

**WORKSHOP MINUTES
OAKDALE CITY COUNCIL
July 26,2022**

The City Council held a workshop on Tuesday, July 26, 2022 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:03 PM.

Present: Mayor Paul Reinke

Council Members: Colleen Swedberg
Kevin Zabel
Susan Olson

Council Members Absent: Jake Ingebrigtsen

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
Nick Newton, Police Chief
Steve Goodwin, Police Captain
Kevin Wold, Fire Chief
Shannon Reidlinger, Senior Community Development Specialist

Guests: Brian Bachmeier, Bolton-Menk
Mario Cocchiarella, Maplewood Development Company
Nick Asta, Roers
Josh Skow, Practic Design
Andy Bolling, Roers
Marie Dickover, Norhart
Shaun Murphy – Lopez, Toole Design

Prior to the presentations, Mayor Reinke reminded the Council, staff and guests these workshop meetings are for information gathering, question clarifying, and no decision making will be made as a Council body.

ROERS CONCEPT PLAN FOR MULTI-FAMILY DEVELOPMENT AT WILLOWBROOKE

Community Development Director Andrew Gitzlaff, began by reviewing the concept plan for the multi-family development at Willowbrooke.

The City's Comprehensive Plan guides the area for mixed used residential and is located within the Willowbrooke planned unit development. A Planned Unit Development (PUD) was approved in September 2020 to contain a total of 1,046 units for high density residential. An amendment to the PUD would be required for this project to reduce the density from 35-55 dwelling units per acre to 23 dwelling units per acre for this specific request.

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Regarding this project, Roers Companies is proposing a 268-unit multifamily community consisting of 189 units of apartments and 79 units of walk-up townhomes. The site will adhere to the MDA (Master Development Agreement), Detailed Development Plan and the PUD Ordinance.

Roers Companies is seeking feedback and guidance from the City to aid in guiding this development and ensuring its cohesion with the future goals of the City of Oakdale.

Roers plan is to shift from having two multifamily dwellings, as stated in an earlier proposal a mix of apartments and townhomes. Mr. Gitzlaff pointed out a few things to note such as the townhomes will have to meet a higher-level requirement for the fire code and sprinkler system due to shared walls. There is not much for environmental considerations as there are no wetlands, no mapped flood plains. The onsite stormwater treatment proposed will need to meet requirements. Although there is sufficient capacity for this level of development, the concept plan does propose fewer dwelling units than the original plans.

A proposed sidewalk to connect to the parks and the other dwellings has already been reviewed with Fire Chief Kevin Wold for proper egress and entrance for emergency vehicle access. The road serving the property will need to be built either prior to or concurrently with the construction of the property.

Mr. Gitzlaff did reiterate this is a high-density plan, therefore, Roers would have to go through the amendment process to allow for less density and meet all other standards.

Roers representatives, Andy Bolling and Josh Skow spoke briefly to Council in reviewing their narrative and design plans before asking for guidance and feedback from Council.

Mayor Reinke said he likes the idea of the mix of dwellings, with the 4level apartments and the townhomes and believes it is a great idea for families coming into the community.

Council Member Olson agrees and likes the idea of having it be slightly less dense compared to the original plan.

Council Member Zabel had a question for the Fire Chief in regard to the northern edge of the proposed building and asked if there a concern of not having a through parking lot there so as to service that particular side of the building. Fire Chief Wold stated there are no concerns at this time. The developer has been provided the data on the largest apparatus truck the fire department has and is aware of the specs they need to meet. The building is fully sprinklered and has state of the art fire protection. The project is very comparable to others in the area that the fire department currently navigates around.

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Maplewood Development, Inc., CEO Mario Cocchiarella, clarified that he does not agree that an amendment is necessary as this was approved for 766 units at the maximum and there was never an impression there was a minimum to meet. However, he stated, he cautions that the north side of the development will be very different than the rest and will be the higher density. He feels an amendment does not really apply when taking both sites into consideration which would/could total 766 units.

