brief summary and accompanying presentation of the 2023 Legislative Session [Omnibus Housing Finance and Policy Bill](#), with a particular focus on Article 5 (Chapter 37 / H.F. No. 2335). This summary is intended to inform Council Members of relevant funding that was passed and begin early discussions on how to utilize funds.

BACKGROUND

Article 5 of the Omnibus Housing Finance and Policy Bill establishes guaranteed local affordable housing aid to help metropolitan local governments develop and preserve affordable housing, thus keeping families from losing housing and helping those experiencing homelessness find housing. The bill also explicitly states that creating more energy- or water-efficient homes is a priority. Therefore, the utilization of funds would allow Oakdale to further both its housing affordability and resiliency goals in the 2040 Comprehensive Plan.

While the actual aid amount may differ depending on sales and use tax proceeds, Oakdale is estimated to receive \$356,981 in 2024 and \$553,202 in 2025, the first year of full tax collection. Washington County is estimated to receive over \$4 million in 2024 and over \$6 million in 2025. The funding will continue unless a change is made to the formula or the collection of sales tax. The bill requires funded counties to regularly consult with cities. It will be critical to leverage or establish partnerships with Washington County, allowing Oakdale to further its plans to use the local affordable housing aid.

STAFF RECOMMENDATION

In order to assess current needs and understand best utilization of funds, staff is recommending completion of a Housing Study. This has been included in the preliminary 2024 budget.

COUNCIL DIRECTION REQUESTED

Staff is requesting Council direction, input, and intent on potential programs and pathways for use of funds the City will receive from bills passed during the 2023 Legislative Session regarding housing funding. Staff is also seeking input from Council on the need for a Housing Study.

Attachment

2023 Legislative Session Housing Bill Presentation Slides

2023 Legislative Session Housing Bill

City Council Workshop
September 26, 2023



Purpose

- **Examine the most critical bills passed during the 2023 Legislative Session related to housing**
- Special attention to the Housing Bill
 - Funding guaranteed
 - Most tied to City action
- Other bills
 - Grants
 - Funding for other agencies

Housing Bill - Chapter 37, Article 5, Section 3
[Local Affordable Housing Aid](#)

Purpose of Article 5, Section 3

*The purpose of this section is to help metropolitan local governments to **develop and preserve affordable housing** within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.*

2040 Comprehensive Plan

Article 5, Section 3 helps the City meet:

*Housing Affordability Goals
(Ch. 6, Goal 1, Policies 2-4)*

+

*Resilience Goals
(Ch. 8, Goals 1 and 2)*

Article 5, Section 3 Priorities

- Reduce disparities in home ownership
- Reduce housing cost burden, housing instability, or homelessness
- Improve habitability of homes
- Create accessible housing
- Create more energy- or water-efficient homes

Local Affordable Housing Aid

- Funded through new sales and use tax in metropolitan area
- Department of Revenue certifies preliminary distribution factors by August 1; final distribution factors will be based on data available as of May 1 of the year aid is calculated and paid
- Aid amounts are posted after they are calculated each year
- Paid in two equal installments in each year aid is calculated - July 20 & December 26
- Spend by December 31 in the third year following the year after aid was received
- Unspent funds to be returned to State
- Funds are considered spent if deposited into a Local Housing Trust Fund

Estimated Aid to Oakdale

FY2024	FY2025	FY2026	FY2027
\$356,981	\$553,202	\$569,750	\$586,299

Department of Revenue Preliminary Distribution Factors 7/1/23

Estimated Aid to Washington County

FY2024	FY2025	FY2026	FY2027
\$4,083,567	\$6,328,177	\$6,542,242	\$6,713,546

- Department of Revenue Preliminary Distribution Factors 7/1/23
- Bill explicitly states that cities and counties should regularly consult

Categories for Aid Utilization

1. Rental Assistance
2. New Construction / Redevelopment
3. Rehabilitation – Rental
4. Rehabilitation – Owner-occupied
5. Transfer to Local Housing Trust Fund (LHTF)

1. Rental Assistance

- **Important stipulations:**

- For households with incomes that do not exceed 80% area median income (AMI)
- Priority to households with incomes that do not exceed 50% AMI

- **How cities could use the aid:**

- Provide direct aid to renters

- **Example:**

- [Richfield's Kids @ Home](#)

- ***Important considerations:***

- *Most emergency rental assistance is funded through counties, community action programs, nonprofits*

2. New Construction/Redevelopment

- **Important stipulations:**

- 5% (minimum = 1) units ADA compliant for buildings with more than four units
- 5% (minimum = 1) units sensory-accessible for buildings with more than four units
- Rental – 80% AMI, priority to 50% AMI
- Owner-occupied – 115% AMI, priority to 80% AMI

- **How cities could use the aid:**

- Provide direct support to developers for construction, acquisition, permanent financing, rate reduction, financing, gap financing
- Partner with developer on an affordable housing project

- **Example:**

- [City of Northfield Housing and Redevelopment Authority loan to Hillcrest Project](#), a net-zero usage affordable housing development

- **Important considerations:**

- *Recent 4d tax changes*

3. Rehabilitation - Rental

- **Important stipulations:**

- 5% (minimum = 1) units ADA compliant for buildings with more than four units
- 5% (minimum = 1) units sensory-accessible for buildings with more than four units
- 80% AMI, priority to 50% AMI

- **How cities could use the aid:**

- Multifamily loans for exterior rehab, energy/water rebates, partner with another organization for loan administration

- **Examples:**

- [Richfield Apartment Remodeling Loan Program](#), [Richfield Affordable Apartment Improvement Grants](#), [St. Louis Park Rental Rehabilitation Loan](#)

- **Important considerations:**

- *May be difficult to implement because of requirement for some units to be 100% ADA compliant and sensory-accessible*
- *Example loans above are administered by the cities and their Economic Development Authority (EDA) or Housing and Redevelopment Authority (HRA)*

4. Rehabilitation – Owner-occupied

- **Important stipulations:**

- 115% AMI, priority to 80% AMI

- **How cities could use the aid:**

- Front door loans or grants to improve curb appeal, neighborhood revitalization loans, energy/water rebates, partner with another organization for loan administration

- **Examples:**

- [Coon Rapids Front Door Grant Program](#), [Fridley Water Rebate Program](#), [Richfield ADU Pilot Project](#), [Richfield](#) and [Coon Rapids](#) subsidize Home Energy Squad visits

- **Important considerations:**

- *Above programs often partner with Center for Energy and the Environment and other organizations to avoid burden of loan administration*
- *115% AMI captures more Oakdale residents and lacks the additional rental rehab requirements*

5. Transfer to Local Housing Trust Fund (LHTF)

- LHTF are **established by elected government bodies** at the city, county, or regional level
- **Dedicate public revenues** to a **distinct fund** that is used to **address housing needs**
- LHTF can be used to:
 - Make grants, loans, and loan guarantees for development, rehabilitation, or financing of housing
 - Match other funds from federal, state, or private resources for housing projects
 - Provide down payment assistance, rental assistance, and home buyer counseling services
 - Pay for administrative expenses of not more than 10% of fund balance.

