

**WORKSHOP MINUTES  
OAKDALE CITY COUNCIL  
JUNE 13, 2023**

The City Council held a workshop on Tuesday, June 13, 2023 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:00 PM.

**Present:** Mayor Kevin Zabel

**Council Members:** Noah Her  
Jake Ingebrigtsen  
Andy Morcomb  
Susan Willenbring

**City Staff Members:** Christina Volkens, City Administrator  
Sara Ludwig, City Clerk  
Jesse Farrell, City Engineer  
Luke McClanahan, City Planner  
Nick Newton, Police Chief  
Lori Pulkrabek, Communications Manager  
Jim Romanik, Public Works Manager  
Kyle Stasica, Accounting Manager  
Kevin Wold, Fire Chief  
Jason Zimmerman, Finance Director  
Kevin Zittel, Facilities Manager

**Others Present:** Kristin Baldonado, Urban Planner, Stantec  
Jackie Huegel, Independent Auditor, MMKR

**REVIEW OF 2022 FINANCIAL AUDIT**

Accounting Manager Kyle Stasica explained the reasoning for and process behind the 2022 financial audit.

Jackie Huegel, Independent Auditor with MMKR, reviewed the Management Report including scope, timeline, and audit opinion. The City received an unmodified or clean opinion which is the desired audit result. She noted that the City did not obtain the payroll declaration by the employee or supervisor as required by Minnesota Statutes § 412.271, Subd. 2 for 25 of 25 payroll claims tested. Ms. Huegel recommended updating City Policies FR-007: Investments and Cash Management, FR-019: Fund Balances, FR-021: Federal Grant Awards Administration Policy, and PE-014: Expense Reimbursement – Mileage and Training, to align with current City practices and adhere to State statutes. She moved on to review the governmental fund revenues, to which Mayor Zabel asked about the increase in *Charges for services* line item. Finance Director Jason Zimmerman explained that this increase was due to increases in the Park Improvements fund, and the water availability reserve and sewer availability reserve funds.

As Ms. Huegel reviewed the governmental fund expenditures, Council Member Morcomb asked about the possibility of drilling down to see the Metro-Wide averages versus just the State-Wide averages. Ms. Huegel said the information is provided by the State Auditor so she is unsure if they have that specific information readily available.

Ms. Huegel went on to review the general fund revenues and expenditures, and the enterprise funds. Mayor Zabel provided some brief context for the ambulance fund's operating results for the past five years.

Mayor Zabel asked about the operating loss within the street light fund. Ms. Huegel pointed out the need to include depreciation on capital assets. Mr. Zimmerman added that there were transfers between this account and others that also played a factor.

Mayor Zabel complimented staff on the work that has been done over the last two years to improve the course trajectory of these funds.

Council Member Morcomb asked if the City is well protected from the risk of working with vendors or suppliers who may become insolvent. Ms. Huegel stated that if the City has any sweep accounts it should ensure that those deposits are fully collateralized each night. Mr. Zimmerman added that there are currently no sweep accounts, but one sentence could be added to City Policy FR-007: Investments and Cash Management to address this issue.

### **ELECTRIC AND GAS FRANCHISE FEES**

Mr. Zimmerman explained that this is a follow up to the May 9, 2023 Workshop discussion regarding the renegotiation of three franchise agreements (two with Xcel Energy for electric and natural gas, and one with the City of North St. Paul for electric), which are all subject to expiration on October 28, 2023. Additionally, staff was directed to work with Xcel Energy to obtain information about their gas and electric revenues to project out what a percentage-based model might look like for the City. Mr. Zimmerman reviewed the theoretical revenue generated using a three percent fee (3%) for the three most recently completed calendar years, which was illustrated in the attachments titled *Xcel Gas Franchise Fee Analysis* and the *Xcel Electric Franchise Fee Analysis*.

In response to Council Member Willenbring's question about the potential opposition from Xcel Energy if the City were to switch to a percentage-based fee, Mr. Zimmerman stated there is likely not a scenario in which they can refuse to implement the City's requested fee structure change.

In response to Council Member Her's question about how to quantify the impact on residential accounts, Mr. Zimmerman directed him to look at the equivalent monthly flat fee column, but noted that the actual monthly fee will fluctuate based on usage.

Council Member Morcomb asked if the fluctuation in fees will be difficult for budgeting purposes. Mr. Zimmerman said if there is proper planning and prioritization of projects then there should not be a problem with this type of model.

City Administrator Chris Volkers suggested possibly communicating the forecasted increase to the commercial accounts before the change would take effect being they are seemingly most affected by the proposed change. Mayor Zabel said this would be a difficult conversation to have.

