

**WORKSHOP MINUTES
OAKDALE CITY COUNCIL
August 8,2022**

The City Council held a workshop on Tuesday, August 8, 2022 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:01 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Susan Olson
Colleen Swedberg
Kevin Zabel

City Staff Members: Christina Volkens, City Administrator
Katie Robinson, Deputy City Clerk
Jason Zimmerman, Finance Director
Andrew Gitzlaff, Community Development Director
Lori Pulkrabek, Communications Manager
Nick Newton, Police Chief
Kevin Wold, Fire Chief
Shannon Reidlinger, Senior Community Development Specialist
Rachel Tierney, City Attorney
Mike Kothe, Utilities Division Superintendent

Prior to any presentations and/or discussion, 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.

COMPREHENSIVE PLAN PARKS AND TRAILS AND RESILIENCY CHAPTERS DISCUSSION

Through a series of Council workshop staff has been providing a chapter by chapter overview of the Comprehensive Plan and facilitating a discussion with Council on the following:

- Are the policies identifying the appropriate course of action to achieve the goal?
- Is anything missing, inaccurate or in need of further evaluation?
- Are there some policies that should be prioritized?

Chapters are sent out with the agenda packet for review in advance. Staff is tracking language changes that will be made as part of a future Comprehensive Plan amendment.

Community Development Director Gitzlaff stated that Parks and Trails and Resiliency are the last two chapters in the Comprehensive Plan to be presented to Council and upon feedback, the next phase would be implementation. Mr. Gitzlaff met with Recreation Superintendent Julie Williams prior to this meeting to review what Parks and Recreation has currently been up to in regard to the goals of their CIP. Unfortunately, Ms. Williams was unable to attend the Workshop.

Mr. Gitzlaff proceeded to lead Council through a detailed reviewed of the Park and Trails and Resiliency Chapters. The following questions / discussion rose from the discussion;

Goal 1: Recreation programming and park improvements shall respond to the needs and preferences of a diversity of ages, cultures, abilities and incomes.

Policy 3; Pursue the acquisition and development of the defunct Par 3 golf course into a passive park.

Council Member Ingebrigtsen asked if there is a chance to review or obtain any grievances that may be in place with Par 3 regarding the neighbors?

Mayor Reinke asked Council Member Ingebrigtsen if he is specifically referencing the green space to which Council Member Ingebrigtsen replied, yes, with the proposed development there, it's difficult to have a conversation in regard to that property without knowing the expectations of the neighbors.

City Administrator Volkens shared the owners of Cedric's Landing had several conversations with the residents, neighbors and the City and while the green space is wanted, it is not a requirement of the city or land owners.

Mayor Reinke believes there is a covenant in place with the property owners for the southwest side of the property (Par 3) that needs to be clarified.

Council Member Olson, asked for clarification on 'covenant'. Mayor Reinke stated there is an agreement in the deed (between the property owner and a developer) about each property owner having the potential right to purchase the space should the area ever get developed.

Council Member Zabel reminded the Council that the area is a Planned Unit Development (PUD) at some point a developer came in to design the whole area and went through the planning process; those are the documents that we need to reference.

Mr. Gitzlaff stated that in regard to Cedric's Landing, some people in the neighborhood are asking questions about the space in question. At this point the City (Community Development) has had a follow up meeting with them since the concept plan. Some of the legal work that was reviewed was a covenant related to property remaining a golf course for the benefit of the residents around there, however, covenants do expire. He will confer with legal on specifics of expired covenants.

Mayor Reinke mentioned he is supportive of having the policy within that goal if the wording was changed a bit with the removal of the word "pursue". Council Member Swedberg agrees that the wording should be changed.

Council Member Olson asked if a passive park is the only thing we can do with the old par 3.

Council Member Zabel confirmed, yes, due to the contamination in the land and the large amount of wetland, a passive park is the best option for that specific area.