5. Transfer to Local Housing Trust Fund (LHTF)

- **Important stipulations:**

- Funds transferred to a local housing trust fund must be spent on a project or household that meets the affordability requirements

- **How cities could use the aid:**

- Funds are considered spent if deposited into a local housing trust fund

- **Example:**

- [Bloomington Housing Trust Fund](#)

- ***Important considerations:***

- N/A

Other Related Programs Noted

- **Grants available to cities**

- [Community Tree Planting](#) – through the Department of Natural Resources (DNR)
- [Local Climate Action Grants](#) – through the Minnesota Pollution Control Agency (MPCA)

- **Program renewals**

- Existing and new Department of Employment and Economic Development (DEED) and Minnesota Housing programs

- **Other**

- Potential partnerships with new environmental entrepreneurial grants
 - [Minnesota Forward Fund](#), [Minnesota Climate Innovation Finance Authority](#)

Staff Recommendation

- Staff recommends the City pursue a Housing Study to better understand existing need and future programs to utilize aid.
 - Current regional and county housing studies lack Oakdale perspective
 - Housing Study as pathway to analyze:
 - Existing housing stock
 - Market trends and demand
 - Most beneficial housing programs
 - Engagement with Council and residents would be a critical component

Council Direction

- Staff is requesting direction from Council on potential establishment of a LHTF and pathways for use of funds.
- Staff is seeking input from Council on need for a Housing Study (in the preliminary 2024 budget).



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Max Lohse, Community Development Specialist
Date:	September 26, 2023
Subject:	Proposed Updates to City Policy EPB-021: Housing Assistance – Housing Improvement Areas (HIA)

BACKGROUND

Community Development staff have reviewed and are proposing updates to City Policy EPB-021: Housing Assistance – Housing Improvement Areas (HIA). The following memorandum explains the background of the policy, what changes have been proposed, and what direction staff are requesting from Council.

Established in 2011, EPB-021 outlines a procedural and regulatory framework for the City to utilize when reviewing HIA projects. Under Minnesota State Statutes 428A.11 to 428A.21, cities are permitted to establish HIAs for the purpose of providing financing to common interest communities (e.g., townhome associations, condominium associations, etc.) to make improvements to common elements. Examples of common elements include roofing, siding, landscaping, driveways, and roadways. Facilitation of HIAs is listed as a priority in the Neighborhoods Chapter of the Oakdale 2040 Comprehensive Plan under Goal 1, Policy 5 as well as Need 2 of the Housing Implementation Table.

Generally, HIA funding is financing of the last resort for associations that cannot otherwise finance projects through association funds or commercial loans. Applicants are required to provide a letter of declination from a private lender in order to be considered. In the past, HIAs have been established for the 15th Street Townhomes, Lakeview Terrace Condominiums, and Oakwoode Lustre Townhomes.

Staff are proposing the following changes to EPB-021:

- Compatibility with State Statutes.
- Creation of a required minimum funding request.
- Establishment of an application fee and cash escrow, to be set in the City fee schedule.
- Addition of a time window in which applications are accepted.
- Creation of a new petition form for interested associations prepared by the City Attorney’s Office.
- General language improvements.

COUNCIL DIRECTION REQUESTED

Staff are requesting that Council review and provide feedback on the proposed changes to City Policy EPB-021: Housing Assistance – Housing Improvement Areas (HIA). Staff will then bring the recommended policy changes back to Council for formal adoption.

Attachment

Proposed Revisions to City Policy EPB-021: Housing Assistance – Housing Improvement Areas (HIA) with Tracked Changes

Standard Operating Policy City of Oakdale

Policy Number: EPB-021
Pages: 3
Subject: Housing Assistance – Housing Improvement Areas (HIA)
Approved: 2011 **Amended: 09/2023**

1.0 Purpose

- 1.1 The purpose of this policy is to establish the justification and administrative guidance for establishing Housing Improvement Areas (HIA). This policy shall be used as a guide in when reviewing and processing requests for HIA financing.
- 1.2 The City Council may, at any time and/or for any reason, amend or waive any part of this policy.
- 1.3 The City Council reserves the right to deny funding for specific improvements if it determines that the improvements are not in keeping with the intent of the policy.

2.0 Authority

2.1 Minnesota State Statutes 428A.11 to 428A.21 provides the city with the authority to establish ~~a~~ Housing Improvement Areas.

~~2.1~~2.2 Within an HIA, the City may lend funds to a homeowners association or similar common interest community (“Association”) for the purpose of funding the cost of improvements made to common elements of their property(s). The City may levy fees and assessments, including interest, to fund improvements. The City may lend funds to the Association from available City cash or proceeds from the City’s issuance of bonds.

3.0 Goals

- 3.1 HIA financing is available when one or more of the following goals is achieved:
 - a. Provide safe and adequate housing for Oakdale residents.
 - b. Maintain the integrity of existing residential structures.
 - c. Stabilize and enhance the tax base.
 - d. Eliminate blight.
 - e. Correct housing or building code deficiencies.
 - f. Maintain FHA mortgage eligibility.
 - g. Promote energy conservation.
 - h. Other public policy goals identified by the City Council.

4.0 Eligible Uses of HIA Financing

- 4.1 Improvements eligible for financing include all common elements of the Association’s property. Examples of common elements include, but are not limited to, siding, windows, decks, roofs, sidewalks, lighting, roads, sanitary sewer, water service, and storm sewer and other improvements as approved by the City Council.