Council Member Her asked if a tiered-model would be possible, suggesting a flat fee for commercial accounts and a percentage-based fee for residential accounts. Ms. Volkers stated this model would be a logistical burden on the City.

Council Member Ingebrigtsen and Ms. Volkers asked Finance Director Zimmerman how a tiered-model might work logistically. Mr. Zimmerman explained that several more ordinances would need to be passed on a more frequent basis given the differing rates per account type. He also noted that the Public Utilities Commission (PUC) may question the rate structure upon request for approval.

Council Member Ingebrigtsen was supportive of the proposed fee increases.

Council Member Willenbring was supportive of a percentage-based model, but was opposed to raising the rates overall.

Council Member Her stated that the proposed percentage-based model will have a disproportionate impact on the larger businesses in the City. He suggested that commercial accounts receive a 1.5 percent increase versus the proposed three percent increase for residential accounts. Mayor Zabel noted that large commercial properties are responsible for half of all kilowatt usage in the City. It was further discussed that it appears that commercial accounts have been paying less than their disproportioned share over past years and the residential accounts have been bearing a majority of the burden, so it may be time to even out the fees and a percentage model does that.

Mayor Zabel philosophically could not support the use of a lower percentage for commercial properties than residential properties. Council Member Morcomb was in favor of using the same percentage-based fee for both types of accounts.

Staff was directed to work on updating the franchise fees to three percent for all accounts.

Ms. Volkers offered her thanks to Mr. Zimmerman for all the work he has put into this including all the research and significant conversations with Xcel to-date.

## **GLENBROOK SMALL AREA PLAN UPDATE – ALTERNATE SELECTION**

City Planner Luke McClanahan provided background on the Glenbrook Small Area Plan including the location of the site, the purpose of the study, and its past completed phases.

Kristin Baldonado, Urban Planner with Stantec, provided the results of the truck traffic study, noting sixty trucks (which included both residential and commercial) were seen driving on Upper 51<sup>st</sup> Street in a 24-hour period.

Ms. Baldonado stated that as part of Phase 3, the consultant met with MnDOT to discuss the spacing of a new interchange at Highway 120/Century Avenue and a possible frontage road exiting onto Century Avenue at 50<sup>th</sup> Street. She noted that MnDOT does not want any of the proposed frontage road in any of the MnDOT right-of-way.

In response to Council Member Her's question about buying parcel 6211 in order to use the right-of-way, Mr. McClanahan noted that if the property owner expands or there is redevelopment then the City can acquire some of the right-of-way at that time without having to purchase it and without using eminent domain.

Ms. Baldonado also noted that MnDOT confirmed there will be full access at 50<sup>th</sup> Street onto Century Avenue in the new interchange.

In response to Council Member Ingebrigtsen's question about how to proceed with Alternate B if MnDOT will not let the City use its right-of-way, Mayor Zabel said the City can approach Tice-Hause Design Build, LLC to ask about their future plans.

Ms. Baldonado went over the key questions for consideration and staff's recommendations. The Council agreed with staff's preferred alternate which is Alternate B. She then asked if Council agreed with staff's recommendation to re-guide the parcels associated with 6149 and 6138 Upper 51<sup>st</sup> St N to allow for mixed use development. Mayor Zabel would be opposed to land use changes unless the City has come to an agreement with MnDOT for use of their right-of-way, although the rest of the Council did not weigh in on this.

Lastly, Ms. Baldonado asked if there is a preference to bring the industrial properties into compliance with current zoning regulations. Mayor Zabel could not identify a current business within the Glenbrook Small Area that was out of compliance, but staff didn't respond. Council Member Morcomb would not want to seek out zoning compliance issues, but stated they should be addressed as they come up, like current City practice.

Council was comfortable with all recommendations as presented by staff to be included in the consultant's final plan.

## **WILLOWBROOKE ACCESSORY APARTMENTS – ELIGIBILITY FOR THE CITY’S RENTAL HOUSING LICENSE PROGRAM**

Mr. McClanahan introduced the topic by stating that at the June 27, 2023 Regular City Council meeting, Lennar Corporation will request to amend the Willowbrooke Planned Unit Development (PUD) to allow accessory apartments on certain single-family residential lots in certain parts of the PUD. Accessory apartments are described in City Code as complete, separate housekeeping units that can be isolated from the primary dwelling. He asked for Council direction on inclusion of accessory apartments in the City’s Rental Housing Licensing program, but noted staff’s public safety concerns with doing so.