Mayor Reinke agreed with Mr. Cocchiarella and asked Mr. Gitzlaff for clarification on the need for an amendment. Mr. Gitzlaff explained to the Mayor and Council the amendment would be required due to dropping below the 35 unit per acre, as that would move that portion of the project from high density to medium density. It could also be a PUD deviation, the wording can be changed, but it would be suggested to have that PUD amendment to have documentation recognizing the change in density. The overall MDA (Master Development Agreement) would not need to be changed.

Mayor Reinke asked Council for comments or questions. He then spoke to Roers stating that there is a lot of positive from this group and some excitement from all of us to see it happen. He then asked Roers about a timeline for ground breaking. Mr. Bolling replied they are targeting October 2022.

BIKE AND PEDESTRIAN PLAN PROJECT UPDATE

Senior Community Development Specialist Shannon Reidlinger introduced Shaun Murphy-Lopez from Toole Design. Mr. Murphy-Lopez pointed out the highlights of the plan which are as follows: purpose, planning steps, public engagement process and implementation.

Purpose; to achieve two of the City's transportation goals; safe and functional roadways for pedestrians, bikes, automobiles and trucks, along with connecting sidewalks, trails and bikeways within the city and between adjacent cities, and one of the City's parks and trails goals which is to integrate parks into the City's pedestrian system.

Steps; understanding existing conditions and future plans; seek input from public; make plan recommendations, create an implementation strategy and publish draft / final plan.

Mr. Murphy-Lopez's timeline from development plan to final plan is June 2022 – March 2023.

In reviewing the destination analysis in the presentation, Mayor Reinke asked about the specific area of North and South of Stillwater Blvd. and what was driving the intensity score so high in that area. Ms. Reidlinger said she will follow up with Toole Design to obtain the factors behind that information.

Mr. Murphy-Lopez took some time to explain the public engagement plan with Council. Toole Design will be taking a part in four City meetings, which will be the Environmental Management Commission meetings.

Council Member Zabel asked why the EMC (Environmental Management Commission) was the chosen group to provide input when it seems Parks and Recreation meeting would be best aligned with this project.

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Ms. Reidlinger explained that the Bike and Pedestrian falls within the EMC plan for 2023, however, she will be providing information to Parks and Recreation Commission and then getting their feedback.

Community Development Director Gitzlaff explained that since there are so many projects currently going on, there was intent to have one commission/committee for Toole Design to present to.

Mr. Murphy-Lopez continued explaining the plan of engaging the public which would include; attending two more City Council /Workshop meetings, holding an open house at the Discovery Center and two pop up workshops at the library.

Council Member Zabel asked for clarification of the differences between the open house and the pop-up workshops. Mr. Murphy-Lopez clarified the open house is a setting with more detail and having the public come to a location, the pop-up workshops are on a smaller scale and involves Toole Design going to the public (i.e.; setting up an informational tent at an already scheduled event such as the farmer's market).

City Administrator Volkers asked Mr. Bolling if there is a possible way to expedite the process. Mr. Bolling replied that typically these types of projects are a nine-month project plan.

IMPACT APARTMENTS DEVELOPMENT AGREEMENT

Community Development Director Gitzlaff briefly reviewed issues currently at hand with the Impact Apartments Development Agreement(s).

On June 14, 2022 the City Council approved an additional PUD amendment to increase the total unit count to 328 and to approve the final plat. A condition of the final plat approval included the execution of a Development Agreement (DA) between Norhart and the City, through signature of the Mayor and City Administrator, which includes (but is not limited to) phasing of public improvements, park dedication and securities.

Scannell, the property owner, is responsible for the construction and the majority of the public improvement, they are also required to be party to the Development Agreement (DA).

Staff has meet with the owner and Norhart five times since April to discuss the conditions of the agreement and review drafts of the DA. Currently City staff is at an impasse with the owner over meeting the City's park dedication requirements.