5.0 Improvement ~~Fi~~ncing

- 5.1 Housing Improvement Area financing is the financing of last resort and will only be provided when private financing is not possible. Evidence, in the form of a letter or other evidence from a lender acceptable to the city that the association has pursued and is unable to secure private financing shall be provided to the city.
- 5.2 Methods of providing funding for improvements include:
- Bonds issued by the city.
 - Cash provided by the city.
 - A combination of bonds issued and cash provided by the city.
- 5.3 The term of the financing shall be the shortest term possible, but not longer than 20 years, while still ensuring the annual fee is affordable. The preferred term is 10 years or less.
- 5.4 The city ~~requires~~prefers that the aggregate amount of all requests be at minimum \$150,000. ~~\$500,000 before the city considers bond financing.~~
- 5.5 Financing Interest Rate:
- If the city finances the improvements with bonds the interest rate charged to the association shall be the true interest cost (TIC) on the bonds including any associated bonding costs rate plus 1.5%.
 - If the city finances the improvements with cash the interest rate charged to the association shall be the approximate rate currently received on the City's investment portfolio plus 1.5%.
- 5.6 The financing structure shall receive a favorable review by the city's financial advisor and bond counsel.
- 5.7 The Association shall pay an application fee, according to the City's fee schedule, for staff costs to review and process the application, and a cash escrow, according to the City's fee schedule, for out-of-pocket costs, including without limitation, legal financial advisor, engineering, and all other consultant costs, attributable to or incurred by the City in connection with the HIA financing request. the total amount of all third party costs. Costs include staff time to prepare, review, and administer the application by the city's staff, financial advisor, and bond counsel. Unused escrow funds will be returned upon completion of the HIA financing. If the Housing Improvement Area is not implemented for any reason, the Association must still pay all costs related to the preparation and review of the application.
- 5.8 The Association shall provide satisfactory financial guarantees to ensure the repayment of the HIA financing and the performance of the administrative requirements of the development agreement. Financial guarantees may include, but are not limited to, the pledge of the association's assets including reserves, operating funds and/or an agreement to assess charges upon individual units.
- ## 6.0 Approval Criteria
- 6.1 The Association must meet with staff prior to submission of an application. The application for HIA financing must be from the Association. The application must be

accompanied by a fee, ~~a cash escrow, and other expenses as noted above~~, as set by resolution by the City Council.

~~6.2 Applications will only be accepted annually, and must be submitted before March 1.~~

~~6.36.2~~ Priority will be given to applications that best meet the program goals.

~~6.46.3~~ The project must be in accordance with the Comprehensive Plan and Zoning Ordinances, or required changes to either of the former must first be approved by the City Council.

~~6.56.4~~ The Association must adopt a financial plan, prepared by an independent third party that complies with Minnesota Statutes 515B.3-114 through 515B.3-1141.

~~6.66.5~~ The Association must enter into a development agreement with the City. The agreement includes, but is not limited to the following elements:

- a. Establishment of a reserve fund.
- b. Staffing requirements.
- c. Annual reporting requirements.
- d. Conditions of disbursement.
- ~~e.~~ Required dues increase.
- ~~e.f.~~ Notification to new owners of levied fees.
- ~~f.g.~~ Limitations on prepayment of fees.

~~6.76.6~~ ~~Notification to new owners of levied fees.~~ The proposed project should be supported by a petition [in the form attached as Exhibit A hereto] of at least 65% of the owners within the Association requesting the creation of the HIA.

~~6.86.7~~ All taxes, fees and charges must be current on common areas.

~~6.9 A fee is required at the time of application, as established by the City Council.~~

Exhibit A

INFORMATION REGARDING PETITION FOR PUBLIC HEARING
REGARDING HOUSING IMPROVEMENT AREA FOR
[NAME OF PROJECT]

The City of Oakdale is authorized to adopt an ordinance establishing a "housing improvement area" under Minnesota Statutes, Sections 428A.11 to 428A.21 (the "Housing Improvement Act"). Within a housing improvement area, the City may facilitate various improvements to common areas and individual housing units, which are financed by fees imposed on the unit owners.

The process involves two steps: adoption of an ordinance to establish the housing improvement area; and adoption of a resolution setting the fees in the amount necessary to produce revenue required to pay for the housing improvements.

The _____ Association is now proposing that the City establish a housing improvement area for the _____. To initiate that process, owners of at least 65% of the [townhomes/condominiums] must sign a petition requesting the City Council to hold a public hearing regarding the housing improvement area ordinance, and regarding the fees that will pay for certain improvements.

The Housing Improvement Area Ordinance

The proposed ordinance will define the affected area, generally describe the type of improvements to be financed, explain how the fees will be allocated to each unit, and state the number of years over which payments will be spread.

For _____, the proposed ordinance is expected to include the following:

_____ *Housing Improvements:*

The total cost of such housing improvements including City financing charges, application fee and reimbursement to the City for any out of pocket costs is currently estimated to be \$ _____.

_____ *Basis for allocating fees:* The housing improvement fees are expected to be allocated [explain basis—per unit, square footage, etc], which is the same as for assessments under the association's organizational documents.

_____ *Term:* The proposed term is _____ years. The fees would be payable along with property taxes (semiannually in May and October).

Note: The above details are preliminary; if this process moves forward, the final terms for the _____ Housing Improvement Area will be presented at a public hearing before the City Council.

The ordinance may be adopted at any time within six months after the public hearing on the ordinance. Before the ordinance is adopted, owners of housing units in the proposed area have the right to file written objections regarding imposition of a fee, with a right of appeal to district court if the City Council determines against the unit owner. **The ordinance will not go into effect if owners of at least 45 percent of the housing units file written objection with the City Clerk within 45 days after the amendment is adopted. If more than one person owns a housing unit, the signature will be considered valid with respect to a unit if signed by any owner of that unit. If both owners sign the petition, the unit will be counted only once.**

Imposing the Fees

If the Council approves an ordinance establishing the housing improvement area, the City Council may adopt a resolution imposing the fee at any time within six months after the public hearing regarding the fee. Before the City Council adopts the resolution, the _____ Association must submit a financial plan to the City that provides for maintenance and operation of the common elements in the _____, and a long-range plan to conduct and finance capital improvements. **The fee resolution will not go into effect if owners of at least 45 percent of the housing units' tax capacity file a written objection with the City Clerk within 45 days after adoption of the resolution. If more than one person owns a housing unit, the signature will be considered valid with respect to a unit if signed by any owner of that unit. If both owners sign the petition, the unit will be counted only once.**

Petition

Attached is a petition requesting a City Council hearing on an ordinance to create the _____ Housing Improvement Area, and on a resolution to impose fees for housing improvements in that area. **If more than one person owns a housing unit, the signature will be considered valid with respect to a unit if signed by any owner of that unit. If both owners sign the petition, the unit will be counted only once.**

Please return the petition to the Association in the enclosed envelope by _____, 20__.