Goal 2: Recreational programming, park facilities, and open space shall be assessible to all physical abilities and incomes.

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE THREE

Policy 1; Develop a plan to ensure programming, parks, and open spaces are accessible for all abilities and incomes.

Mr. Gitzlaff had a conversation with Ms. Williams in regard to this policy and at this time there is not a more specific plan written and this is still an area for growth.

Policy 2; Develop a plan to ensure the public use of open space, including wetlands, is open to all pedestrians and bicyclists.

Council Member Swedberg expressed her concern and mentioned maybe going forward, we do not want all the paths open to both walkers and bicyclists, upon hearing from both pedestrians and cyclists, they would prefer some paths to be designated to one or the other.

Council Member Zabel asked how would the City be able to restrict that. This policy was drafted with the ordinance in mine. The ordinance states you can bike on all sidewalks, trails and paths.

Council Member Swedberg mentioned that the wording could be changed in the ordinance and that there are other surrounding communities that do have these separate options on trails and sidewalks.

Goal 4: Recreation programming shall engage the boarder community in program development and delivery.

Policy 1; Evaluate the feasibility of establishing a recreation and maintenance volunteer program.

Mr. Gitzlaff met with Ms. Williams in regard to this and she stated there were discussion in the past about having one volunteer-based committee for this type of program. However, at this time it's more of an ad hoc approach and commitment.

Policy 3; Include a diversity of stakeholders, to include age, race, ethnicity, and income in parks and recreation program planning.

Currently Parks and Recreation gather surveys from current parks users and that is one significant way they get their information for future development ideas/plans.

Senior Community Development Specialist Reidlinger led Council through a detailed reviewed of the Resiliency Chapters. She mentioned she will be providing examples of any goal/policy that the Environmental Management Commission (EMC) currently has on its 2022 workplan. She also prefaced the data source for the utility related information – it is from the Regional Indicators Initiative (a tool funded by different organizations that compiles data from utilities usage across the state).

The following questions / discussion rose from the discussion;

Goal 1: Consistent with state-wide goals, community-wide greenhouse gas (GHG) emissions shall be reduced 30% by 2025, and 80% by 2050 from 2007 levels in order to mitigate the impacts of climate change on the community.

Policy 1; Promote reinvestment in residential and commercial properties through energy efficiency education technical assistance, and financing programs.

Ms. Reidlinger' s example of this policy is that the EMC just hosted a solar power hour to tell residents about the pro solar twin cities programming happening this year.

Policy 2; Connect low-income residents to home weatherization and energy efficiency resources to encourage housing stock reinvestment.

Ms. Reidlinger shared that the EMC has a goal of hosting a citizen utilized board clinic to help residents think through their utility bill and how they can minimize costs.

Council Member Zabel asked Ms. Reidlinger if there was a reason why this policy specially calls out lower income residents?

Ms. Reidlinger explained that other than it could be just there are more programs to promote in that area as there are a fewer resources for low-income residents from utility providers to help offset some of those costs.

City Administrator Volkens stated this may be an area for a policy change as to not call out only low-income residents.

Policy 3; Protect and encourage on-site solar energy development that maintains community character while utilizing local solar resources to the fullest potential.

Ms. Reidlinger stated an example of this policy is the Community Developments creation of the Business Retention, Expansion and Attraction (BREA) program. With the BREA program there is a resource guide available for organizations that includes funding information for solar.

Council Member Ingebrigtsen asked in regard to the move to electric on everything, has anyone had a conversation of what they might do if the power grid fails?

Council Member Swedberg replied stating the infrastructure is not here (she referenced a presentation Xcel Energy had a previous Chamber meeting). She also shared that part of that discussion/presentation was that farmers had to stop using their windmills because they could not distribute the excess energy from windmills.

Council Member Zabel will send an informational link to Ms. Volkens to share with everyone else on the topic of power infrastructure.