In response to Mayor Zabel’s question about current rental housing restrictions for R1-R5 zoning districts, Mr. McClanahan said that in districts R1-R4, the property owner must reside in either the primary or secondary dwelling.

In response to Council Member Willenbring’s question about increased crime rate with these types of apartments, Police Chief Nick Newton stated that he does not know if there is a correlation, but added that these accessory apartments can easily be used as short-term rentals.

Mr. McClanahan reviewed the renderings and floor plans of the accessory apartments. The developer plans to offer these separate, yet attached, living quarters as an option to prospective home buyers who are interested in multigenerational living arrangements. There is a separate and distinct outside entrance in the proposed plans.

Mayor Zabel asked for greater clarification on how the City defines an accessory apartment, specifically mentioning a housing addition or a finished basement as examples. Mr. McClanahan indicated it can be hard to make that distinction, but ultimately an accessory apartment would need the bare minimum essentials of a dwelling (i.e., restroom, small kitchenette, and a sleeping quarters). Council Member Willenbring asked if it needed to have a separate entrance from the primary dwelling. Mr. McClanahan noted that the Code does not specify.

Mayor Zabel stated that his opinion is to keep consistency, all accessory apartments in the R1-R5 districts should be subject to the same standards. Council Member Ingebrigtsen agreed.

Council Member Morcomb noted a concern about the influx of people coming and going in a family-oriented neighborhood due to the possibility of the accessory apartments being used as short-term rentals.

Staff was requested to ask the developer about their sound proofing mechanisms, as Council Member Willenbring referenced a personal experience shared by family members with a similar setup.

The Council was comfortable with the building of accessory apartments, but continued to discuss the eligibility of these dwellings in the City's Rental Housing Licensing program.

Mayor Zabel said that he is comfortable with allowing them or not, but would like to remain consistent with all other residential zoning districts in the City.

Council Member Ingebrigtson suggested allowing rentals for detached accessory apartments, but not allowing them for attached accessory apartments.

Council Member Morcomb would be comfortable allowing these accessory apartments to be used for long-term rentals versus short-term rentals, and asked if the City Code currently has these specifications for other areas. Mayor Zabel stated that the City Code does not make a distinction between short- and long-term rental.

Fire Chief Kevin Wold noted that there is one address for these two separate dwellings which can pose a public safety concern when responding to an emergency call.

Staff was requested to bring back examples of other cities' regulations for this type of development model. Woodbury and Inver Grove Heights were suggested. Mayor Zabel also suggested reaching out to St. Paul Area Association of Realtors for information.

Staff was also requested to research how addresses are assigned for this type of accessory apartment.

Mayor Zabel suggested that if the occupant of the accessory apartment is of familial relation then it should not be subject to the City's Rental Housing Licensing program, but if the occupant of the accessory apartment is not of familial relation then it should be subject to the City's Rental Housing Licensing program. Mr. McClanahan stated that he will consult with legal counsel about this suggestion.

#### **SPONSOR A SIGN PROPOSAL: HOT ASPHALT ON PAWS**

Communications Manager Lori Pulkrabek provided background information about a possible sponsorship program for hot asphalt signs that could be placed along walking paths in the City.

Mayor Zabel noted that due to increased requests from residents for other (mostly safety-related) signage which cannot be accommodated due to the City's policy to operate under the Manual on Uniform Traffic Control Devices, it may be hard for him to support this proposal.

Council Member Morcomb stated that the purchase of these signs may be outside of the scope of proper use of City funds. Council Member Willenbring asked if he would be okay with sponsorship, Council Member Morcomb was unsure of that process. Mayor Zabel explained that the discussion is about if the City would solicit donations to fund the program.

Council Member Morcomb asked if that falls into the same category as donations to the City as defined in City Policy MIS-019. Mayor Zabel confirmed, in his opinion.

Mayor Zabel was supportive of sponsorship, but asked that elected officials solicit donations instead of City staff. Council Member Her agreed, and volunteered to solicit donations. Council Member Morcomb was in favor of the sponsorship program.

Staff was asked to create collateral and parameters for elected officials to use while soliciting donations. Ms. Volkers stated she would speak with legal counsel about this.

In response to Council Member Ingebrigtsen's question about having the sponsor's logo on the sign, Ms. Volkers said that is not a part of the proposed sponsorship program.

### **MANAGEMENT DISCUSSION – FIRE CHIEF**

Chief Wold highlighted a few department updates including the transition to a career department at the beginning of the 2023 calendar year, and the creation of an alumni organization to connect past and current members. He discussed the need for the addition of a Fire Marshal position, possibly starting January 1, 2025, as the current contractor will likely retire within the next couple years.