Next Steps

If owners of at least 65% of the units sign the attached petition, and the Council agrees to move forward, the City Council will schedule a public hearing regarding the ordinance and the resolution imposing the fee. Each owner will receive a detailed notice about the date and time of these hearings. The notices will also describe the improvements, the fee, and owners' rights to object.

Further Information

For more information about the proposed housing improvement area, please contact any of the following:

[CITY CONTACTS:]

**PETITION TO HOLD A PUBLIC HEARING REGARDING AN ORDINANCE CREATING THE _____
HOUSING IMPROVEMENT AREA, AND REGARDING A RESOLUTION IMPOSING FEES FOR THAT AREA**

The undersigned owns a unit in the _____ in the City of Oakdale ("City"), Minnesota, has read the attached background material, and hereby requests that the City Council of the City hold a public hearing regarding adoption of an ordinance establishing the _____ Housing Improvement Area, and regarding adoption of a resolution imposing fees in connection with that housing improvement area; such hearings to be scheduled at such time as the City determines, with due notice given in accordance with the Housing Improvement Act.

Unit Address/Number: _____

Owner's name: _____
_____ Print name

_____ Signature

Date: _____, 20__

Owner's name:* _____
_____ Print name

_____ Signature

Date: _____, 20__

* If two persons own the unit as joint tenant or tenants in common.

Please return to _____ Association at _____.



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Max Lohse, Community Development Specialist
Date:	September 26, 2023
Subject:	Storage of Lower-Potency Hemp Products in Licensed Liquor Stores

BACKGROUND

In October 2022, the Oakdale City Council passed an ordinance amending Chapter 9 of the Code of Ordinances to establish a licensing and regulatory framework for the sale of THC consumable products, which includes both beverages and gummies, in the City of Oakdale. Under Section 9-173 (4) (c) of the ordinance, liquor stores in Oakdale were prohibited from obtaining a City license to sell THC consumable products. This prohibition reflected the same prohibition in state law. The Cannabis Act passed this Spring removed that state-level prohibition. To align the City Code with current statutes, the City Council passed Ordinance No. 904 at the September 12, 2023 City Council meeting to remove the prohibition on liquor stores selling THC consumable products and to allow them to obtain licenses.

The City-issued licenses will be effective until the Office of Cannabis Management begins issuing licenses covering the same THC consumable products, called Lower-Potency Hemp Edibles Retailer license. This will not occur until early 2025 based on the currently posted Office of Cannabis Management timeline.

During the discussion of Ordinance No. 904, Council Members identified another discrepancy between statute and City Code regarding the storage of products. Chapter 9, Section 9-176 of the City Code of Ordinances states that “All licensed products must either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public.” Minnesota Statutes, section 151.72, subd. 5 (h) provides that all products must be stored behind a counter or in a locked case, except products meant to be consumed as a beverage are not subject to this location-based restriction. Given that many liquor stores lack the cases and counter storage often associated with tobacco stores and other retail establishments, Council Members expressed concern that it may be difficult for liquor stores to store THC beverages in a manner that complies with this provision of the license requirements. Additionally, given that Ordinance No. 904 exclusively applied to Chapter 9, Section 9-173 (4) (c) of the City Code of Ordinances, the City Council was unable to resolve this requirement by amendment during discussion, as the provision on cases and counter storage was not in the text of Ordinance No. 904. As a result, Council Members expressed interest in discussing an amendment to the Code of Ordinances to modify storage requirements for lower-potency hemp products in liquor stores at a future Council Workshop.

COUNCIL DIRECTION REQUESTED

Staff is requesting that Council discuss and provide direction on a potential amendment to Chapter 9, Section 9-176 of the City Code of Ordinances regarding storage of lower-potency hemp products in any licensed establishment and if there should be different storage and display requirements for THC beverages sold in liquor stores.

In summary, legal has advised there are three primary options based on the discussion:

- 1) Require all products to be sold behind a counter or in a locked case (current code requirement – more restrictive than state law)
- 2) Require only gummies to be sold behind a counter or in a locked case but allow any licensee to sell beverages anywhere in the store (aligned with state law).

- 3) Require only gummies to be sold behind a counter or in a locked case but allow liquor stores to sell beverages anywhere in the store (aligned with state law for liquor stores, more restrictive for all other licensees).

Option three (3) could also be amended to provide that liquor stores or any store where you must be 21 to make a purchase (e.g., certain tobacco stores).

Attachment

City Code of Ordinances, Chapter 9, Article 17 – Tetrahydrocannabinol (THC) Consumable Products

**CHAPTER 9
LICENSES AND BUSINESS REGULATIONS**

ARTICLE 17. TETRAHYDROCANNABINOL (THC) CONSUMABLE PRODUCTS

Sec. 9-170. Purpose

The purpose of this Section is to regulate the sale of legalized adult-use consumable products that contain tetrahydrocannabinol (THC) and that meet the requirements to be sold for human or animal consumption under Minnesota Statutes, section 151.72 for the following reasons:

- (1) By enacting 2022 Session Law Chapter 98, Article 13, the Minnesota Legislature amended Minnesota Statutes, Sections 152.02 and 152.72 to regulate the sale of certain products containing THC.
- (2) The new law does not prohibit municipalities from adopting and enforcing local ordinances to regulate businesses selling THC Consumable Products, including local licensing requirements.
- (3) The National Academies of Science, Engineering, and Medicine note that the growing acceptance, accessibility, and use of products containing THC, including for medical purposes, have raised important public health concerns, while the lack of aggregated knowledge of cannabis-related health effects has led to uncertainty about the impact of its use.
- (4) The City recognizes that, based on the most reliable and up-to-date scientific evidence, the rapid introduction of newly legalized adult-use THC Consumable Products, presents a significant potential threat to the public health, safety, and welfare of the youth and most vulnerable residents of Oakdale.
- (5) The Minnesota Legislature recognized the danger of THC Consumable Product use among the public at large by setting potency and serving size requirements, and also recognized the danger of THC Consumable Product use among youth prohibiting the sale of any product containing THC to those under the age of 21 and requiring that THC Consumable Products be packaged without appeal to children and in child-resistant packaging or containers.
- (6) The City has the opportunity to be proactive and make decisions that will mitigate this threat and reduce exposure of young people to the products and improve compliance among THC Consumable Product retailers with laws prohibiting the sale or marketing of THC Consumable Products to children.
- (7) A local regulatory system for THC Consumable Product retailers is appropriate to ensure that retailers comply with THC Consumable Product laws and business standards of the City of Oakdale to protect the health, safety, and welfare of our youth and most vulnerable residents.

