

**WORKSHOP MINUTES
OAKDALE CITY COUNCIL
SEPTEMBER 26, 2023**

The City Council held a workshop on Tuesday, September 26, 2023 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:01 PM.

Present: Mayor Kevin Zabel

Council Members: Noah Her
Jake Ingebrigtsen
Andy Morcomb
Susan Willenbring

City Staff Members: Christina Volkers, City Administrator
Sara Ludwig, City Clerk
Jim Thomson, City Attorney
Hannah Dunn, Community Development Specialist
Jesse Farrell, City Engineer
Andy Gitzlaff, Community Development Director
Nick Newton, Police Chief
Jim Romanik, Public Works Manager
John Stark, Special Projects Manager
Kyle Stasica, Accounting Manager
Julie Williams, Recreation Superintendent
Kevin Wold, Fire Chief
Kevin Zittel, Facilities Manager

Others Present: Kari Moore, Parks and Recreation Commission Applicant
Jen Schorr, Parks and Recreation Commission Applicant
Gina Stokes, Parks and Recreation Commission Applicant

PARKS AND RECREATION COMMISSION (PRC) INTERVIEW CANDIDATE: GINA STOKES

Mayor Zabel explained the interview process noting that it is an informal process and a chance to get to know Ms. Stokes.

Ms. Stokes provided a brief introduction about her childhood years, work experience, current residency, and reasons for applying to the PRC.

In response to Mayor Zabel's request to provide examples or ideas about addressing access for the community, Ms. Stokes said that the PRC could focus on equitable access, offering different cultural events, and improving accessibility.

In response to Council Member Ingebrigtsen's question about why Ms. Stokes is applying to the PRC now, she stated that she is looking for ways to give back to her community now that her children are getting older.

In response to Council Member Her's question about examples that Ms. Stokes might have from her current day job that the City might look into, Ms. Stokes stated that the City could be more equitable by finding partners in the community that want to give back which could help offset costs for targeted initiatives. She also noted that collaboration is way to open doors to more opportunities for the community.

Ms. Stokes asked for more detail about the time commitment for the PRC. Mayor Zabel explained that it meets monthly.

Ms. Stokes also asked about the timeline for hearing the Council's decision. City Administrator Chris Volkens noted she should hear from the City this week.

PARKS AND RECREATION COMMISSION (PRC) INTERVIEW CANDIDATE: KARI MOORE

Mayor Zabel explained the interview process noting that it is an informal process and a chance to get to know Ms. Moore.

Ms. Moore provided a brief introduction about her childhood years, educational background, and current residency.

In response to Council Member Willenbring's question about her time living in Tennessee, Ms. Moore said she lived there for twelve years and enjoyed her time, but is happy to be back in Minnesota.

In response to Council Member Morcomb's question about meeting the time commitment of the PRC, Ms. Moore noted she has no concerns because she follows through on her commitments.

In response to Council Member Her's question about what ideas Ms. Moore could bring to the PRC, Ms. Moore stated she is a clean slate when it comes to the City's parks, but she suggested more opportunities for youth sports, including additional infrastructure. She also suggested looking for private/public partnerships to raise funding for park improvements.

Mayor Zabel provided a timeline for next steps regarding the appointment process.

PARKS AND RECREATION COMMISSION (PRC) INTERVIEW CANDIDATE: JEN SCHORR

Mayor Zabel explained the interview process noting that it is an informal process and a chance to get to know Ms. Schorr.

Ms. Schorr provided a brief introduction about her childhood years, educational background, employment history, and reasons for applying to the PRC.

In response to Council Member Morcomb's question about what the City might be able to do better in regards to its parks, Ms. Schorr suggested that the City could add recreation opportunities for middle-aged residents like those in their thirties and forties.

In response to Mayor Zabel's question about ideas for growth regarding recreation, Ms. Schorr said the City can make programs easily accessible by bringing the activities and opportunities to the residents.

In response to Council Member Ingebrigtsen's question about why Ms. Schorr is applying to the PRC now, she stated that she now has the capacity timewise, and would like to make the community better for the next generation.

Mayor Zabel provided a timeline for next steps regarding the appointment process.

DISCUSSION RE: PARKS AND RECREATION COMMISSION INTERVIEW CANDIDATES

Council Member Her was impressed with all three candidates and felt all would be good choices, but stated that he would defer to Council Member Morcomb as the Council Liaison to the PRC.

Council Member Ingebrigtsen stated that his preference would be to select Ms. Moore as she brings new and fresh ideas without having experience in the field. He was open to either Ms. Stokes or Ms. Schorr as the other appointee. Council Members Willenbring and Her agreed.