MN State Statute Section 462.358 (2b) gives the City the authority to require park dedication based on projected need for park land from a subdivision. This can be in form of land dedication or cash equivalent. Park dedication for the Impact Apartments Project on the R5 parcel was calculated under the 2021 fee schedule. The R5 parcel equates to approximately 13 acres of land or cash equivalent of \$857,405. Parcel P1 is master planned as a park. Upon further discussion with the owner (Scannell) and the developer (Norhart), it was determined it would not be feasible to dedicate the park a park of the current plan because P1 is outside the boundaries of the plat.

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City staff requested the owner (Scannell) acknowledge the need for the dedication of the future park in the Development Agreement (DA) to which they were unwilling to do so. Scannell requested credits for past park dedication fees paid to offset current park dedication contributions. The City entered into a Planned Unit Development (PUD) with the previous owner, Carlson Real Estate Ventures, LLC. who paid park dedication fees in lieu of land in the amount of \$116,468 (for approximately 47.1-acre plat based on the park dedication ordinance in place at that time.

City staff offered to provide Scannell fee credits for the Helmo Property for the prior park dedication fees paid for the developable portions of the Oak Business Park site that remain vacant (approximately 29.2 of the 47.1 acres, equates to 62% or \$72,210). Scannell countered the offer stating the value of the park credits increased and requested a total credit of \$129,180 for the R5 and R6 parcel and additional credits as the remainder of the site develops.

There is nothing in code that addresses the appreciation of park dedication credits, therefore staff recommends to not accept the proposed offer.

Mayor Reinke asked the Council if they have any issues with the cash value staff is recommending (\$72,210). Council Members Olson and Swedberg stated they have no issue with that decision.

Council Member Zabel expressed his concern about accepting cash instead of land, as he feels accepting cash does not address the need for land.

City Administrator Volkens asked Mr. Gitzlaff if there have been any inquiries on those others parcels at this time? Mr. Gitzlaff stated there are not any directly at this time, however, there has been interest on the other side with the other owner interested in meeting within the next couple weeks (Crossroads area (R1)).

Ms. Volkens also asked if there was plan on securing more land if it was not part of this agreement. Mr. Gitzlaff replied that it would be required if they develop anything to the east of the original plan.

Mr. Gitzlaff will connect with the City Attorney, Jim Thompson to ensure there are no other obligations in the language in regard to paid fees for park dedication from previous owners.

LAWN CARE WEED AND FEED

Due to concerns about the chemicals being used by our current vendor (TruGreen) staff investigated using organic fertilizer products.

Public Works Manager Jim Romanik shared with Council that staff had met with Biolawn, a local company that advertises being green and uses safer and environmentally friendly fertilizer options. Biolawn offers organic products as well as a hybrid fertilizer product which has less of an odor and does not stick to shoes.

Biolawn offers two options for weed control; a blanket application or spot coverage. The products used in both applications are as low as possible on the toxicity scale which helps protects our residents and pets.

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Mr. Romanik pointed out that a very important aspect to consider with an organic fertilizing process is core aeration and over seeding in the fall. City Administrator Volkens asked if this is something the City is already doing in the fall?

Mr. Romanik replied that is not happening at all parks and if the City chooses to change to Biolawn, all of the parks would need to be included in the plan and then we will have concerns of staffing, seeding costs and equipment costs. He also pointed out that whether we change the vendor or not, the Oakdale Turf Management Plan will need to be updated as the last time it was updated was in 2000.

Biolawn did offer us an estimate of one park, Guthrie park, which is 1.09 acres. The cost would be \$245 per application, which would be twice a year. Our current vendor, TruGreen is \$76.00 per application (non-organic). The City has approximately 100 acres of area to be treated twice a year then.

Several years ago (about 10 years), TruGreen did use a strictly organic process, however, when it was hot and humid out it permeated a smell and the City received complaints about that. It also caused fields to become slippery (especially ballfields) and the substance would stick to shoes.