- (8) State law requires THC Consumable Product retailers to check the identification of purchasers to verify that they are at least 21 years of age (Minn. Stat. § 151.72, subd. 3(c)), comply with certain packaging and labeling requirements to protect children and youth (Id., subd. 5), and meet certain potency and serving size requirements (Id., subd. 5a).
- (9) State law authorizes the Board of Pharmacy to adopt product and testing standards in part to curb the illegal sale and distribution of THC Consumable Products and ensure the safety and compliance of commercially available THC Consumable Products in the state of Minnesota.
- (10) A requirement for a THC Consumable Product retailer license will not unduly burden legitimate business activities of retailers who sell THC Consumable Products to adults but will allow the City of Oakdale to regulate the operation of lawful businesses to discourage violations of state and local THC Consumable Product-related laws.

In making these findings and enacting this ordinance, it is the intent of the Oakdale City Council to ensure responsible THC Consumable Product retailing, allowing legal sale and access, and to prohibit or discourage the marketing, sale or distribution of THC Consumable Products to youth under 21 years of age.

Sec. 9-171. Definitions. Except as otherwise provided or clearly implied by context, all terms are given their commonly accepted definitions. For purposes of this Article, the following definitions apply unless the context clearly indicates or requires a different meaning.

- (1) **Background Investigation.** The investigation conducted by the police department of all licensed product applicants, all parties having any formal or informal ownership stake in the business, and any person(s) identified as a manager of the proposed retail establishment. The purpose of the background investigation is to determine if there are any disqualifying factors that would preclude the issuance of a license to the applicant or the proposed retail establishment location.
- (2) **Cannabinoid.** Any edible cannabinoid product or nonedible cannabinoid product authorized for sale in Minnesota Statute.
- (3) **Cannabinoid-related devices.** Any equipment, products or materials of any kind which are used, intended for use, or designed for use in repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.
- (4) **Certified hemp.** Hemp plants that have been tested and found to meet the requirements of Minnesota Statute Chapter 18K and the rules adopted thereunder by the state of Minnesota.
- (5) **Compliance checks.** The system the city uses to investigate and ensure that those authorized to sell licensed products are following and complying with the

- requirements of this article. Compliance checks will involve the use of persons under the age of 21 as authorized by this article. Compliance checks also means the use of persons under the age of 21 who attempt to purchase licensed products for educational research and training purposes as authorized by state and federal law. Compliance checks may also be conducted by other units of government for the purpose of enforcing appropriate federal, state or local laws and regulations relating to licensed products.
- (6) **Delivery sale.** The sale of any licensed products to any person for personal consumption and not for resale when the sale is conducted by any means other than an in-person, over-the-counter sales transaction in a retail establishment. Delivery sale includes, but is not limited to, the sale of any licensed products when the sale is conducted by telephone, other voice transmission, mail, the internet, or app-based service. Delivery sale includes delivery by licensees or third parties by any means, including curbside pick-up.
- (7) **THC Consumable Product.** Any product authorized for sale under Minn. Stat. 151.72, which may be amended from time to time, and including edible cannabinoid product and nonintoxicating cannabinoid product as defined therein, that is intended to be eaten or consumed as a beverage by humans, contains a THC consumable in combination with food ingredients, and is not a drug. THC consumable product does not include medical cannabis as defined in Minnesota Statutes Section 152.22, subd. 6, as may be amended from time to time.
- (8) **Label.** The meaning given in Minnesota Statute Section 151.01, subdivision 18.
- (9) **Labeling.** All labels and other written, printed, or graphic matter that are:
- a. affixed to the immediate container in which a product regulated under this article is sold;
 - b. provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets.; or
 - c. provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.
- (10) **Licensed product.** THC Consumable Products and Cannabinoid-related devices.
- (11) **Licensee.** A person licensed under this Article.
- (12) **Licensee's employee.** A person employed by a licensee to work at a sales or service counter or otherwise make sales to the licensee's customers.
- (13) **Marijuana.** All parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not

- include the mature stalks of such plant, fiber from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.
- (14) **Moveable place of business.** Any form of business operated out of a truck, van, automobile, trailer, or other type of vehicle or transportable shelter and not a fixed address store front or other permanent type of structure authorized for sales transactions.
 - (15) **Nonedible Cannabinoids.** Include, but are not limited to tablets, capsules, solutions, tinctures, or other products meant for oral administration/ingestion; creams, lotions, ointments, salves, or other products meant for topical administration; products meant to be inhaled, smoked, vaped, sprayed into nostrils, or insufflated (sniffed); and hemp flowers and buds.
 - (16) **Nonintoxicating Cannabinoid.** Substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.
 - (17) **Retail establishment.** Any place of business where licensed products are available for sale to the general public. The phrase shall include a business facility that sells goods or merchandise directly to the public at retail value, including but not limited to, grocery stores, convenience stores, restaurants and drugstores.
 - (18) **Sale.** Any transfer of goods for money, trade, barter or other consideration.
 - (19) **Sampling.** The introduction or promotion licensed products by offering single or partial servings for no or minimal fee.
 - (20) **Self-service merchandising.** Open displays of licensed product in any manner where any person shall have access to the licensed product without the assistance or intervention of the licensee or the licensee's employee. Such assistance or intervention shall involve the actual physical exchange of the licensed product between the customer and the licensee or employee. Self-service sales are interpreted as being any sale where there is not an actual physical exchange of the product between the licensee's employee and the customer.
 - (21) **Vending machine.** Any mechanical, electric or electronic, or other type of self-service device which, upon the insertion of money, tokens or other form of payment, dispenses the licensed product and includes vending machines equipped with manual, electric or electronic locking devices.

Sec. 9-172. License Required. No person shall sell or offer to sell licensed products without first having obtained a license to do so from the city. All licenses issued under this article shall be valid only on the premises for which the license was issued and only for the person to

whom the license was issued. No transfer of any license to another location or person shall be valid.

Sec. 9-173. Application Procedures.