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE FIVE

Ms. Reidlinger also brought up an article she had read in the Star Tribune back in 2021 about the same topic. She will research this and get the information to Ms. Volkers.

Council Member Olson asked if Minnesota shares energy with other states?

Council Member Ingebrigtsen replied yes and gave an example of Minnesota and North Dakota sharing via powerlines running in concurrent with Interstate 94.

Policy 4; Adopt zoning regulations that will establish standards for renewal energy technologies to ensure neighborhood compatibility and access.

City Administrator Volkers along with Council Members Olson and Swedberg, suggested there should be a language change from “will establish” to ‘strive to’.

Council Member Olson asked Ms. Reidlinger for clarification as to where the 80% mentioned in Goal 1 was derived from and if it’s even achievable. Ms. Reidlinger replied that the information is an exact copy of the goal by the State of Minnesota and whether or not it’s achievable is unknown. However, the State does generate an annual report showing their results.

Council Member Zabel pointed out that some of these goals will happen naturally due to choices by the utility provider.

Council Member Olson asked what impact does the global market have on a small city?

Ms. Reidlinger replied that there are many factors out of a city’s control, so the policies are written in respect to what the City **does** have control over when it comes to making a difference on a global problem. She also shared an example of the recent adoption of amended ordinances for Electric Vehicles within the City.

Policy 5; Promote and encourage residential and commercial participation in green building programs as well as renewable energy financing and purchasing programs include PACE / other loan programs, community solar and wind power purchase programs.

Ms. Reidlinger shared an example of this policy is the promotion of Community Solar Garden.

Policy 6; Support private and public infrastructure that accommodates and encourages use of electric and autonomous vehicles and explore options for City fleet use of electric vehicles.

Ms. Reidlinger’s example of this policy is the kick off of the upcoming fleet study.

Policy 7; Promote and encourage strategies that reduce waste generation and increase options for reuse, recycling, and composting of items in City operations, residential and commercial developments.

Ms. Reidlinger reminded Council that the city does receive a grant from Washington County annually for this.

Goal 2: The City shall be prepared to respond effectively to climate change by implementing adaption and resilience strategies.

Policy 2; Utilize stormwater management areas as pollinator habitat and neighborhood amenities.

Council Member Swedberg asked if this a policy we currently are acting on.

Ms. Reidlinger replied that other than the ones that were placed in Tanner's Lake, she is unsure of other locations throughout the city but will research this and share her findings.

Policy 4; Promote water conversation programs to protect groundwater resources.

Ms. Reidlinger sated the EMC is currently doing this through the Adopt a Drain program (*EMC has adopted a few drains at Walton Park*).

Policy 5; Promote water infiltration techniques sch as raingardens and pervious pavers to replenish groundwater resources

This policy is already promoted by the City by promoting rain barrels while they are being sold by community retailers.

Policy 9; Adopt regulations that will establish standards for urban farming to improve compatibility with neighboring properties.

Council Member Zabel and Ms. Reidlinger both gave examples of 'urban farming' that included; residents having chickens, goats, bees in their yard along with residents who have subscribed to the Community Supported Agriculture (CSA) to have a large garden on their property.

FUNDING FOR NEW PUBLIC WORKS FACILITY AND NEW POLICE FACILITY

Continued discussion has been held over the past three years regarding the need and subsequent plans for these significant and critical building projects in the City of Oakdale.

During the 2020 legislative session, the city requested authority for Local Option Sales Tax (L.O.S.T.) to fund a new Public Works Facility and a remodeled and expanded Police Facility.

Due to the pandemic, the legislature did not finish their business. Then during the 2021 Legislative session, the city again requested to use of L.O.S.T. for these two capital projects which was approved and enacted into law for \$22,000,000 maximum for a Public Works facility and \$15,000,000 maximum for the Police facility.

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE SEVEN

Due to many factors including supply chain issues and soaring costs of construction, the projected cost of both projects is significantly higher than the most recent estimates from late 2020 and early 2021.