Mayor Reinke asked Mr. Romanik if he has a recommendation at this time. Mr. Romanik recommends trying the new vendor on one park as a pilot.

City Administrator Volkens mentioned the City can do a cost benefit analysis comparison as well if we do a pilot. Ms. Volkens also mentioned that she briefly spoke with Community Development and will have Ms. Reidlinger look at this and assist with the cost benefit comparison, do joint review with Public Works and Environment to find out what kind of chemicals are out there and possibly other vendors that may be beneficial.

Council Member Swedberg agrees with the phase in approach as it gives the City time to evaluate the process to see how well it works.

Council Member Olson also agrees with the phase in approach and thinks it's a great idea to have Ms. Reidlinger assist with the research and cost analysis for this project.

SIGNAGE ON TRAILS FOR PETS RE: HOT ASPHALT

Per Councils request for information on cost /workload to possibly add "Hot Asphalt" signs throughout the trail system pertaining to dog's paws and the danger with the asphalt temperature, Mr. Romanik shared one quote/estimate (below). It is important to note the prices vary depending on the quality of the sign (sheeting material used).

Engineer grade signs - \$25.50 per sign (replacement timeframe - 7 years)
High Intensity signs - \$28.05 per sign (replacement timeframe - 10 years)
Diamond Grade signs - \$42.50 per sign (replacement timeframe - 12 years)

The cost of posts and labor per location would need to be considered which is \$125.00 per location (\$50.00 for the posts and \$75.00 for the labor).

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Public Works would look to use existing sign posts if they are located in the appropriate locations. At this time, there is no funding source identified for this project.

Mr. Romanik asked Council for intent regarding purchasing signage and a funding source should this project proceed.

Mayor Reinke and Council discussed the quantity, locations and grade of preferred signs. The consensus was that approximate of 15 – 17 signs would be appropriate, the locations suggested are the entrances to the Nature Preserve, trails at Hadley Street, Helmo and 10th Street (to name a few) and they preferred the high intensity grade.

City Administrator Volkers stated the funds could come from the “one-time use” fund. Or the City could solicit donations by giving residents an opportunity to ‘sponsor’ a sign. Noting, a sponsored sign would not have a family / person’s name added to it. She will follow-up with Communications Manager Lori Pulkrabek about posting this on the website and providing Council with rules for soliciting.

COUNCIL TOPICS

Mayor Reinke shared his company (Silver Oak Development) will be paying for the Summerfest band in 2023 as a donation.

Council Member Olson brought up the topic of the newly appointed County Attorney coming to a Council meeting. City Administrator Volkers confirmed that yes, he would like to come and do an introduction to the City at a Council Meeting.

Council Member Swedberg asked the rest of the Council who is or is not attending the Century Avenue Policy Makers Workshop at the North St. Paul City Hall (City Administrator Volkers, Mayor Reinke and Council Members Zabel all plan to attend). Ms. Volkers will forward the invite and detailed information to Council Member Olson.

RECESS FOR REGULAR MEETING 6:26PM

WORKSHOP RECONVENED 7:35PM

2023 BUDGET

At the July 19, 2022 Special Council Workshop, Finance Director Zimmerman led a comprehensive review and discussion of the 2023 requested budget as submitted and prepared by staff. Due to time constraints there were areas that were not covered at that time.

During this workshop projected revenues (based on information that is currently available), potential tax levy and tax capacity impacts will be reviewed.

City Administrator Volkers stated to Council the plan is to continue reviewing the budget, mainly revenue, tax capacity and levy information, then ask for feedback from Council. There will be no review of items line by line tonight.

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Mr. Zimmerman explained how he compiled the information and what the primary drivers were. The presentation tonight includes review of the general fund, charitable accounts, intergovernmental information, levy, taxes, charitable services and license/permit fees.

He also highlighted a few significant changes to 2023 that were not a part of the 2022 budget, such as to eliminate the broadcasting / communications fund. This will put \$150,000 back into the general fund. Another would be the transfer of \$60,000 from the building fund into the general fund and close the building fund. The last change he pointed out was an \$80,000 reduction in cable fees.