1. **License Application.** An application for a license to sell licensed products must be made on a form provided by the city and filed, along with all required fees, with the city clerk or designated licensing authority. The application shall be submitted on the city's approved form and shall contain all information that the city deems necessary. If the licensing authority determines that an application is incomplete, the application shall be returned to the applicant with notice of the information necessary to make the application complete.
2. **Background Investigation.** The background investigation fee is applied to the city's costs of the background investigation of the retail establishment and all persons or entities that have at least a five percent financial interest in the retail establishment, and the manager of the retail establishment. The property must be in compliance with all applicable laws and ordinances. The police department shall conduct the background investigation before consideration by the city.
3. **Payment of Fees.** Each application for a license must be accompanied by payment in full of the required fees, as such fees are determined by the City Council. No application will be processed until all fees have been paid.
 - a) **License fee.** Each application for a license or license renewal must be accompanied by a payment in full of the required license fee. Upon rejection of any application for license, the treasurer will refund to the applicant the amount paid for the license fee.
 - b) **Background investigation fee.** Each initial application for an initial license under this article must be accompanied by a payment in full of the background investigation fee(s). Background investigation fees are nonrefundable.
 - c) **Late fee.** Each application for renewal application submitted after the given due date for such application, must be accompanied by payment in full of a late fee. Late fees are not refundable.
4. **License Location.**
 - a. **Retail Establishment.** Licensed products may only be sold within a retail establishment.
 - b. **Movable Business.** No license may be issued to a moveable place of business. Only fixed location businesses shall be eligible for licensing under this article.
 - c. **Proximity to other youth-oriented activities.** No license will be issued if its location is within 500 feet of any school, licensed child care center, active youth recreation area, playground, or any other youth-oriented facility.

Sec. 9-174 Persons eligible. Grounds for denying the issuance or renewal of a license under this article are described below. However, except as may otherwise be provided by law, the existence of any particular ground for denial does not mean that the city must deny the license. If a license is mistakenly issued or renewed to a person, it shall be revoked upon the discovery that the person was ineligible for the license under this article. The following are grounds for denying a license or a license renewal:

- (1) The applicant is under the age of 21 years;
- (2) The applicant or any other person included on the application has been convicted within the past five years of any violation of a federal, state, or local law, ordinance provision, or other regulation reasonably relating to the sale of licensed products;
- (3) The applicant or any other person included on the application has had a license to sell licensed products revoked within the preceding 12 months of the date of application in this or any other jurisdiction in the United States;
- (4) The applicant or any other person included on the application has been subject to any adverse or disciplinary actions against any business license held in this or any other jurisdiction in the previous five years, regardless of whether any criminal charges were brought in connection with the alleged violation(s);
- (5) The applicant fails to provide any information required on the application, or provides false or misleading information at any stage of the application or background investigation;
- (6) The applicant or any other person included on the application is prohibited by federal, state, or other local law, ordinance, or other regulation from holding such a license;
- (7) The applicant or any other person included on the application has failed to pay any taxes or fees owed to the City of Oakdale or is in violation of Minnesota Statutes, section 270C.72;
- (8) The applicant or any other person included on the application is determined to be not of good moral character and repute; or
- (9) The business is proposed to be operated on premises on which property taxes, assessments, or other financial claims by the state, county or city are due, delinquent, and unpaid, provided the applicant or owner(s) or other entity in which the applicant or owner(s) has an interest has the legal duty to pay said taxes, assessments, or claims due and owing.

Sec. 9-175. Action on License Application.

- (1) **City Council Determination.** The City Council may either approve the license, approve the license with conditions, deny the license, or it may delay action for a reasonable period of time as necessary to complete any additional investigation

of the application or the applicant it deems necessary. If the City Council approves the license, the licensing authority shall issue the license to the applicant. If the City Council approves the license with conditions or denies the license, notice of the action and the basis for the action shall be given to the applicant along with notice of the applicant's right and method to appeal the City Council's decision.

- (2) **Term.** All licenses issued under this article shall expire on June 30 of each year. Notwithstanding the foregoing, any license issued prior to June 30, 2023 shall expire on June 30, 2024.
- (3) **Transfer.** All licenses issued under this article shall be valid only on the premises for which the license was issued and only for the persons to whom the license was issued. Should the ownership of the business change at any point during the licensing period, a new application and background investigation will be required.
- (4) **Renewals.** The renewal of a license issued under this article shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license. The issuance of a license issued under this article shall be considered a privilege and not an absolute right of the applicant and shall not entitle the holder to an automatic renewal of the license.
- (5) **Revocations or Suspension.** Any license issued under this article may be revoked, suspended, or have license conditions imposed as provided in the Administrative Penalties section.
- (6) **Display.** All licenses shall be posted and displayed at or near the primary entrance to the licensed retail establishment and in plain view of the general public on the licensed premises.

Sec. 9-176 Storage and Display.

It shall be unlawful for a licensee under this Article to allow the sale of licensed products by any means whereby a customer may have access to such items without having to request the item from the licensee or the licensee's employee and whereby there is not a physical exchange of the licensed product between the licensee or their employee and the customer. All licensed products must either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public.

Sec. 9-177 Prohibited Acts.

- (1) **In general.** It shall be a violation of this article for any person to sell or offer to sell any licensed products:
 - a. By means of any type of vending machine.

- b. By means of self-service merchandising whereby the customer does not need to make a verbal or written request to an employee of the licensed premise in order to receive the licensed product.
 - c. From any form of movable place of business, or at the time and location of any special event.
 - d. Containing controlled substances as defined in Minn. Stat. Ch. 152.
 - e. By delivery sale.
 - f. To an individual under the age of 21.
 - g. By any employee under the age of 16.
 - h. To an obviously intoxicated person.
 - i. By any other means or to any other person, prohibited by federal, state, or other local law, ordinance, provision, or other regulation.
- (2) **Legal Age.** No person shall sell any licensed products to any person under the age of 21 years.
- a. Proof of age for purchasing licensed products may be established only by a valid driver's license or state identification card, a valid military identification card issued by the United States Department of Defense, or in the case of a foreign national by a valid passport.
 - b. **Signage.** Notice of the legal sales age and age verification requirement must be posted prominently and in plain view at all times at each location where licensed products are offered for sale. The required signage, which will be provided to the licensee by the City, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase. The sign shall provide notice that all persons responsible for selling these products must verify, by means of photographic identification containing the bearer's date of birth, the age of any person under 30 years of age.
- (3) **Samples Prohibited.** No person shall distribute samples of any licensed product free of charge or at a nominal cost. The distribution of licensed products as a free donation is prohibited.
- (4) **Self-Checkout.** No sales of licensed products may be completed through self-checkout. A licensee or licensee's employee must process each transaction at a point of sale.
- (5) **Pricing and discounts.** No person shall accept or redeem any coupon, price promotion, or the instrument or mechanism, whether in paper, digital, electronic, mobile, or any other form, that provides any licensed product to a consumer at no cost or at a price that is less than the non-discounted standard price listed by a retailer on the item or on any related shelving, posting, advertising, or display at

the location where the item is sold or offered for sale, including all applicable taxes.

