

**WORKSHOP MINUTES
OAKDALE CITY COUNCIL
AUGUST 8, 2023**

The City Council held a workshop on Tuesday, August 8, 2023 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:00 PM.

Present: Mayor Kevin Zabel

Council Members: Noah Her
Jake Ingebrigtsen
Andy Morcomb
Susan Willenbring (excused at 8:35 PM)

City Staff Members: Christina Volkens, City Administrator
Sara Ludwig, City Clerk
Hannah Dunn, Community Development Specialist
Jesse Farrell, City Engineer
Luke McClanahan, City Planner
Nick Newton, Police Chief
Lori Pulkrabek, Communications Manager
Jim Romanik, Public Works Manager
Kevin Wold, Fire Chief
Jason Zimmerman, Finance Director
Kevin Zittel, Facilities Manager

Others Present: Marc Cove, Oakdale Resident
Larry Eberhard, Oakdale Resident
Pam Jungmann, Oakdale Resident
Angie Propp, Oakdale Resident
Paul Reinke, Oakdale Resident
Chang Yang, Environmental Management Commission Applicant
Matt Yetzer, Senior Development Associate, MWF Properties, LLC

ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) INTERVIEW CANDIDATE: CHANG YANG

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

Mr. Yang provided a brief introduction about his past, current residency and reasons for moving to Oakdale, and work experience.

In response to Mayor Zabel's question about the biggest environmental challenge and opportunity for cities like Oakdale, Mr. Yang said the environmental challenge is to keep the City's trails available while the City continues to grow. Additionally, the biggest environmental opportunities include the move to electric vehicles and making cities like Oakdale more multimodal.

Council Member Morcomb asked how Mr. Chang would handle potential conflicts of interest due to working for the Minnesota Department of Transportation. Mr. Chang stated that he got approval from his employer to sit on the EMC. He added that he has the ability to recuse himself if there is any conflict of interest.

In response to Council Member Her's question about the one item that Mr. Chang is looking to get out of serving on the EMC, Mr. Chang replied that he would like to develop his skills in participating in a public setting, as well as use this as an opportunity to further community engagement.

In response to Council Member Willenbring's question about Mr. Chang's top priorities for the EMC, Mr. Chang reiterated his interest in making Oakdale multimodal-friendly and green-friendly.

DISCUSSION RE: EMC APPLICANT

Council was in agreement to move forward with appointing Mr. Chang to the Environmental Management Commission.

MWF HELMO STATION – MULTIFAMILY DEVELOPMENT CONCEPT PLAN

City Planner Luke McClanahan provided background on the second MWF property being proposed by this developer in Oakdale. MWF Properties' is proposing a 133-unit market rate multifamily development – apartment building – within the Helmo Station Planned Unit Development (HS-PUD). He explained that this development will need a PUD amendment to allow the proposed apartment building to be four stories in height. Mr. McClanahan shared staff's recommendation which was general support of the PUD amendment. Lastly, Mr. McClanahan noted this is a concept plan and is subject to change before it comes back to Council through the formal application process.

Matt Yetzer, Senior Development Associate with MWF Properties provided background on MWF Properties and similar projects they have worked on throughout Minnesota. Mr. Yetzer also described community amenities that would be included in this multifamily development. The proposed amenities include a community room, game room, outdoor patio, and a sky lounge.

Mayor Zabel asked if the sky lounge will be on the northern side or the eastern side of the property. Mr. Yetzer said the current layout places it on the northeast corner. He added that the sky lounge will replace residential units on the fourth floor.

In response to Council Member Her's question about nine-foot ceilings within the units, Mr. Yetzer confirmed.

Mr. Yetzer explained why the location is well suited for this project. He concluded by reviewing the design considerations stating that the HS-PUD Architectural Standards will be followed. A print out of the shadow study results was handed out to Council.

Mayor Zabel did not have any concerns with the request for four-stories as is it not a huge deviation. Council Member Willenbring agreed.

Council Member Morcomb asked if the HS-PUD was rezoned during the Gold Line BRT project discussions that took place years ago. Mayor Zabel confirmed. Council Member Morcomb followed up asking if the residents were informed of the rezoning and the possibility of multifamily development in the future. Mayor Zabel indicated the community engagement was led by Washington County and was incredibly robust.

Council Members Ingebrigtsen and Her were supportive of the project.

City Administrator Chris Volkens asked about the estimated value of the project after completion. Mr. Yetzer stated roughly \$26 million.

Mayor Zabel asked if MWF Properties has been in contact with the land owner. Mr. Yetzer confirmed. He added that he has spoken with the Minnesota Department of Transportation as well as they have a temporary construction easement on the property.

