

**WORKSHOP
OAKDALE CITY COUNCIL
March 22, 2022**

The City Council held a workshop on Tuesday, March 22, 2022 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:00 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Colleen Swedberg
Kevin Zabel
Susan Olson

Also Present: Christina Volkers, City Administrator
Kathy Laur, City Clerk
Katie Robinson, Deputy City Clerk
Nick Newton, Police Chief
Jason Zimmerman, Finance Director
Jim Romanik, Public Works Manager
Andrew Gitzlaff, Community Development Director
Julie Williams, Recreation Superintendent
Kevin Wold, Fire Chief

FEE SCHEDULE

Administration Intern Will Bucheger has spent a great deal of time researching neighboring cities to determine whether our fees are commensurate with theirs and updating the City's Fee Schedule.

City Administrator Volkers would like to have all of that data analyzed and then come back to the council with a comprehensive and updated Fee Schedule. She is anticipating that it will be something that is done this summer and the city would hire a consultant to do that work.

Community Development Director Gitzlaff noted that changes need to be made to park dedication fees. The fees on the 2022 Fee Schedule are incorrect and need to be amended. He stated that a dollar amount per 1,000 square feet needs to be specified. With all of the new development on the horizon the dollar amount needs to be based on use of the land. He suggested that there be a combination of cash and land or parkland, cash or combination of both. Mr. Gitzlaff will reach out to the planning consultant and to legal and will come back in April to discuss further.

Council member Zabel inquired whether park dedication fees apply to redevelopment. The answer is yes. If [the developer] is replatting, they are subject to park dedication fees.

Mr. Gitzlaff said he will discuss the Helmo PUD and parks in April.

SUMMERFEST UPDATE

City Clerk Laur gave the council an update on what's been scheduled for Summerfest so far. She discussed the parade, pancake breakfast, beer tent, BINGO, K9 unit, children's activities, music, 5k run/walk, grand marshal possibilities and what is still to come. As the budget stands now, we should come in under budget of close to \$3,000. Ms. Laur discussed food vendor and non-food vendor fees. The council will formally adopt those fees at the April 12, 2022 regular city council meeting.

CONVERSATION WITH RECREATION SUPERINTENDENT

Recreation Superintendent Julie Williams talked about spring programming for the recreation department and other happenings in recreation. The Indoor Market just wrapped up its season. The ice rinks had a lot of skaters this year, more so than last. The Indoor Garage Sale is March 26, with 23 vendors. A Mystery Egg Hunt will take place on April 16. Her department is discussing the idea of adding a second egg hunt next year due to high participation and better management. Snowshoe rentals were a success with 86 rentals at \$5.00 each. Ms. Williams also talked about the Community Walk, Summer Concerts, Movies in the Park, (there will be two) Encanto and Spiderman into the Spiderverse, Family Fun Flatables (they are looking for sponsors), the Farmers Market and seasonal hires. She needs more applicants for summer employees. The ITS truck needs to replace some of the jumbo games on the truck There will also be new yoga programs this summer. She is feeling good about the city summer programs and activities.

LOCAL BOARD OF APPEAL AND EQUALIZATION AND OPEN BOOK MEETING

The City has been notified by Washington County that one of this year's Open Book meetings is schedule in Oakdale on April 13, 2022 from 5:00-7:00 PM at City Hall. Citizens of the county will have a chance to appeal their property's valuation or classification at this Open House event.

SALES TAX AUTHORIZATION

City Administrator Volkens stated the she and Finance Director Zimmerman believe that the city does not expect to have enough funds from the Sales Tax (\$37M if approved by voters) to do the Police Department renovations or the new Public Works facility. There is always an option to cut back on the projects. We can also go back to the legislature to ask for more time and more sales tax if the council desires. The concern is that the information we all have on the cost is from 2019 and that was \$27M. The cost from 2020 was \$32M and later in 2020 it was expected to be \$37M. The economy and inflation is going up; things cost more and thus sales tax revenue is expected to be more. We can go to the legislature and ask for more money or more time or both. It takes time to do a new analysis on projected costs and total capacity at 1/2 cent sales tax revenue expected. We contacted the U of M and they will do a full analysis for about \$3,000 in May or June. Right now, we know we do not have enough funding at the \$37M if the voters approve. Do we continue to proceed realizing that we will have to make some hard decisions or are we going to talk about property taxes covering the rest of it – that's not ideal. Is it possible to expand the time of sales tax collection and thus time for the projects to be paid off? The latter is a bit easier. We can go from 25 to 30 or 40 years. Some cities are going out 40 years. The bottom line is costs are crazy and we don't have enough to cover the cost of construction for these projects. Hard decisions will have to be made if we stay this course.