During the 2022 Legislative session, the city introduced further legislation to seek the authority for increased amounts for these two projects, however the MN Legislature ended their session without following through on our request.

Discussion was held at the July 12, 2022 workshop regarding current cost projections for the new Public Works facility, which is estimated at \$31,578,800 (plus all professional fees, FF&E, testing, inspections, road salt building, and needed fuel island). Because the 2021 legislatively authorized L.O.S.T. is maximized at an amount much less than what is needed, discussion must be held regarding overall options for additional funding for both needed capital projects.

City Administrator Volkens prefaced this conversation with stating there have been many conversations with the lobbyists regarding obtaining additional funds for the projects. She pointed out to Council that if the City had to do a bond for the above stated projects, the information Financial Director Zimmerman handed out is an approximate of what that would look like financially for the City's in the upcoming years.

Ms. Volkens asked the Council what number / amount they would be comfortable with if the city were to bond for these amounts in property taxes.

Finance Director Zimmerman handed out preliminary information (documents created by Bakertilly Municipal Advisors). The first document was a preliminary run for 10yr / \$5M that would be presumed for Willowbrooke Parks although it's not decided as of yet. It calculated a \$670K levy need for the bond payment, which is about a 4% levy rate increase on a \$16M general fund base.

The second document includes the additional needed for a Public Works facility beyond the authority for L.O.S.T. based off estimated construction documents with a principal of only \$28.49M. There was another projection done on the \$47M likely needed for both capital projects, which would be presumed to be \$28M for Public Works and \$19M for the Police Department.

Council Member Ingebrigtsen asked the group on their thoughts on what the next steps would be if the sales tax levy does not pass?

Council Member Zabel stated the simple fact would be to levy to recoup north of \$3M every year, when the proposition is that half of that could be paid by non-residents through sales tax.

City Administrator Volkens clarified that at \$3M a year, with each 1% tax levy is approximately \$143,000, that is a significant levy increase.

Council Member Zabel shared that the law / statute says we stop collecting sales tax when the principal is paid off. For example, when the principal payment for Public Works is satisfied at \$22M, approximately in year 2045, that is when the revenue from L.O.S.T. shuts off, is that correct?

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE EIGHT

We would not keep collecting sales tax to cover interest after the \$22M is paid, correct? Both Mr. Zimmerman and Ms. Volkers replied, yes.

Council Member Zabel then asked, what would happen if our estimated sales tax revenue over performs? Ms. Volkers replied that the City would pay ahead of schedule.

Council Member Ingebrigtsen mentioned that as people tend to leave rural Minnesota and come to the twin cities, our sales tax revenue could increase a little more. Ms. Volkers replied that yes that could happen, this documentation provided is a conservative approach. Mr. Zimmerman explained the method being used for this information is the U of M assumption of 3% for the first three years and then an assumption 1.5% increase after that.

Mayor Reinke asked for clarification, if the information was stating that even with a successful half cent sales tax, the amount of money that gets raised through L.O.S.T. is \$37M, but we have \$47M of planned projects? Ms. Volkers replied yes, that is correct.

Council Member Zabel stated the sales tax between the two projects would yield \$37M, however he believes there is a risk that may not meet that in 25 years and asked Mr. Zimmerman, what would then cover the costs? He continued to say, there is \$22M for Public Works and \$15M for the

Police Department, however, if it comes in over, there would have to be a levy or some taxpayer funded method to make up the difference. The U of M extension report estimates enough L.O.S.T. to pay the \$37M debt.

However, Mr. Zimmerman also explained to Council that in the event that a decline happens, there needs to be reserves available and this would be included in the bond document. As time goes on and the fund increases, there's will be room for recalculation of the levy.

