

**The CWORKSHOP MINUTES
OAKDALE CITY COUNCIL
June 28, 2022**

The City Council held a workshop on Tuesday, June 28, 2022 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:03 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Colleen Swedberg
Kevin Zabel
Susan Olson

City Staff Members: Christina Volkens, City Administrator
Katie Robinson, Deputy City Clerk
Jason Zimmerman, Finance Director
Jim Romanik, Public Works Manager
Andrew Gitzlaff, Community Development Director
Lori Pulkrabek, Communications Manager
Kevin Wold, Fire Chief
Luke McClanahan, City Planner
Brian Bachmeier, Interim City Engineer
Jim Thomson, Kennedy-Graven

Public Members: Matt Yetzer, Senior Development Associate, MWF Properties, LLC
Mikaela Huot, Finance Manager, Baker Tilly
Lauren Volz, Finance Manager, Baker Tilly

TARTAN CROSSING SENIOR HOUSING CONCEPT PLAN – MWF PROPERTIES, LLC

City Planner, Luke McClanahan presented the MWF Oakdale Senior Apartments Concept Plan along with Senior Development Associate, Matt Yetzer from MWF Properties, LLC.

MWF Properties is seeking concept plan approval for a 4-story multi-family development consisting of 155 – 165 units on parcel 2902921330012. The proposed development is for individuals of age 55 and older, with all units set to be affordable at or below the 60% area median income level.

This future development would require a PUD (Planned Unit Development) amendment to the current Tartan Crossing development.

MWF Properties is also requesting support from the City to obtain bond financing for this project through the Minnesota Department of Management and Budget (MMB). For the City to support the applicant's request through MMB, the City Council would need to provide a resolution indicating that the City will serve as the conduit bond issuer.

Staff has identified three approvals, with a possible fourth, necessary in order for the site to be developed as proposed; PUD Ordinance Amendment, Subdivision/Platting, Site Plan and a Noise Variance (to be determined, based on a noise study to be completed by the applicant).

WORKSHOP MINUTES
JUNE 28, 2022
PAGE TWO

In May and June of 2022, the applicant obtained feedback on the proposed concept plan from the City's Development Review Committee (DRC). Based on informal feedback from the DRC, the applicant made several revisions to the initial concept plan.

Mr. Yetzer provided additional information on the project including a background on MWF Properties and similar projects they have worked on throughout Minnesota. Mr. Yetzer also described possible amenities that would be included in this senior living apartment development and why the location is well suited for the project.

City Planner, Luke McClanahan asked for feedback / questions from Council.

Council Member Ingebrigtson asked if the bank that is currently on Hadley had been "asked" about the access off of Hadley to the new development. Mr. Yetzer replied that nobody has contacted the bank directly. Mayor Reinke pointed out that during the development of that bank location, the access point off Hadley was already considered for future development and the bank does not have to give permission for this access point.

Mayor Reinke asked Mr. Yetzer about the fire entrance / turn around. Mr. Yetzer stated the plan is to have it in the front of the building where the entrance is and MWF will work with the City and Fire Department to assure the turnaround is adequate. He also pointed out that the building will be fully set up with sprinklers.

Council Member Zabel asked why there are 1.5 parking spaces dedicated per unit. Mr. Yetzer explained that by considering a higher volume of parking per/unit; it will help ensure proper guest parking for the project and is typical practice with MWF.

Council Swedberg likes the idea of walking paths and landscaping since many trees will be removed to build the structure.

Council Member Olson is very supportive of the plan thus far.

Mayor Reinke expressed that he has a very positive take on this plan, especially with the comparables that were shared by Mr. Yetzer.

Finance Manager, Mikaela Huot with Baker Tilly, discussed the financing options (bond financing) in more detail. Ms. Huot began by sharing that the developer has proposed financing for the project that would be provided through a combination of Section 42 tax credits and tax-exempt bonding from Minnesota Management and Budget. As part of that bond financing, they are requesting the City of Oakdale be the issuer of the project's bonding.

The preliminary sources as of funds for the proposed project would be derived from; First Mortgage, Equity Proceeds, Deferred Loan Request (Washington County) and a Deferred Developer Fee. The uses of the funds would be for; acquisition and construction, professional fees, financing fees and reserves.

WORKSHOP MINUTES
JUNE 28, 2022
PAGE THREE

Council Member Ingebrigtsen asked for clarification / reassurance on the City not being liable if an applicant defaults. Ms. Huot explained that the City of Oakdale would have to have a bond policy in place for such a situation, although the applicant is always responsible.