Overall, the Council was supportive of the project moving forward.

MANAGEMENT DISCUSSION – PUBLIC WORKS MANAGER

Public Works Manager Jim Romanik updated the Council on the current status of the new Public Works facility. Staff continues to meet with HCM Architects weekly to review and update plans and budgets for the facility. Staff also meets with 3M weekly to discuss the timing of the site cleanup in preparation for City construction to start in 2024. The Minnesota Pollution Control Agency is now involved in the 3M site cleanup discussions.

Mayor Zabel asked about the removal of the trees from the site. Mr. Romanik stated it is estimated that 3M will remove ninety percent of the trees while the City will remove the remaining ten percent.

Mayor Zabel also asked about the timeline of the project. Ms. Volkens said that 3M has until April 1, 2024 to clean up the site which, at this time, is not likely to happen. She added that staff may bring forth an approval for authorization to order building materials this Fall so that construction may start in Summer of 2024, once the cleanup is complete.

Mr. Romanik reported that the reconstruction of lift station #6 started in the Fall of 2022, and was recently completed in July. The lift station was relocated south of the existing lift station, and is now fully operational.

Mayor Zabel asked if there were any delays during this relocation project. Mr. Romanik indicated weather was the only thing that may have caused it to take longer than anticipated. Mr. Romanik also noted that currently Lake Elmo has not hooked up to this lift station yet, but they are sharing the cost of the relocation. Mayor Zabel requested that staff review the contract to see if there is any language about a date in which Lake Elmo must hook up to the lift station and start paying for its use.

Mr. Romanik reported on the street reconstruction and overlay projects stating that the water main replacement in the 9th Street and Gershwin Avenue area as well as the Glenbrook Avenue area are moving along. The mill and overlay project on 15th Street and Helmo Avenue is also progressing as expected with the completion of the sidewalk replacement.

In reference to the lift stations, Council Member Morcomb asked if the City is able to accommodate its growth. Mr. Romanik stated that this is evaluated at the Development Review Committee when projects are presented. If any infrastructure upsizing is needed, the developer has to pay for it.

In response to Council Member Her asking about the possibility of adding a water tower on the east side of Oakdale, Mr. Romanik said that has only been an internal staff discussion, and has not been formally explored and the engineers tell us it is not likely needed.

Lastly, Mr. Romanik reported on the Willowbrooke trails that the City is constructing. Grading work has started on the trails, and the project is scheduled to be completed in August.

In response to Mayor Zabel's question about the Parks crews, Mr. Romanik stated that they are transitioning field maintenance from summer sports to fall sports; and seasonal help is starting to go back to school.

Council Member Willenbring asked about the level of acceptance from the Public Works employees about moving into the new facility despite the land's history. Mr. Romanik inferred that staff are put at ease knowing the research and work with the contractor that is going into the vapor barrier installation/operating under the new building for this facility.

Council Member Her pointed out a few of the 2023 Capital Improvement Plan (CIP) items – Tilsen Park Playground Replacement, Eastside Park Volleyball Court, and Oakdale Park Trail Repaving – and asked for a general check in on the status of these projects. Mr. Romanik shared that staff is working on an evaluation form to evaluate all the playground conditions to get a better idea of which ones to replace first, but noted that staff is seeking proposals from two vendors for the upcoming playground improvements. Mayor Zabel elaborated stating that the prior Council requested that staff look at current playgrounds based on condition, use, neighborhood demographic, etc. Some of that will be address with a larger effort of a Parks Master Plan to be done in the future.

Council Member Her asked if the 2023 playground improvement project will get pushed out to 2024. Ms. Volkens confirmed, but stated that fall and winter is a good time to go out and order the products and line up a vendor to do installation. As a follow up, Council Member Her asked if the 2024 project will get pushed out too. Ms. Volkens stated this will likely not be the case as there are some advantages to doing multiple playground improvements at once, such as cost savings by purchasing in larger quantities.

Mr. Romanik asked if the Eastside Park Volleyball Court project can be pushed out until staff can do additional research on the artificial turf discussed at a previous workshop. Council was supportive of this request.

Mayor Zabel asked about the status of the Walton Park kitchen improvement project that was slated for completion in 2022. Mr. Romanik noted that due to the popularity of the kitchen and use for tournaments, this project has not been completed, but said it should be completed before the end of the year.

OAKDALE SUMMERFEST COMMUNITY ORGANIZATION (OSCO) DEBRIEF WITH COUNCIL ABOUT SUMMERFEST 2023

Mayor Zabel thanked OSCO for their tremendous work on Summerfest 2023, and noted there has been very positive feedback from residents. He added that there are a lot of residents interested in how they can get involved next year.