Sec. 9-178. Compliance Checks and Inspections. All licensed premises must be open to inspection by the city police or other authorized city official during regular business hours. Unannounced compliance checks will be conducted at least once each calendar year at each location where licensed products are sold to test compliance. Compliance checks must involve persons over the age of 18, but under the age of 21 who attempt to purchase licensed products under the direct supervision of a law enforcement officer or an employee of the licensing authority. The Oakdale Police Department is responsible for meeting the requirements of this section. No person used in compliance checks will attempt to use a false identification misrepresenting the person's age, and all persons lawfully engaged in a compliance check must answer all questions about the person's age asked by the licensee or their employee and must produce any identification, if any exists, for which they are asked. Nothing in this article prohibits compliance checks authorized by state or federal laws for educational, research, or training purposes or required for the enforcement of state or federal law.

Sec. 9-179. Administrative Penalties; Fines Established.

- (1) **Licensees.** If a licensee, any employee of a licensee, or any other person representing the licensed premises sells licensed products to an individual under the age of 21 or violates any other provision of this article, the licensee shall be subject to an administrative penalty. If a retail establishment has its license suspended pursuant to this article, that retail establishment shall, during the period of suspension, remove all licensed products away from public view. Penalties occurring within a 24-month period will be presumed as follows:
 - a. **First violation.** Any licensee found to have violated this Chapter shall be charged an administrative penalty of five hundred dollars (\$500.00).
 - b. **Second violation.** Any licensee found to have violated this Chapter two (2) times within a thirty-six (36) month period shall be subject to a one thousand dollar (\$1,000.00) administrative penalty.
 - c. **Third violation.** Any licensee found to have violated this Chapter three (3) times within a thirty-six (36) month period shall be subject to a two thousand dollar (\$2,000.00) administrative penalty. In addition, a one (1) day suspension of the license shall be imposed.
 - d. **Fourth violation.** Any licensee found to have violated this Chapter four (4) times within a thirty-six (36) month period shall have their license revoked.

No revocation, suspension or penalty may take effect until the licensee has received notice either personally or by mail of the alleged violation and has been afforded an opportunity for a hearing pursuant to section 9-40. The administrative penalties described above are only presumed and any violation may be subject to stricter penalties when in the judgment of the City Council it is appropriate to do so. Any violation may also be subject to lesser penalties when in the judgment of the City Council it is appropriate to do so. Other mandatory requirements may be made of any penalized establishment, including but not limited to, imposition of license conditions, meetings with the police department staff to present a plan of action to assure that

the problem will not continue, mandatory education sessions with crime prevention staff, or other actions that the City Council deems appropriate.

- (2) **Individuals.** A person who sells licensed products to an individual under the age of 21 may be charged an administrative fine of \$50.00. No fine may be imposed until the individual has received notice, served personally or by mail, of the alleged violation and was provided an opportunity for a hearing before the City Council. A decision that a violation has occurred must be in writing.
- (3) **Fines Established.** The fines for violations as listed above may be amended from time to time by the City Council.

Sec. 9-180. Criminal Penalty. In addition to any administrative penalties under this article, any person, firm, or corporation violating any of the provisions of this article shall be guilty of a misdemeanor. Nothing in this article shall prohibit the city from seeking prosecution as a misdemeanor in district court for any violation of this article, or in the case of minors, referring the matter to juvenile court.

Sec. 9-181. Defenses. It shall be an affirmative defense to the violation of this article for a person to have reasonably relied on proof of age as described by state law. (Ord. 885, 10/25/22)



COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Kyle Stasica, Accounting Manager
Date:	September 26, 2023
Subject:	Review of 2023A Debt Issuance

BACKGROUND

At the December 13, 2022 City Council Meeting, the R2023-01 2023 Street Improvements (R2023-01) project was approved in the 2023-2027 Capital Improvement Plan (CIP) for \$4,888,157. The project area includes Upper 16th Street, 17th Street, Hydrum Avenue, Helmo Avenue, Gershwin Avenue, and Glenbrook Avenue, among others, along with spot repairs of sanitary sewer and water main.

At the May 9, 2023 City Council meeting, the bid for R2023-01 was awarded to Miller Excavating, Inc. in the amount of \$4,005,933.33, and the total project cost was amended to \$5,107,565.

At the July 11, 2023 City Council meeting, the project budget was amended to increase assessments by \$58,698 and decrease the projected tax levy by the same amount. The table below is the current status of the funding sources:

Funding Sources	Approved CIP (12/13/2022)	Amended Bid Award Budget (5/9/2023)	Amended Budget With Turn Lane Assessment (7/11/2023)
Assessments	\$1,178,830	\$1,100,698	\$1,158,698*
Utility System Replacement Fund	\$1,102,616	\$1,202,616	\$1,202,616
Street Capital Fund	\$300,000	\$300,000	\$300,000
General Improvement Bonds (Tax Levy)	\$2,306,711	\$2,504,251	\$2,446,251
Total Project Financing	\$4,888,157	\$5,107,565	\$5,107,565

City staff has engaged Baker Tilly Municipal Advisors, the City Council-designated municipal advisor, to issue the bonds related to R2023-01. The current principal amount of the Series 2023A Bonds (the Bonds) is estimated to be \$3,705,000, which is the Assessments of \$1,158,698, the General Improvement Bonds (Tax Levy) of \$2,446,251, and an additional \$100,000 for bond issuance costs. Interest rates are estimated between 3.0% - 3.5% over the life of the Bonds.

The process for the Bonds is similar to the 2022 issuance, with the noteworthy items from the schedule of events including:

1. Week of September 25, 2023 – Rating conference conducted with Moody’s
2. September 26, 2023 – City Council reviews strategy and updated information for 2023A Debt Issuance at Workshop.
3. September 26, 2023 – City Council considers the parameters award Resolution authorizing the sale pursuant to certain parameters and designates a Pricing Committee.

4. October 24, 2023 – Sale of the Bonds and consideration of award of the Bonds by the designated Pricing Committee.
5. October 24, 2023 – Baker Tilly representatives will present the results of the sale at the Regular City Council meeting.
6. November 22, 2023 – Receipt of proceeds and settlement of the Bonds.