Council member Ingebrigtsen stated we shouldn't cut back, that shouldn't be an option.

Council member Zabel said he doesn't believe they have the full scope of the project. Our needs have changed since 2017.

Council member Swedberg asked if we don't have enough time for the legislature to handle amendments to the House and Senate tax bills, can we still move forward? Ms. Volkens responded yes. We already have approval from the legislature for the \$37M.

Council member Zabel asked can the time be extended after the tax has been enacted? There wasn't an answer for that. It's worth looking into.

Mr. Zimmerman stated lenders would want to see 125% coverage of expected sales tax revenues for the bond. It may increase the interest rate if we don't have that coverage. When discussing the length of time to pay the bond. Mr. Zimmerman commented, what's the useful life of an asset? If it's 40 years, will it last 40 years? He asks those questions himself when making a determination.

Ms. Volkens stated we should still do the U of M extension study because it will help our bond rating. It will be too late when deciding what to do now with the legislature.

Overall, the council agreed that \$5,000 to spend on a lobbyist was worth doing only to extend the time and the council asked Ms. Volkens to make the determination on the appropriate time for payback

Mayor Reinke stated when working with the architects and department heads on these projects, to keep in mind the city's needs, wants, and nice to have's while working on the plans.

CONSTRUCTION MANAGEMENT DISCUSSION OF OPTIONS FOR BUILDING PROJECTS, INITIAL THOUGHTS

Ms. Volkens stated that with the remodeled and expanded Police Facility, we are ahead of the game and are not planning on building until 2024 or 2025. We are behind when it comes to the Public Works facility. What would normally happen and the way public projects are working right now is that we would have a construction manager on board and then work with an architect right away. They would ideally start looking at the project and make determinations for specific questionable issues such as plumbing, electrical, supply chain, etc. Ms. Volkens stated we are behind on this already. The architect is already making revisions and changing plans. We've told them they can only go halfway towards plan revisions with Public Works right now until a decision is made on the construction manager. Then we need to go out for RFP and negotiate for a construction manager. The construction manager will finish the design. We'll get the quotes, the council will decide on whom to use, and that will be our partner for this project. They will take the lead and work with the architect. All of that needs to happen in the next six months. There is an expected year wait time on some materials. It's important to have the construction manager decided soon.

Ms. Volkens presented two options for consideration. 1) Construction Management – Agency (Us). The owner contracts with a construction manager who provides consultation into the design and construction phases of the project. The construction manager may advise, provide cost estimates, develop schedules, determine the bid sections of construction, open bids and participate in the oversight of the construction effort. However, the owner (City) deals with all contractors and subcontractors which requires quite a bit of administrative oversight; and 2) Construction Management – At Risk or CM@R. The owner contracts with a construction manager under the "Risk" procurement. This shifts the contractual "risk" of managing the multiple sub-contracts from the owner to the CM@R. In this method, the construction manager is brought on in design to advise, estimate and develop schedules, and eventually takes the responsibility of administering the bidding of the construction work and the "risk" of managing the sub-contracts in the construction phase. The CM@R will identify guaranteed maximum price of the construction and will manage the project to stay within it. CM@R is an owner consultant in the design process and the contractor in the construction process. CM@R acts as owner's advocate. Ms. Volkens is recommending option 2

Ms. Volkens is going to ask for a distinction between the two options with a breakdown of cost through the RFP proves if that is council's direction. The comparison between the two will be clearer to understand. She'd like to get this out to market as soon as possible.

3M needs to clean up the land that the new Public Works facility will be built on. They will sell the land to the city for \$1.00. Ms. Volkens said they are doing everything we are asking of them.

WORKSHOP MINUTES
March 22, 2022
Page Four

Council member Zabel would like some time to digest this and talk about it again at the special meeting the following week.

Mayor Reinke suggested we spend some time at the Special workshop meeting on 3/29/2022 to discuss this further.

COUNCIL TOPICS

Mayor Reinke announced that Thursday, March 24 is the grand opening of the Food Shelf. Unfortunately, he will not be able to attend however, Council member Swedberg said she would go in his place.

Ms. Swedberg wondered when the Nature Preserve signs would be back from repair. Public Works Manager Romanik said he would ask Park Superintendent Koesling about it and get back to her.

Council members Zabel, Olson and Ingebrigtsen had nothing to report.

ADJOURNMENT

The workshop adjourned for the Regular City Council meeting at 6:55 PM.

Respectfully submitted,

Kathy Laur
City Clerk