Finance Director, Zimmerman also confirmed this would not show up on the statements for the City.

City Administrator, Volkens stated the City does not currently have a "Bond Policy" in place, but agreed one needs to be created before the City of Oakdale would support being a conduit.

Council Member Zabel asked Ms. Huot how long the income limitations would be in place for the new development to which she replied, 30 years.

Senior Development Associate, MWF Properties, LLC, Matt Yetzer, quickly touched on the timing of the project. If MWF Properties is awarded the MMB (MN Management and Budget) from Washington County in January 2023, construction would begin in July 2023.

Mayor Reinke and all Council Members are in support of this project, however they do want to adopt a Bond Conduit Policy before moving forward.

RESULT OF BOND SALE SERIES 2022A

Finance Director, Zimmerman introduced Finance Manager, Lauren Volz with Baker Tilly, to review the results of the bond sale which took place on June 28, 2022.

The final sale of the bond was in the amount of \$5,915,000 instead of the expected \$6,535,000 due to the offer to downsize by the premium amount. Bids were solicited at 10AM and Baker Tilly ended up with three different bidders; Baird presenting the truest low interest cost to the City at 2.76%.

Ms. Volz mentioned that she will be coordinating closing of bonds with Mr. Zimmerman and can expect proceeds on 8/1/22. Ms. Volz extending a special thank you to Ms. Volkens and Mr. Zimmerman for excellent work on the sale and presentation. Moody's rating increased from AA to AA1 (since 2010). The report from Moody's pointed out the solid financial condition of the City with attributes such as; robust financial position, increased developments, strong planning and management. Ms. Volz told Mr. Zimmerman that a plaque will be given to the City of Oakdale due to this new rating management.

Mayor Reinke agreed, the work that needed to be done for this was a lot of work across the board, and extended his gratitude. He then opened up the conversation to any questions.

City Administrator Volkens asked Ms. Volz to explain why we offered the sale of bond for \$6.5M and ended up selling \$5.9M.

WORKSHOP MINUTES
JUNE 28, 2022
PAGE FOUR

Ms. Volz explained the buyer underwriter put a premium on the bond therefore offered higher rate than market rate giving the City more proceeds than we need. The City opted not to take those funds as it would be paying extra money on the proceeds.

Mayor Reinke thanked Ms. Volz for her time and presentation.

METRO INET JOINT POWERS

City Administrator Volkers presented the proposed Metro I-Net agreement and terms to the Council. Ms. Volkers has been researching Metro INET for the needs of IT services at the City for nearly two years and believes this joint powers consortium is the best possible option for the full range of IT services (and soon phone services) available to the City.

Forty-three of forty-four cities that are part of this joint powers have signed prior to January, 2022, except for us. Ms. Volkers wanted to complete more research into costs and see how the new joint powers consortium worked for other cities that have signed prior to recommending that Oakdale join.

Ms. Volkers does believe this this is a good deal for the City as it would cost much more to hire our own IT staff to equal the services and support we would get by joining this consortium.

The price for service and costs have increased since 2020. Prices are listed below;

- 260K in 2020
- 290K in 2022
- Estimated at 377K in 2023 due in part to added equipment and services

Ms. Volkers sat down with the Board chair and Executive Director and various Metro I-Net staff to get clarification on why there is such a high increase and the reasoning is as follows;

There is an \$87K increase from 2022 – 2023; \$43K is additional from us (City of Oakdale) for new servers and equipment and the other \$43K is a natural price increase for services, staff and operations.

Ms. Volkers opened it up for discussion and questions from the City Council.

Council Member Swedberg stated there really is no other alternative for another service provided and liked the idea of it being more of a joint power instead of Roseville being more in charge and does support this joint agreement.

Council Member Zabel asked about the hand-out (draft agreement) as the dates do not coordinate, Ms. Volkers explained she believes the paperwork was a just a template and she will get the final documentation. Another concern Council Member. Zabel raised that in the technology field and with the City having disjointed platforms, he does not see the City moving forward technologically.

WORKSHOP MINUTES
JUNE 28, 2022
PAGE FIVE

Mayor Reinke asked Ms. Volkens if she believes this is the best route for us to go forward. She did reply 'yes'.

Council Member Zabel also asked for clarification on what would happen if a city leaves the agreement, would other cities have to foot the cost? The answer was yes. City Administrator Volkens explained that there are reserves built up through Roseville for such an occurrence if needed.