Mayor Zabel said all three would be a good choice for the PRC.

Ms. Volkens suggested that when there is another opening on the PRC, the third candidate who does not get selected now could be given preference for the next open seat.

Council Member Morcomb said all three candidates would be a good choice for the PRC, but his preference would be Ms. Stokes and Ms. Schorr as they have experience in the field and can help lead the PRC as they work on and complete initiatives. He added that if the majority would like to appoint Ms. Moore then he would recommend Ms. Stokes as the other appointee. Council Member Ingebrigtsen noted that Ms. Schorr could bring a forward-thinking perspective to the PRC. Council Member Willenbring added that Ms. Schorr is thinking about ways to make the City better for the next generation. For these reasons, Council Members Ingebrigtsen and Willenbring would choose Ms. Schorr as the second appointee.

The Council agreed to appoint Ms. Moore and Ms. Schorr to fill the two vacant seats on the PRC, but would like to encourage Ms. Stokes to remain interested as her application will remain on file for one year, and she will be notified upon the next PRC vacancy.

2023 LEGISLATIVE SESSION HOUSING BILL OVERVIEW

Community Development Director Andy Gitzlaff explained that this discussion is an overview of the Omnibus Housing Finance and Policy Bill, particularly related to the Local Affordable Housing Aid that the City is guaranteed. Mr. Gitzlaff noted that staff is requesting Council direction on the use of these funds. Prior to turning the time over to Community Development Specialist Hannah Dunn, Mr. Gitzlaff stated that the presentation will cover eligible uses for this aid under the bill.

Ms. Dunn presented on the purpose of the bill and its alignment with the 2040 Comprehensive Plan, along with the administrative logistics of the aid.

In response to Mayor Zabel's question about where the funds will be held when they are distributed to the City, Accounting Manager Kyle Stasica said a special fund will be created.

Council Member Willenbring asked about the benefits of not putting the funds in a Local Housing Trust Fund (LHTF). Ms. Volkens noted that the special fund is strictly a holding fund, but the Council will have to decide if they would like to put the funds into a LHTF or spend it on an eligible use prior to the spending deadline, to avoid having to give it back to the State.

Ms. Dunn reviewed the estimated aid coming to the City and Washington County in 2024 through 2027 from the new sales and use tax that will take effect within the metropolitan area. Next, categories for aid utilization were presented which include 1) rental assistance, 2) new construction / redevelopment, 3) rehabilitation – rental, 4) rehabilitation – owner-occupied, and 5) transfer to LHTF.

In regards to the language used in category one regarding the priority that should be given to households with incomes that do not exceed 50% area median income (AMI), Mayor Zabel asked how the City defines priority. Ms. Dunn explained that the bill is very general so this is something the City would have to determine if it decided to use the funds for this purpose. Mr. Gitzlaff echoed Ms. Dunn's comments. Ms. Volkens added that more guidance will come out about the use of these funds. Mayor Zabel followed up to ask about the parameters around the 80% AMI stipulation. Mr. Gitzlaff surmised it will likely be the aggregate, but said more guidance is needed.

Council Member Her stated that these funds are a good alternative for the City instead of Tax Increment Financing (TIF).

In reference to the energy/water rebates in categories three and four, Mayor Zabel asked if the water rebate applies to the utility itself or if it can be applied to conservation efforts. Ms. Dunn said City staff is interpreting the bill as such, but more information is needed to be certain.

Ms. Dunn concluded that there are other unrelated funding sources the City can explore with links included in the packet.

Mr. Gitzlaff provided staff's recommendation for a small-scale Housing Study to better understand existing need and future programs to utilize aid. He also asked for Council's direction on the potential establishment of a LHTF and pathways for use of the funds. Mr. Gitzlaff reviewed ways other cities and counties are utilizing their funds. Ms. Volkers complimented Mr. Gitzlaff and Community Development staff on gathering the examples from other cities, which were quite helpful.

Council Member Morcomb asked if the funds could be used for existing projects or to payoff existing debt owed to the City. Mr. Gitzlaff clarified that they are not identified as eligible expenses in the bill.

Council Member Her asked for clarification on the funds being a loan versus a grant. Ms. Dunn confirmed that the funds from the State to the City is a grant, however the City could use the funds to offer loans or grants.

Council Member Ingebrigtsen was in favor of using the funds to subsidize development versus existing housing. Council Member Her agreed.

Council Member Morcomb suggested waiting six months for further guidance and then putting the money into a LHTF and partnering with the County on a future project. Mayor Zabel was hesitant to put the funds into a LHTF right away in case a project the Council is interested in that does not meet the LHTF comes along.