Chief Wold touched on the age of the two fire stations, noting that Fire Station #1 was built in 2003 and Fire Station #2 was built in 1997. He added that both of the current fire stations were designed and built in locations to accommodate a volunteer fire department in which community members could respond quickly from home. With the transition to a career staff, in the next few years it would be appropriate to look into whether these buildings are in the best location for a career fire department, and the possibility of going to one main station. Ms. Volkers suggested a location study to determine where a new fire station could be built or if multiple fire stations are needed. There was a brief discussion about possible locations for a single fire station, but Chief Wold stated he would like to develop a strategic plan to address this need after the other new City facilities are completed.

Chief Wold reviewed the total run report and the ambulance run report for 2022, noting a 13% increase over 2021.

In response to Council Member Willenbring's question about the status of the new fire truck and the funds being provided by Norhart Construction, Chief Wold stated that the new truck will be delivered in December. He added that Norhart Construction has provided funds for equipment and training on the new high-rise building being built to train on firefighting strategies and tactics.

Council Member Willenbring asked if the collection of the ambulance billing has improved since the City moved to a new biller/collector vendor in early 2022. Chief Wold indicated there have been improvements with this process.

In response to Council Member Her's question about the *Left Blank* category on the 2022 total run report, Chief Wold said that is typically when the City does not end up transporting a patient.

### **SCHOOL RESOURCE OFFICER(S) FOR SCHOOL YEAR 2023-2024**

Chief Newton recapped a meeting held on May 19, 2023 between administration from Independent School District (ISD) 622 and the Chiefs of Police for Oakdale, Maplewood, and No. St. Paul. He noted that ISD 622 verbally committed to fully fund one School Resource Officer (SRO) as a licensed police officer at Tartan High School for school year 2023-2024, noting this does not address the need for an SRO at Skyview Middle School. Chief Newton also described an alternative solution to police officers in schools brought up by the ISD Superintendent, but noted some of the operational challenges involved with her proposed idea.

Discussion ensued about the next steps that should be taken in regards to what has been offered thus far and the agreement that is in the process of being finalized for the 2023-2024 school year. The Council proposed adding language to the agreement to specify that the fully funded SRO is strictly assigned to Tartan High School. Chief Newton agreed.

Chief Newton said he has a meeting with the Assistant Superintendent on Friday, and will get clarification on the proposed agreement and get this done.

### **2023 LEGISLATIVE SESSION UPDATE ON LOCAL OPTION SALES TAX (L.O.S.T.)**

Ms. Pulkrabek provided a brief recap of the legislature's decision regarding the City's request to provide an inflationary adjustment to the local option sales tax. The legislature provided the City with the ability to go back to the voters to request the inflationary adjustment for our two legislative and voter approved projects. She noted that if the City decides to go that route, there is a deadline of September 1, 2023 to pass a Resolution, and put one or both of the questions on the ballot within the next two years.

Mayor Zabel suggested adopting the resolution to keep the option available, but noted that it does not commit the City to putting the questions on the ballot in the future. The Council was supportive of this suggestion.

### **ADMINISTRATOR UPDATE**

Ms. Volkens stated that the first application of organic fertilizer has been applied at Guthrie Park.

Ms. Volkens announced an employee appreciation barbeque, hosted by management, will take place on August 16<sup>th</sup>. She asked for feedback about the Council serving alongside management.



Ms. Volkens asked for Council's opinion in regards to Landfall residents receiving the Hyundai Motor America steering wheel locks. She laid out a tiered-approach for distribution, and the Council was supportive.

Ms. Volkens noted that due to the robust workshop agenda on June 27<sup>th</sup>, she will provide food for those in and cautioned that the agenda will go very late with continuation or workshop after the Council meeting.

### **COUNCIL TOPICS**

Council Member Morcomb stated that the President of the Silver Lake Improvement Association reached out to ask if the City will help fund environmental cleanup efforts for Silver Lake. Ms. Volkens said the City will respond to this request.

Council Member Her stated that he attended the North St. Paul High School graduation and was able to network with several ISD 622 school board members.

Mayor Zabel noted that he will be attending the Oak Meadows 25th anniversary event on June 15<sup>th</sup>. He also reviewed some of the keynote Summerfest events, and asked that any photos taken be sent to Ms. Pulkrabek.

### **ADJOURNMENT**

The workshop was adjourned at 8:35 PM.

Respectfully submitted,

Sara Ludwig, City Clerk