Ms. Volkens strongly continues to encourage utilizing iCloud for storage as it would be more cost effective, however, for the current time, she believes Metro I-Net is the best decision for the City's needs. She will have a Metro I-Net contract for the next Council meeting for approval on consent on July 12, 2022.

COMPREHENSIVE PLAN DISCUSSION CHAPTERS - WATER RESOURCES

Community Development Director, Andy Gitzlaff began to lead a facilitated discussion with Council on the Comp Plan Chapter, Water Resources. Per the agenda Resiliency and Parks & Trails were on the agenda, however, Mr. Gitzlaff will push the Resiliency and Parks & Trails to a later day due to time constraints.

Mr. Gitzlaff covered the highlighted points;

Water Supply

Goal 1: Potable water quality shall meet Minnesota Department of Health Standard

Policies: to carry out the Wellhead Protection Plan goals, objectives and implementation measures as well as to work with the MDH to manager perfluorochemical (PFC) impurities through blending treatment, new well locations or an alternative surface water source

Mr. Gitzlaff asked if there were any questions to which Council Member Olson ask him to describe what a Wellhead Protection Plan is.

Mr. Gitzlaff deferred to Interim City Engineer, Brian Bachmeier to clarify for Council Member Olson. Mr. Bachmeier began to explain that the Wellhead Protection Plan is derived from the locations of wells and look at one-year capture of 1 year captured radiuses around the well, how long does it take the water to get to the well. to see how long it takes for that water to get to the well, 5 year and 10 years and then you look at the land uses w/in those circles and you identify potential pollutants sources and development a protection plan so it minimized exposures to those wells.

Goal 2: Water Supply system shall provide sufficient capacity to all users:

Policies, Carry out public water supply plan sustainability and conservation measures, promote water conservation measures to reduce pre-capita consumption rates to less than 75 galls per day for residential use and 90 gallons/day for the community at large, identify alternate surface water supply source to wholly or partially reduce the City's reliance on grown water, should state of court require.

Goal 3: The Operation, Repair and Replacement of Infrastructure Shall be Sufficiently Funded.

Policies: Develop utility rates that cover operation costs, develop utility rates that promote water conservation, develop connection fees that provide sufficient capacity and storage to supply all properties and uses within the community.

Surface Water

Goal 1: The Surface Water Management Plan shall improve water quality, minimize erosion, and protect wetland and groundwater resources.

Policies: Carry out the Surface Water Management Plan, goals, policies and implementation measures.

Goals 2: Flooding Shall be Minimized

Policies: Carry out the Surface Water Management Plan, goals, policies and implementation measure; Update the community hydrologic model using NOAA's most recent Atlas 14 rainfall data, Standards of the Ramsey-Washington Metro Watershed District, South Washington Watershed District will also apply to each development and identify the location, elevation, and discharge capacity of emergency overflow swales.

Mayor Reinke asked the Council if they remember when the City adopted FEMA for assistance with flooding and the residents got angry as they had to obtain flood plain insurance due to it becoming a flood plan. Brian Bachmeier, Interim City Engineer stated it will be a number of years before FEMA comes back to analyze that location.

Community Development Director Gitzlaff also mentioned that they look at the projects and consider any improvements to the projects before completion to make sure that is not an issue.

Waste Water

Goal 1: Sewage flows shall reflect changes to the future land use map.

Policies: Changes associated with the proposed development north of CSAH 14 and East of I-694, Change associated with the proposed transit orientated development along Helmo Avenue south of 4th Street, other small area redevelopment plans.

Goal 2: Inflow and infiltration into the sanitary sewer system shall be reduced.

Policies: Investigate and invest in an annual sewer main lining program as part of the annual street construction program, Televising and, if appropriate, line the Tanners Lake Interceptor line which runs along the east side of Tanners Lake, Work with property owners to identify sewer service lines that may be a source of Inflow and infiltration and decide for property owners to see financial assistance through state or regional loan/grant programs.

Mayor Reinke stated in regard to the inflow and infiltration process; at the end of the day it goes down to Pigs Eye where it is monitored and they have a way of telling if it's normal sewage or if it's inundated with outside water. Mayor Reinke shared with Council that we avoided a \$330,000 fine because of our Inflow and Infiltration flow in the plan that Mr. Bachmeier put into place to identify mitigate and resolve.

Goal 3: Temporary lift stations be eliminated.

Policies: Lift Station #8 has been identified as a temporary lift station and should be eliminated when the pumps and control panel have reached the end of their useful life.