Mayor Zabel was not supportive of the Housing Study, but suggested gathering information from private partners like the St. Paul Area Association of Realtors and housing association. Council Member Her was supportive of the Housing Study. Council Member Ingebrigtsen would prefer to wait on the Housing Study as the data is fluidly changing due to the influx of development. Council Member Willenbring agreed. She liked the Richfield's Kids @ Home program and also suggested partnering with the County. Council Member Willenbring added that she is not supportive of the City offering loans in this case. The Council was in agreement.

Ms. Volkers noted that there is \$12,500 slotted in the 2024 budget for a Housing Study. Mr. Gitzlaff is comfortable waiting six months on the Housing Study, but would like to keep the funds allocated for this purpose. The Council was supportive of this suggestion.

Staff was directed to leave the allocated funds in the Community Development Fund for the Housing Study, and revisit this discussion at workshop in the Summer of 2024 to make an official decision on the Housing Study. Additionally, staff was directed to leave funds received for Housing Aid in the Special Revenue Fund until some decisions can be made and non-profits and the County has additional information about possible partnerships.

PROPOSED UPDATES TO CITY POLICY EPB-021: HOUSING ASSISTANCE – HOUSING IMPROVEMENT AREAS (HIA)

The Mayor opened the discussion stating concerns from Council about outward financing, and asked what that means for the fate of the policy. Ms. Volkers noted that Mr. Gitzlaff was asked to review this policy as part of a City-wide effort to review all existing policies. Mr. Gitzlaff provided some background information on loans related to this policy noting that HIA loans are getting paid back through the assessment process.

In response to Mayor Zabel's question about a dedicated funding source for projects in HIA, Mr. Gitzlaff indicated there is not, but the City can use cash reserves on hand or bond for these projects.

In response to Mayor Zabel's question about how the City designates an HIA, Mr. Gitzlaff said that is the name given under statute, but it has to be for a common element, i.e. streets, landscaping, roofs, etc., within a common interest community.

Mayor Zabel noted that this policy provides a way for the City to lend money. Mr. Gitzlaff concurred, but added there is an assessment component.

Council Member Willenbring would be opposed to bonding for projects related to this policy. Mayor Zabel is comfortable with bonding, but stated the interest rates should be the same as other assessment interest rates which is currently 2% above market rate. Council Member Her wanted to ensure that the interest rates are not below the interest rates on the City's cash reserves. Ms. Volkers confirmed that the way the policy is written, it would be below the current market. All agreed that must be corrected.

Council Member Morcomb stated that currently there are no projects related to this policy that he would support, but it would be beneficial for future councils to update the policy.

Mr. Gitzlaff concluded that staff will change Section 5.5 to align the interest rate with the City's current assessment rate of 2% above market rate. He went on to review the other notable changes.

Mayor Zabel stated that as long as the funds are recoverable he is supportive of keeping the policy.

In response to Council Member Willenbring's question about lowering the dollar amount in Section 5.4 from \$500,000 to \$150,000, Mr. Gitzlaff said the number was arbitrary, but the City is more likely to have \$150,000 cash on hand than \$500,000.

STORAGE OF LOWER-POTENCY HEMP PRODUCTS IN LICENSED LIQUOR STORES

City Attorney Jim Thomson explained the three options that are in front of Council regarding storage of lower-potency hemp products in licensed liquor stores includes: 1) Require all products to be sold behind a counter or in a locked case (current code requirement which is 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 (this aligns 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 (which aligns with state law for liquor stores, more restrictive for all other licensees). He noted the distinction between Option 2 and Option 3 is in reference to the type of license holder – any type of establishment that sells liquor versus exclusive liquor stores.

Council Member Her was supportive of Option 3 based on the previous discussion at the September 12, 2023 regular City Council meeting.

Council Members Willenbring, Ingebrigtsen, and Morcomb were supportive of Option 2.

Mayor Zabel was supportive of Option 2, but would like to change the age to sell requirement from 16 years old to 18 years old, to align with the age requirement to sell alcohol. The Council was in agreement.

REVIEW OF 2023A DEBT ISSUANCE

Ms. Volkens stated that although this item has been on the workshop agenda in 2022 and 2023, it will not continue to come back in future years. She would like to make sure the entire Council has an understanding of the process and has an opportunity to ask questions, hence why it is being discussed one more time. Ms. Volkens added that Mr. Stasica will review the schedule of events related to the General Obligation Improvement Bonds, Series 2023A. Ms. Volkens also announced that the City had a successful bond rating call.