Oakdale resident Paul Reinke shared his appreciation for the City's contribution to OSCO via its Charitable Gambling fund. In reference to OSCO's ledger that was handed out, Mr. Reinke made note of a few outstanding revenues and expenses, but stated overall its mostly current.

Mayor Zabel complimented OSCO on the numerous contributions received from the business community in support of Summerfest 2023.

Mr. Reinke mentioned amending the City ordinance that does not allow for advertising of the City, the festival, and the sponsors on banners throughout the City.

Council Member Ingebrigtson asked if there might an opportunity for organizations to have pull tabs at Summerfest next year. Oakdale resident and OSCO Officer Marc Cove confirmed that is a possibility. Oakdale resident and OSCO Officer Angie Propp added that OSCO could get their own gambling license at some point as they are a non-profit organization.

Mr. Cove stated that the week of Summerfest will have to change in 2024 due to the Juneteenth federal holiday falling on a Wednesday. The new dates will be June 26th-29th, with the golf tournament taking place on Monday, June 24th which will coincide with the first day of the medallion hunt. The picnic will be on Friday, June 28th.

Council Member Ingebrigtsen stated that the feedback for the 2023 medallion hunt was extremely positive.

Mr. Reinke thanked the City for their partnership and applauded the Police and Fire Departments for their presence and proactiveness. Oakdale resident Larry Eberhard echoed Mr. Reinke's kudos. Mr. Cove thanked Mayor Zabel for his marketing efforts and help with the branding for OSCO.

Mr. Reinke noted that there can be improvement in the area of recruiting volunteers. Mayor Zabel stated that whenever OSCO is ready the City and Council can use their marketing platforms to put a call out for volunteers for next year.

Mr. Cove suggested debriefing with the Licensing Department to work out the kinks for licensing the vendors next year.

Mayor Zabel asked about the vision for the parade next year. Mr. Cove noted that OSCO could fund less units next year, but that will be determined at a later date. Mayor Zabel offered that City staff can remain involved in the parade from an administrative perspective at least as responsibilities are transitioning from the City to OSCO. Ms. Volkers asked for clarity on OSCO's intent to take over the parade responsibilities next year. Mr. Reinke said the desire is to bring the entirety of the parade in-house, but the personnel for that responsibility has not yet been identified, so there cannot be a firm commitment tonight.

Mr. Reinke asked the Council if they will consider committing to fund a shortfall again next year if needed. The Council was supportive of this request. Mayor Zabel suggested a \$10,000 shortfall with the Charitable Gambling fund as a backstop. Mr. Cove indicated that OSCO will work to get more sponsors over the coming years.

Council Member Morcomb asked if the Council should be encouraging other businesses that have put on their own events during the summer to possibly combine with OSCO at Summerfest. Council Member Ingebrigtsen noted there is an opportunity with this suggestion. Mr. Cove added that OSCO is looking to add more sponsorship opportunities within the various events. In response to adding more events, Ms. Propp stated that OSCO would need more volunteers to help. Mayor Zabel reiterated that the City and Council are ready to put out the call for volunteers as soon as OSCO is ready. Mr. Cove said that would be appreciated, however, they are not looking to expand the OSCO leadership group outside of one or two people to help with the parade. For general volunteers, 30-40 more people would be helpful.

Mr. Reinke stated that there is one final document to complete and submit until OSCO is officially a 501(c)3.

Mr. Cove said there is room for more food vendors next year.

Oakdale resident Pam Jungmann applauded the public safety staff for their presence. Mr. Cove thanked the Public Works staff too for their work at the event.

Council Member Willenbring asked if interested bands should reach out to OSCO. Mr. Reinke confirmed. Mr. Cove said they are looking into adding a second band on Saturday, possibly a family-friendly act. Council Member Willenbring suggested researching a production team that would do the setup and takedown for the entire weekend so each band is not doing their own. Mr. Cove shared that most bands seem to prefer doing their own setup/takedown in his experience.

Ms. Volkens noted that staff will wrap up the financials and bring any additional costs to Council for approval.

ADMINISTRATOR UPDATE

Ms. Volkens did not have anything to report.