Life Station #12 has been identified as a temporary lift station, and would be eliminated when the property develops north of 50th Street, just east of I-694.

WHITE BEAR LAKE WATER AND JUDGES RULING

Interim City Engineer, Brian Bachmeier began reviewing his memo with the Council.

Judge Margaret Marrinan, Ramsey County District Court, ruled the DNR violated statutes and rules that intend to protect the lake and groundwater by allowing unsustainable pumping.

The ruling included several specific provisions which impact twelve communities (11 cities and 1 township) with municipal wells within 5 miles of White Bear Lake. Oakdale is affected by this court order. These provisions include, Cities enact and enforce a residential irrigation ban when the level of the lake is below 923.5, and continues until the lake has reached an elevation of 924, Cities develop an enforceable plan to reduce per capita residential water use to 75 gallons per day and total per capita water use to 90 gallons per day, Cities develop a contingency plan for the conversion to total or partial supply from surface source water sources. This plan will include a schedule for funding design, construction and conversion, Cities submit an annual report to the DNR on collaboration efforts between the communities.

A number of cities, including Oakdale, contested all of the DNR's water appropriation permit amendments. A date has yet to be set for the contested case hearing.

The City Attorney has advised of the challenges the cities will face to prepare for the contested case hearing, including gathering expert witnesses and testimony. The court delay gives the city a chance to consider if we should continue to contest all of the permit amendments.

There are five issues that should be taken into consideration before a recommendation for action can be considered: EPA's recent reduction in advisory levels, the 3M Drinking Water Settlement Final Drinking Water Supply Plan, comparison of utility rates between SPRWS (St. Paul Regional Water System) and Oakdale, the relocation of the public works facility, and water main replacement needs along TH 120 as reflected in the Capital Improvement Program.

Staff recommends Council consider the decisions that need to be made in this order; Allow the EPA to establish MCL's, Conduct the L.O.S.T. election question, determine if well treatment facilities are acceptable in residential neighborhoods and if the previous three decisions are negative, then start discussions to determine if an option to consider is to connect to SPRWS (St. Paul Regional Water System).

Council Member Swedberg asked Mr. Bachmeier to confirm that have a watering restriction / ban would barely impact the level of White Bear Lake. Mr. Bachmeier did confirm that is correct and not a good alternative to the current issue.

Mr. Bachmeier states that the conclusion is to continue to contest that court order.

WORKSHOP MINUTES
JUNE 28, 2022
PAGE EIGHT

Mayor Reinke agreed but until it gets to a point that testing is done and its part of the order, we may have to take other drastic actions.

Council Member Ingebrigtsen asked how do we enforce a residential irrigation ban? Council Member Zabel mentioned it may be a proactive Police task and that would cost the City to staff that.

Mr. Bachmeier stated that if the restrictions were not followed or enforced, the DNR could potentially find out about this and fine the City. Another possible consequence is that if the City ever needed additional capacity and wells due to growth, it could be denied.

COUNCIL TOPICS

Council Member Olson asked City Administrator Volkens about the status of the Human Society contract w/the Oakdale Police Department. Ms. Volkens stated that the Human Society has not agreed to our changes and Captain Goodwin has been working diligently on this and will continue to do so. At this point we have no other facility to partner with so we are hoping to come to an agreement.

Council Member Swedberg mentioned to City Administrator Volkens that she has feedback from the group that worked the pancake breakfast this past weekend and will be emailing that to her to review.

Council Member Zabel states that there have been an unusual number of complaints in regard to long grass and was told that Public Works has actually gone out to cut a resident's grass if the residents do not heed to their warnings. Asked if that was factual to which Ms. Volkens replied "yes and then the resident will get charged for that".

Council Member Zabel also pointed out that he has heard from residents that they are not hearing back from City staff when they do file complaints. Ms. Volkens mentioned she will look into how we can better handle the response end of the anonymous emails about other residents (Civic Plus system).

Council Member Ingebrigtsen's first topic was in regard to Tanners Lake. He stated the beach is very rarely used is wondering why and / or how we could change that. Council Member Ingebrigtsen's second topic was the aftermath of the Summerfest parade. He had a gentleman complain about how long he sat in traffic trying to get into the parking lot after parade as it was blocked for approximately 20 minutes due to the parade vendors. City Administrator Volkens stated that is great feedback to have as she will share with the Summerfest Committee, they are always open to suggestions.

ADJOURNMENT

The workshop was adjourned at 6:57pm.

Respectfully submitted,
Katie Robinson
Deputy City Clerk