Ms. Volkers asked Mr. Zimmerman what his suggestion is as to how the City should move forward at this time. Mr. Zimmerman responded that this is Bakertilly's information / projections and when they structure these types of deals they are looking at a 20% coverage and then over time depending on what's happened, there's an ability to recalculate the levy, but what they are saying is based off their recommendation for financial perspective the profit from the LO.S.T. is just shy of \$28M given all those conservative qualifications

At this point, Ms. Volkers asked Council, if the City has to go back to the legislature, what should we ask for?

Council Member Zabel responded that \$30M for Public Works and \$18M for the Police Department and a longer duration for the bond.

Council Member Swedberg agreed and suggested 40 years.

Mayor Reinke recapped the discussion thus far stating, if we go to the voters on November 8 with these asks and they say yes and we start collecting, then we go to the legislature to adjust the amount, we take the risk of getting stood up by legislature and then we are either going to have to stop the process/project or redirect to Parks (or something else) if we can continue to collect the money until we go back the 3rd time.

Council Member Zabel reminded the group it is important to know there is no mechanism in the statute that allows us or legislature to do this, they would have to create an exception and we all agree the projects have to happen, it's just a matter of how do we get there financially. Mayor Reinke replied, that would be part of the story to our voters, explaining to them this has to be regardless.

Ms. Volkens recommended not proceeding on asking the voters for higher amounts on the ballot without having full authority by the legislature to do so.

Due to time constraints, Mayor Reinke stated the group has to move on to the remaining topics. He stated the City will know more about the voter's decision on November 9.

He then asked Ms. Volkens if there is a language question that needs to be finalized? Ms. Volkens stated, yes, we have to decide on the language tonight.

Council Member Ingebrigtsen asked for clarification on what happens if there is a tie in the voting process. Ms. Volkens clarified a tie would be a 'no' or fail in the vote.

INTERIM ORDINANCE IMPOSING A MORATORIUM ON THE SALE OF CANNABIS PRODUCTS

Beginning on July 1, 2022, it became legal to sell certain products containing delta-9 THC ("THC Products") in Minnesota. The Act allows THC Products to be sold if certain requirements are met including that there are not more than 5mg of THC per dose and 50mg of THC per container; the purchaser is at least 21 years old; and the products are not marketed towards children. The Minnesota Board of Pharmacy ("Board") is the state agency with oversight of THC Products.

There is currently no state-level license required in order to sell THC Products and the Board does not test or approve products prior to their sale.

City Administrator Volkens opened the discussion telling the Council we need to know their intent in how to move forward. There is not currently a mechanism for enforcing this new law at the City level, however, there is on a State level.

Council Member Olson expressed she is not supportive of a moratorium at all.

Mayor Reinke questioned if we are putting our police officers in a difficult spot if there is nothing guiding them on how to react / act to issues that may arise if there are not restrictions / guidelines with these types of sales.

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE TEN

Police Chief Newton explained to the Council that the Board of Pharmacy is the authority for THC sales with this specific product and an issue of concern is that there is only one field agent for the entire State to monitor/handle any issues that may arise from these types of sales. The bigger concern is if the city does not do anything locally to regulate this there could be lasting impacts on law enforcement, EMS, Community Development and Business Development. For example, if this is a trend and it goes away in 3 – 4 years because marijuana happens to become legalized, then there are businesses in the community that would end up closing.

The police department would like and recommends a moratorium to allow time to research and make a more informed decision on how to best move forward for the safety of the community.

Council Member Olson stated, this is the ‘baby’ of marijuana and if we put a moratorium on it, we are stopping business owners from selling a legal product and taking it away from consumers who may need it for pain management, PTSD, and depression along with so many other medical conditions when they may not be able to afford a doctor.

Mayor Reinke asked Police Chief Newton: in a scenario if push comes to shove you receive calls about a reaction to THC, would it put the Police Department in jeopardy if we do nothing but make a complaint to the Board of Pharmacy?