COUNCIL TOPICS

Council Member Ingebrigtsen asked for Council support to allow for him to give a thirty-minute presentation at a future workshop on the possibility of the City opening a municipal cannabis store. Mayor Zabel was open to the conversation, but would prefer the presentation come from City staff. Council Member Willenbring stated that there have been presentations from council members in the past. Mayor Zabel clarified that those items have been brought up during Council Topics, and have not been its own agenda item. Ms. Volkens reviewed the process of how council member's bring items forward to get the Council's intent to direct staff on next steps. Council Member Her would not support the City opening a municipal cannabis store. Council Member Ingebrigtsen stated that if it is Council's intent to move forward then staff will have to consult with a legal expert to navigate this possibility. Council Member Willenbring clarified that staff will research and present the information as an option for the City, but this does not imply commitment. Council Member Ingebrigtsen noted that if there is a compelling reason not to move forward he would be willing to drop the matter. Council Member Morcomb would be willing to learn more, but is hesitant to be among the first to launch this type of business. Ms. Volkens indicated that Assistant City Attorney Rachel Tierney is coming to the August 22nd workshop to discuss the moratorium and other cannabis-related items from the July 25th workshop discussion, so a general discussion about the possibility of a municipal liquor store can be included in that upcoming discussion. Mayor Zabel is willing to learn more about the subject, but he will likely not support the City opening a municipal cannabis store. Council Member Willenbring asked if the City opens their own municipal cannabis store, can there be other retailers as well. The answer to this question was unknown. City staff was directed to work on this request in late 2023 or early 2024. Council Member Ingebrigtsen suggested that staff look into hiring a consultant for this request. Ms. Volkens will look into this as an option.

Council Member Her reported on the following at the Economic Development Commission meeting: the repeal of City Policy EPB-022: Oakdale First, the moratorium on cannabis retailers, and the franchise fee structure change. He also shared that he enjoyed the *Night to Unite* event.

Council Member Morcomb would like to see a portion of the Charitable Gambling fund being redirected toward things like youth, arts and culture, etc. He referenced a process the City of Maplewood has that allows non-profits to apply for a grant, the council votes on the applications, and the grants are awarded based on an aggregate of the votes. Council Member Her asked if the Council would be open to committing a percentage of the Charitable Gambling fund for this purpose on an annual basis. He suggested ten percent. Ms. Volkens would like the Council to consider starting small. Council Member Morcomb stated a dollar amount is easier to start with. Mayor Zabel noted that there are restrictions on the types of organizations that can receive this type of grant, but he is open to exploring it. He added that the grants should not be given to groups that only serve a small subset of the community. Council Member Her disagreed in that if enough grants are given to these smaller subsets then the whole will be addressed. He would like to see a policy that may find a compromise to both viewpoints. Mayor Zabel noted that the State statute only dictates which organizations can receive this type of grant, so an internal policy would need to be drafted to address evaluating the applications based on their intended uses. Council Member Ingebrigtson cautioned that a program like this may cause controversy. Mayor Zabel suggested that the next step for Council is to look at other cities' grant applications and policies to get an idea if they would like to pursue this program. Council Member Willenbring stated that it may be difficult for the Council to agree upon which organizations should receive the grants. Council Member Morcomb said he will speak to other cities' council members to get feedback on the pros and cons of this type of program.

Mayor Zabel mentioned that the COVID Recovery Business Loans are coming due as of September 30, 2023. Most loans have not been paid back to date. Ms. Volkens said she will send the list of businesses that took out loans, the current status of those loans, and a sample agreement which includes the terms that were agreed upon. She will also look into the legal options available to the City if the loans are not paid back. Council Member Her shared his concern about the optics if the City takes someone to litigation over a default on the COVID Recovery Business Loans. Mayor Zabel indicated that when the promissory notes were signed it was made crystal clear that these loans had to be repaid.

RECESS FOR REGULAR MEETING AT 6:56 PM

WORKSHOP RECONVENED AT 8:22 PM after the Regular Council Meeting

DEPARTMENT REQUESTED 2024 UTILITY FUND BUDGETS, 2024-2028 CAPITAL IMPROVEMENT PLAN, AND 2024-2033 VEHICLE AND EQUIPMENT REPLACEMENTS

Finance Director Jason Zimmerman noted that the discussion would focus on the 2024 Utility Fund Budget, 2024-2028 Capital Improvement Plan (CIP), and 2024-2033 Vehicle and Equipment Replacements. He recapped prior workshop discussions which included a conceptual 2024 budget, the 2024-2028 Capital Improvement Plan, and the 2024 General Fund, Special Revenue Fund, and Debt Service Fund. Mr. Zimmerman stated that the City's Water, Sewer, Surface Water, and Street Light Utility operations are defined as enterprise funds, which are self-supporting operations that sell goods and services to the public for a fee, and are accounted for using the same accounting framework followed by entities in the private sector. This fee-based structure is different than the majority of the City's funds, which are allocated a portion of the property tax levy paid by property owners. Mr. Zimmerman added that the rate change requests for 2024 are being driven by the \$13.8 million of projects included in the CIP to be completed in the next five years, along with ongoing operations costs.