A significant increase in revenue projection is the permit revenue. This year's permit revenue to-date is \$884,000 which surpasses what was expected for all of 2022. There has been an influx in permits/fees due to incremental weather (hail storms) and future development in the city.

Mr. Zimmerman noted the preliminary budget is incredibly strong for next year and will hopefully help drive down the levy piece. They still many changes and updates that need to be done to the charge of accounts and reconciliation will need to happen again.

Hopefully when we have more actual revenue data, we will have a better idea of what is currently going on and how it will/could impact changes for the 2023 budget.

City Administrator Volkens shared that the permit revenue in the 2022 budget vs 2022 actual is up 82%, which means it is extra money that can be used to cover other things that were not budgeted for this time around such as increased staffing needs.).

Council Member Zabel asked what happens to the excess dollars in revenue at the end of the year. Ms. Volkens replied that it will either carry over and stay in the fund balance and/or be designated for outstanding expenses.

Mr. Zimmerman shared that he and Ms. Volkens have had discussions on whether or not there are policies in place as to what to do with the excess revenue and when/if it would get applied to a capital fund.

Council Member Zabel expressed his concern that if expenses forecasted in 2023 are to come out of 2022, that may cause us to be short in 2023. Ms. Volkens mentioned that her and Community Development Director Gitzlaff have spoken about this particularly and will be tracking the current projects in the City closely to ensure the budget stays on track and that anything moved from 2023 to 2022 is accounted for.

One of the big gaps is largely attributed to rolling in the ambulance fund into the general fund. It makes it look like we grew the budget, but we were always paying those expenses and collecting that revenue but it was just somewhere else. It's always been a challenge we had with putting various expenses in Special Revenue funds since it does not show on the same area as the general fund.

City Administrator Volkens shifted the conversation to 'over all' property tax information. Assessed values went up over 19% overall throughout the City, which means the property tax revenue coming in from that increased assessed value would net the City a 16+% tax levy increase overall in dollars. Our tax capacity rate is approximately 39.5% before 2023, and if there is no increase in City of Oakdale tax capacity the City will net the 16% tax levy increase. Currently we are asking for 18.41% levy increase in the recommended budget, so there is about \$250,000 needed beyond our current tax capacity if there was approval to move forward with the current recommendation.

The following is a summary of the documents reviewed.

Property Taxes for Median Value Residential Properties 2013 to 2022. (Preliminary for 2023)

Market Value	\$157,400 - \$264,300
Taxable Market Value	\$134,326 - \$250,847
Tax Capacity	\$1,343 - \$2,508
City Tax Capacity	44.065% - 39.533%
Property Taxes (City)	\$592.00 - \$991.50 per year

2023 Flat Tax Capacity Rate (39.533%) - 16.81% Levy Increase

Market Value	\$315,000
Taxable Market Value	\$305,110
Tax Capacity	3,016 (this is 39% of the 1% of taxable market value)
City Tax Capacity	39.533%
Property Taxes (City)	\$1210.12 per year

2023 as requested Increase Tax Capacity Rate (40.173%) - 18.41% Levy Increase

Market Value	\$315,000
Taxable Market Value	\$305,110
Tax Capacity	3,016
City Tax Capacity	40.173%
Property Taxes (City)	\$1229.70 per year

Taxable Valuations 2013 - 2022

Values in the City of Oakdale	\$23,031,150 - \$36,220,179
Values after FD and TIF	\$18,840,763 - \$30,833,756
Value after Fiscal Disparity Sharing	\$22,859,073 - \$36,382,276

Tax Dollars

Oakdale Taxpayer Levy	\$8,302,177 - \$12,189,654
Levy Change from Prior Year (\$)	(1,530) - 810,626
Levy Change from Prior Year (%)	-0.02 - 5.99