Chief Newton responded that if we license it, but would have to determine if background checks and compliance checks will be done. There needs to be some due diligence on how to set this up. There have been some bulletins that have come out to Police Chiefs to expect more EMS calls along with more calls to the poison centers. A significant misfortune is that the product is made to look like candy and thus may be seen as such by kids, so there is a high risk of children finding the products in their homes and consuming them. The city just needs to somehow get ahead of it, it’s new and we don’t have enough to decide right now.

Council Member Olson expressed that she understands the concerns for the safety of the children in our community, however, there has to be some accountability with the consumer as well, much like the accountability /responsibility of parents keeping alcohol and tobacco products out of children’s reach. She continued to say that in her opinion, the community is not going to start seeing people dropping on the sidewalks due to the ‘high’ they get for this product. Cost comparatively, people could buy something much stronger for the same amount of money is costs for the bag of gummies that are currently being sold.

Council Member Zabel acknowledged the public safety element to this as well and noted there is also a zoning element to this that needs to be addressed. Currently, the product can be sold in any retail establishment in any district across the city. There is nothing in the ordinance that says it’s a permitted use and fits within a specific category. There needs to be a zoning conversation as to whether it’s more appropriate in certain areas vs. other areas. Per the example Council Member Olson gave about alcohol and tobacco, those are regulated and only allowed in certain zoning areas.

Council Member Olson responded stating she is supportive of zoning and the licensing the product, however regarding she is not supportive of cutting consumers and business owners completely off until those decisions are made (a moratorium).

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE ELEVEN

Mayor Reinke opened up the conversation with Council with a suggestion of a possible moratorium, figure out the licensing process for this product and to do a moratorium to allow time to figure out more details. A suggestion was to allow current sellers of the product to continue to sell, but to not allow any expansion of their sales or new establishments to begin sales until the city has determined the best way to regulate locally, noting the establishments currently selling would have to be required to self-report and be compliant with the regulations the City eventually provides.

Council Member Swedberg mentioned that she had a conversation with the Director of Alcohol and Gambling Enforcement Division and that person was in favor of the moratorium, but stated each city needs to decide how to get their arms around it. Council Member Swedberg then confirmed that she is in support of a moratorium, but for a shorter duration (6 months).

Mayor Reinke asked for confirmation of supportive or not supportive of a moratorium? Mayor Reinke, Council Members Ingebrigtsen and Olson stated no moratorium. Council members Zabel and Swedberg support a moratorium. The preference appears to be not to proceed with a moratorium, take steps to develop licensing and zoning criteria, require people to self-report, and give them an adequate amount of time (whatever the city decides) to be compliant.

Council Member Zabel asked if phasing in is allowed in our statutes for those that are already selling the product.

Assistant City Attorney Tierney explained to the group that you can phase it in, however the city could face the argument that a use has been established and that is the difference between zoning and licensing. There is no grandfathering in licensing, you must meet the required criteria to obtain a license. However, zoning does have an option of grandfathering and that is where a location issue may arise, but imposing a license would allow the ability to deny a location as they have would have to meet the licensing criteria (with location being part of the criteria).

After a brief pause, the Mayor requested Council's decision, Council Members Zabel and Swedberg are in favor of a limited moratorium, Council Members Olson, Ingebrigtsen along with the Mayor are not in support of a moratorium but do want to move forward with a licensing process.

COUNCIL TOPICS

Ms. Volkens referenced a letter received by Steve Willock, owner of Oak Marsh golf course asking for an expansion of hours during the summer months to allow for early morning maintenance. This will be discussed further by council at a later time.

Council Member Olson asked if anyone had clarification on foreign entities buying land in the community? As she stated, some states are currently regulating the ability for foreign entities to purchase land, the question is, can a city do the same and regulate the purchase of land (to foreign entities)?

WORKSHOP MINUTES
AUGUST 8, 2022
PAGE TWELVE

City Administrator Volkers said she would seek Legal input on this topic and get back to Council.

ADJOURNMENT

The workshop was adjourned at 6:52pm.

Respectfully submitted,
Katie Robinson
Deputy City Clerk