Mr. Stasica explained that the General Obligation Improvement Bonds, Series 2023A will be one funding source for City Project R2023-01: 2023 Street Improvements. The interest rates are estimated to be between 3.0% – 3.5% over the life of the Bonds. Mr. Stasica reviewed the noteworthy items from the schedule of events which includes the approval of the parameters award Resolution at the September 26, 2023 regular City Council meeting. This Resolution authorizes the sale of the bonds pursuant to certain parameters and designates a Pricing Committee consisting of the Accounting Manager and City Administrator. Mr. Stasica concluded that the anticipated bond sale date is October 24, 2023, and Baker Tilly representatives will present the results of the sale at the regular City Council meeting that same night.

Council was supportive of moving forward with the schedule of events as presented.

ADMINISTRATOR UPDATE

Ms. Volkens asked the Council for clarification on inviting Independent School District (ISD) 622 Superintendent Osorio to a future workshop meeting. A majority of the Council was supportive of Ms. Volkens extending an invite, but would be flexible on the specific date.

Ms. Volkens asked for Council's feedback on the Commission/Board appreciation dinners and review of the 2024 work plans. Mayor Zabel suggested having the appreciation dinners after the new year, and review the 2024 work plans at that time. The Council agreed.

Ms. Volkens stated that the Maplewood Area Historical Society would like to start programming, in tandem with the Recreation Department, in the Eder Schoolhouse. Mayor Zabel suggested establishing a usage agreement. Ms. Volkens confirmed one will be signed by both parties. Council was supportive of the use.

COUNCIL TOPICS

In reference to a request from the Oakdale Area Chamber of Commerce, Council Member Her asked for Council's feedback on the City creating and keeping a business registration. Mayor Zabel provided historical context from a past Council conversation many years ago in which too many hurdles were identified to move forward with this type of list. Ms. Volkens added that there is not an easy and consistent way to collect this information. Fire Chief Kevin Wold noted that when any new business pulls a permit, the City collects relevant data, but if a new business does not pull a permit to build or do improvements on their space, or go through the licensing process, the City has no way of collecting information and the City may not even be knowledgeable of that new business.

Council Member Willenbring noted that there is possibly a non-compliant home-based pet boarding business in the City. The Police Department was directed to follow up.

Council Member Morcomb brought up the COVID Recovery Business Loans (CRBL) as Ms. Volkens had provided a status update on the loans that had been given out under the CRBL program. It was noted that many loans have not been paid back, but that interest would start accruing as of October 1, 2023.

Council Member Morcomb suggested that the Council take a field trip to Tanners Lake to look at the current state of the amenities. Facilities Manager Kevin Zittel was asked to set up this tour.

Council Member Ingebrigtsen wanted to make the Council aware that in the next year he will likely need a variance for a shed on his property.

RECESS FOR REGULAR MEETING AT 6:52 PM

WORKSHOP RECONVENED AT 7:40 PM after the Regular City Council Meeting

SCHOOL RESOURCE OFFICER

Police Chief Nick Newton provided key points about an amendment to Minnesota Statute §121A.58 that was passed during the 2023 Legislative Session that affects the school resource officer (SRO) position. He noted that the Attorney General cleared up one of the Police Department's major concerns by providing the opinion that SROs can use reasonable force per established Minnesota Statute §609.06 when preventing bodily harm or death. Additionally, Chief Newton is waiting on the League of Minnesota Cities (LMC) to provide their opinion on the matter.

Attorney Thomson stated that the fate of the SRO within Tartan High School comes down to a policy decision by the City Council. Due to the Attorney General's opinion, the risk to the City has been reduced significantly. Attorney Thomson indicated that the Attorney General's opinion is binding for school districts. As long as an SRO acts in accordance with the Attorney General's opinion then it shows the officer was acting in good faith. Attorney Thomson noted that the City and/or the SRO can still get sued, but the City has insurance to cover that type of expense. He concluded that the new legislation does not create any significant risk of monetary exposure and especially no more than officers experience every day as part of their duties.

Council Member Ingebrigtsen stated that litigation outcomes typically depend on the judge. Attorney Thomson agreed, but said there is an appeal process. He added that there may be more lawsuits because of this legislation.

Council Member Morcomb asked if other agencies' SROs are returning to the schools. Chief Newton said some agencies have already done so while others are waiting for the final opinion from the LMC. Attorney Thomson stated that some cities will remain reluctant, but he does know of others whose SRO will be returning.

The Council was supportive of continuing the SRO participation per the current agreement with ISD 622.

Staff was asked to continue sending the weekly SRO report to Council for now.

ADJOURNMENT

The workshop was adjourned at 7:54 PM.

Respectfully submitted,

Sara Ludwig, City Clerk