2023 Flat Tax Capacity Rate (39.533%) - 16.81% Levy Increase

Values in the City of Oakdale	\$41,708,096
Values after FD and TIF	\$35,991,540
Value after Fiscal Disparity Sharing	\$42,380,747

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Tax Dollars

Oakdale Taxpayer Levy	\$14,228,706
Levy Change from Prior Year (\$)	2,410,959
Levy Change from Prior Year (%)	16.81%

2023 as requested Increase Tax Capacity Rate (40.173%) – 18.41% Levy Increase

Values in the City of Oakdale	\$41,708,096
Values after FD and TIF	\$35,991,540
Value after Fiscal Disparity Sharing	\$42,380,747

Tax Dollars

Oakdale Taxpayer Levy	\$14,458,911
Levy Change from Prior Year (\$)	2,641,164
Levy Change from Prior Year (%)	18.41%

Mr. Zimmerman then reviewed the most recent MN Department of Revenue Law Changes which states *“a supplemental statement must be included with the parcel-specific proposed taxes notice. The separate statement must include a list of various levy and budget details for the county and school districts the parcel is within, and the percent change in the proposed levy by jurisdiction. If the parcel is within a city with a population of at least 500, the same information must also be included for that city.”*

City Administrator Volkens asked for feedback from Council and confirmed there is some refining to do on this budget plan. She asked Council in regard to the \$250,000 is there any interest in some part of that being used for one-time expenses that we will not have to be built into the budget?

Council Member Swedberg suggests the cost of the Eder School house painting would be a great expense (\$6500).

Mayor Reinke asked Ms. Volkens to work out how to get the money out of the one-time Special Projects fund so that we can take care of business, make a slight reduction in the tax capacity rate from last year and proceed from there.

Council Member Olson’s concern is that when you look at the dollar amount it’s not that vast, but when looking at the percentage, it is quite the opposite. She then asked for clarification on the language, for example, if the Council decided to move forward with the 18.41% tax levy increase language would actually state 18.41% (if not using one-time money) correct? Ms. Volkens confirmed yes.

Mayor Reinke added, there is another other piece to this that includes the commercial and industrial taxes versus individuals and that is a very tough analysis to try to predict. Also, their (commercial) State rate has doubled in essence of what the residential rate is.

City Administrator Volkens asked Council to confirm what could we cut to decrease the \$250,000 gap. Is it the preference to cut and /or to find one-time expenses to close the gap? Council Member

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Swedberg is not supportive of the 18.41% levy increase, the perception will be negative to our voters and it seems that the .5% L.O.S.T. (Local Option Sales Tax) ask is of higher importance.

Council Member Zabel pointed out another complexity that is out of our control is what the other taxing authorities are doing. This may sway perceptions as well.

City Administrator Volkens will meet with the local administrators on July 27, 2022 and will get information on how they are approaching this in their communities and will provide her feedback.

Council Member Zabel would like to see the flat rate or even see the tax capacity rate lowered. He states he is apprehensive to one-time dollars as there has not been a discussion to what we are using the special project budget for in whole.

He would like staff to formulate a recommendation on how to use the rest of that fund, however, consider things like what happens if Public Works is delayed. He would ideally like to see a budget game plan without using that money and possibly raising franchise fees.

Mayor Reinke stated that he would not consider a raise in franchise fees at this time.

Council Member Swedberg said that she would like to see the franchise fee option pushed out to 2024. Council Member Olson agrees with that, she also pointed out that everyone is cutting back and a city or government body should be just as responsible and that is how we should be approaching this decision. It's a matter of what do we need and what can we cut.

Mayor Reinke states he feels that everyone is agreement for a \$2M increase over 2022 target with staff finding appropriate potential cuts and one-time usage from special funds, then to take the appropriate steps to move forward.

Ms. Volkens reminded Council that the next budget meeting will be held on August 4, 2022 where she and staff will come back with scenarios based on Council feedback.

ADJOURNMENT

The workshop was adjourned at 8:36pm.

Respectfully submitted,
Katie Robinson
Deputy City Clerk