The ratings conference is held between the City and a designated credit rating agency. The credit rating agency assesses the City's creditworthiness by reviewing factors including financial position, economic environment, tax base, debt burden, and financial policies. The City's current rating is Aa1 from Moody's Investors Service.

The purpose of the parameters award Resolution is to provide flexibility for the sale of the Bonds. The Resolution will establish parameters on what the City Council will approve with the fluctuating market conditions, establish a Pricing Committee of the City Administrator and Accounting Manager, as well as give the ability to move the sale date if the market conditions do not look favorable on the anticipated sale date of October 24, 2023. Baker Tilly representatives will present the results of the sale at the Regular City Council meeting. Final receipt of the bond proceeds into the City's accounts would then occur on November 22, 2023.

COUNCIL DIRECTION REQUESTED

The City Council should discuss the schedule of events for the Series 2023A Bonds and consider the use of the parameters award Resolution for possible approval at the Council Meeting on September 26, 2023, which is the same process used in 2022.

Attachment

2023A GO Improvement Bonds Schedule of Events for the City of Oakdale

City of Oakdale, Minnesota
General Obligation Improvement Bonds, Series 2023A

Schedule of Events

(As of: August 2, 2023)

August 2023							September 2023							October 2023						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

November 2023							December 2023							January 2024						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
							31													

00 Holiday 00 Significant Action

Date	Event	Responsible Party
Wed., Aug. 2	Official Statement information request distributed.	Baker Tilly
Fri., Aug. 25	Official Statement information due back to Baker Tilly.	City Staff
Mon., Aug. 28	Finalize Bond structure and prepare Terms of Proposal.	Baker Tilly
Fri., Sep. 1	Pre-Sale Summary delivered to City.	Baker Tilly
Thu., Sep. 7	First Draft of Preliminary Official Statement distributed for review.	Baker Tilly
Thu., Sep. 14	Comments to Baker Tilly on first draft of Preliminary Official Statement.	City Staff Bond Counsel
Mon., Sep. 18	Revised draft of Preliminary Official Statement circulated to working group for final review and sign off.	Baker Tilly
Week of Sep. 18	Due diligence form distributed for review.	Baker Tilly
Week of Sep. 18	Draft Preliminary Official Statement and supporting documents sent to rating agency.	Baker Tilly
Tue., Sep. 19	Parameters Award Resolution delivered to City.	Bond Counsel

Date	Event	Responsible Party
Week of Sep. 25	Rating Conference conducted.	City Staff Baker Tilly
Week of Sep. 25 (following Rating Conference)	Due diligence call conducted.	City Staff Baker Tilly
Tue., Sep. 26	City Council considers the Parameters Award Resolution authorizing the sale pursuant to certain parameters and designating a Pricing Committee.	City Council
Wed., Oct. 11	Receipt of rating and rating report.	Rating Agency
Thu., Oct. 12	Distribution of Preliminary Official Statement (with rating(s) on cover).	Baker Tilly
Tue., Oct. 24	Sale of the Bonds (at 10:00 am CT) and consideration of award of the Bonds by the designated Pricing Committee.	City Staff Baker Tilly
By Tue., Oct. 31	Distribution of Final Official Statement.	Baker Tilly
Mon., Nov. 13	Draft closing memorandum circulated for review.	Baker Tilly
Wed., Nov. 15	Final closing memorandum distributed.	Baker Tilly
Wed., Nov. 22	Receipt of proceeds and settlement of the Bonds.	All Parties

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COUNCIL MEMORANDUM

To:	Honorable Mayor and City Council
From:	Nicholas Newton, Police Chief Christina Volkers, City Administrator
Date:	September 26, 2023
Subject:	School Resource Officer

BACKGROUND

In July 2023, the City entered into an agreement with Independent School District (ISD) 622 to have a School Resource Officer (SRO) stationed at Tartan High School for the term of September 1, 2023 through August 31, 2025. During the 2023 Minnesota Legislative Session, an amendment to Minnesota Statute 121A.58, created confusion and uncertainty as its amendments are contrary to the established reasonable use of force law. The consequence of this legislation forces police departments and their policymakers into a challenging situation with no clear guidance.

Going into the 2023-2024 school year, the Oakdale Police Department recommended to the City Council that the City continue to provide an SRO at Tartan High School. The primary factor for recommending this was to ensure the City continues to provide the best possible public safety services to students and school staff. In preparation to mitigate known risks associated with the new law, the Police Department did the following: the SRO attended specialized training; many meetings took place between the Police Department and School Administration to scope roles and responsibilities to reduce risk; constant communication and assessment of the SRO performance among the Police Department and School; and weekly summary reports detailing what our SRO is doing on a daily basis, including on-going assessment of risks.

One area of concern with keeping the SRO working in the school is possible liability risk, both criminal and civil. Risks are inherent with daily law enforcement operations, and yes, the new law does add risk to the SRO. Although the Attorney General cleared up a major concern by providing the opinion that SROs can use reasonable force per established Minnesota Statute 609.06 when preventing bodily harm or death, there are still issues that need to be fixed. The problematic piece of this legislation that has not been addressed are those situations where the SRO is dealing with a crime or disorderly situation not involving the prevention of bodily harm or death. The SRO is forced into a situation where they need to disengage and call for an officer working the street. If the SRO engages in using force or restraints in those instances, the SRO could be held liable for violating the law.

Police Departments and Elected Officials have labored over making the right decision concerning SROs in the schools and it seems there is no clear right answer. The Oakdale Police Department continues to recommend the City keep an SRO at Tartan High School. Reason being, the Police Department critically evaluated risks, mitigated anticipated risks through training, and stopped providing contractual overtime to the School District for events as the City did not want to expose all police officers to the limitations of the new law. Although navigating this new law is challenging, the Police Department has, and will continue to put in the extra work to make sure it can provide the best service possible to the community.

Should the City Council have a desire to suspend or terminate the SRO agreement with ISD 622, there are two viable options. One option is to engage the ISD 622 in discussions on a mutual suspension of the agreement until the law is addressed in a Special Session or the next Legislative Session. Another option to consider is terminating the agreement. The termination of the agreement would require the City to notify the ISD 622 of the intent to terminate with six months' advance notice.

COUNCIL DIRECTION REQUESTED

The Police Department is requesting the Council's direction regarding the options of continuing SRO participation per the agreement, seek mutual suspension of the SRO program until the law is addressed by the Legislature, or terminate the agreement with the six months' required notice. The City Attorney has been keeping up with new information as it becomes available including LMC guidance and Attorney General Opinion(s). The City Attorney will be in attendance and is prepared to advise the City Council.