In reference to the implementation of a new utility billing system, Mayor Zabel asked which fund covers the credit card fees associated with online utility billing payments. Mr. Zimmerman said it is split evenly between the Water Fund and Sewer Fund. Mayor Zabel and Council Members Ingebrigtsen and Morcomb were in favor of passing the credit card convenience fee onto the resident. Council Members Her and Willenbring were not supportive. Mr. Zimmerman noted that the agreement with Tyler Technologies will have to be rewritten to support this change.

Council Member Morcomb asked about the Street Light Fund revenue. Mr. Zimmerman stated that it is a line item on the resident's utility bill.

Ms. Volkens reminded the Council that the budget details within OpenGov are great talking points when asked questions about the City's budget.

Mr. Zimmerman shifted to review the 2024 Water Utility Budget Highlights. He then moved on to the 2024 Sewer Utility Budget Highlights. Ms. Volkens pointed out that the rates for these utilities were not increased, or minimally increased over the last ten years which has led to these current rate increases.

In reference to the proposed rate increases, Mayor Zabel asked if staff has looked into the cash flow that will be needed for future projects. Mr. Zimmerman said the 2025 Street Improvement project will need to be revisited. Mayor Zabel asked if the increase in population and respective water use will sustain the increased funding needed for the annual transfer into the Utility System Replacement Fund. Mr. Zimmerman noted that it is hard to predict water usage.

Mayor Zabel pointed out that it is possible to reasonably project expenses, but development is the outlier in terms of predictability. Council Member Morcomb noted taking the rate increase year by year. In reference to next year's CIP planning, Council Member Morcomb suggested identifying the projects and their priority order and then manipulating the CIP during the revenue discussion.

Mr. Zimmerman reviewed the 2024 Street Light Budget Highlights. He then moved on to discuss the 2024 Surface Water Utility Budget Highlights. MMKR, the City's independent auditor, recommended reclassifying this fund from a Special Revenue Fund to an Enterprise Fund.

Mayor Zabel asked for Council's feedback on the proposed rates for the Water, Sewer, Street Light, and Surface Water Funds. Mayor Zabel and Council Members Ingebrigtsen and Morcomb were comfortable with the rates as proposed.

Council Member Her asked if there is a way to use the unallocated fund balance for some of these expenses to help lower the rate increases. Mayor Zabel was hesitant about using the unallocated fund balance because although it seems to be in excess now, the City may need those funds down the road as expenses increase. Council Member Her expressed his struggle to ask residents to pay more when the City has a fund balance. Mayor Zabel validated Council Member Her's concerns stating that most council members have had similar feelings in their early years on the Council. Council Member Ingebrigtsen reminded Council Member Her that when looking at the budget for 2024, it is not merely planning for that year, but for roughly five years ahead. Council Member Her asked if the rates could be increased more now to offset increased expenses later. Mayor Zabel stated that the rates presented by Mr. Zimmerman represent a long-term conservative outlook.

In response to Council Member Her's question about the City's year-end balance, Ms. Volkers said the City is in the positive at year-end.

The Council was supportive of the proposed rates and the proposed projects.

Mr. Zimmerman went on to discuss the CIP and Vehicle and Equipment Replacement Fund (VERF). He reminded Council that projects identified in years 2025 and beyond should be considered for planning purposes only, and are not categorized as fixed commitments.

Mr. Zimmerman identified the second draft VERF modifications. Staff confirmed that the City can utilize Charitable Gambling funds in accordance with State statute to purchase the two new marked squad vehicles (V2024-01 and V2024-02) that were previously included in the VERF. Each squad is requested at \$78,026 or \$156,052 in total. Mr. Zimmerman added that in connection with the reallocation of funding for these squads, staff is recommending a \$20,000 reduction for the 2024 VERF tax levy. Council was supportive of the proposed VERF modifications as recommended by staff.

Mr. Zimmerman asked Council about their intent regarding the use of a consultant to develop a Tanners Lake master park plan in 2024, and complete playground and parking surface improvements in 2026. Mayor Zabel was opposed to hiring a consultant stating the City is already aware of the improvements that are needed.

Ms. Volkens stated she is going to seek out a proposal from a consultant to see how they would help the City improve Tanners Lake and bring it back to Council for discussion. For now, the Tanners Lake improvements will remain as is with the master park planning for Tanners Lake in 2024.

ADJOURNMENT

The workshop was adjourned at 9:27 PM.

Respectfully submitted,

Sara Ludwig, City Clerk