

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, SEPTEMBER 12, 2022 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, September 12, 2022, in person. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Bartholomew, Council Members: Piekarski Krech, Dietrich, Murphy; City Administrator Wilson, City Attorney McCauley Nason, City Clerk Kiernan, Community Development Director Rand, Assistant City Engineer Dodge, Police Chief Chiodo, Finance Director Hove, Public Works Director Connolly, Fire Chief Thill

Present Via Zoom: Councilmember Gliva

Others Present: Luke Moren, Project Manager, Kimley-Horn.

3. PRESENTATIONS:

4. CONSENT AGENDA:

A. Approve Minutes for the August 1, 2022 City Council Work Session

B. Approval of Disbursements **Resolution 2022-183**

C. Approve Personnel Actions

D. Resolution 2022-184 Accepting Donation to the Fire Department

E. Approval of Exempt Gambling Permit for Inver Grove Heights Hockey Association

F. Approve Final Payment for Maintenance Building Exterior Envelope Project

G. Order Assessment Hearings, Declare Costs to be Assessed, and Order Preparation of Proposed Assessments for 2022 Pavement Management Projects 2022-09 E, F and G. **Resolutions: 2022-185, 2022-186, 2022-187, 2022-188, 2022-189, 2022-190**

H. Order Assessment Hearing, Declare Costs to be Assessed, and Order Preparation of Proposed Assessments for City Project No. 2022-09K - Akron Ave. & 50th Street Rehabilitation **Resolutions 2022-191 and 2022-192**

I. Approval of Park Shelter Door Access System Upgrades **Resolution 2022-193**

J. Approve Storm Water Facilities Maintenance Agreement for 6556 Arlene Ave

K. Receive Feasibility Report and Schedule Public Hearing for City Project No. 2023-09D - Dawn Way Area Street Rehabilitation **Resolution 2022-194**

L. Joint Powers Agreement with Dakota County for Embedded Social Worker **Resolution 2022-195**

M. State of Minnesota Human Trafficking Investigators Task Force Joint Powers Agreement **Resolution 2022-196**

Motion by Dietrich, second by Murphy, to approve the Consent Agenda as presented.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

A. Assessment Hearing and Resolution Adopting Final Assessment Roll for the 2022 Pavement Management Program, City Project No. 2016-09F - Carleda Way Area Improvements. Resolution 2022-197

Assistant City Engineer Steve Dodge presented the Carleda Way Improvements. Project Manager Luke Moren, from Kimley-Horn was also in attendance for questions.

Project Overview:

- Carleda Area Improvements:
 - Feasibility Study (Nov. 2020) and Public Improvement Hearings (April 2021) were held
 - Construction: Spring/Summer 2022
 - Construction Completion: August 2022
- Cahill Trunk Drainage Improvements (Done in conjunction with the Carleda project).
- Complete reconstruction of the sanitary sewer, watermain, storm sewer, and street.
- New concrete curb and gutter.
- 63rd Street was pulled back. There is an extension sidewalk.

General Project Funding/Assessments:

- General street and storm costs: \$1.1 million dollars.
- \$800,000 to Pavement Management (PMP).
- \$312,823 goes to assessments.
- Watermain improvements: \$407,234. (Paid for by the water fund. Not assessed).
- Sanitary Sewer improvements: \$256,814 (Funded by the sewer fund. Not assessed).
- Total project cost: \$1,771,879

Assessments:

- \$312,000. Comprised of single-family lots, 3 city parcels, 1 commercial parcel.
 - Single family per lot/per policy: \$14,000
 - Special benefit: \$9,600. Proposed assessment
 - Commercial property. Based on front footage: \$8,400
 - City lots (based on front footage) range of assessments up to \$29,000

Assessment Payments:

- Invoices go out. When received, residents/property owners have 30 days to pay invoices in full, without interest.
- Certify with the county. Can pay with the county this year or on the tax roll in 2023.
- 10-year term at a 4.3% rate.
- Interest accrues starting in 2023.

Deferred Assessments (Income Based):

- Must be a homesteaded property
- 65 years or older, active Military, 100% disability

Mayor Bartholomew questioned how long people had to get deferred assessments in place.

Assistant City Engineer Dodge replied it is prior to the assessment hearing. Another option would be before assessments are certified with the county.

Project Schedule:

- Assessment Hearing: September 12, 2022.
- Construction Completion: By September 30, 2022.

Recommendation:

- Receive public input documents (None have been received).
- Receive final assessment roll.
- Open and hold public hearing.
- Approve resolution adopting the final assessment.

Mayor Bartholomew opened the Public Hearing.

Motion by Piekarski Krech, second by Dietrich, to close the Public Hearing at 6:18 PM

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech, second by Gliva, to approve Assessment Hearing and Resolution 2022-197 Adopting the Final Assessment Roll for the 2022 Pavement Management Program, City Project No. 2016-09F - Carleda Way Area Improvements.

Ayes: 5

Nays: 0 Motion carried.

6. REGULAR BUSINESS:

A. 3rd Reading of Ordinance Amending City Code Title 5, Chapter 6 Related to the Discharge of Bows and Arrows. Ordinance 1432

Police Chief Melissa Chiodo discussed the following:

Action Requested:

- Consider 3rd Reading of Ordinance Title 5, Chapter 6: Use of Firearms and Bows and Arrows
- Consider designated maps, Option A or Option B
- Adopt the resolution approving a waiver of bow and arrow hunting registration requirements for 2022

Background For Changes:

- Direction from Council/City Administrator in 2019
- Due to changing land use/population of the city
- Resident feedback/concerns for safety

Purpose of the Proposed Ordinance:

- To protect public health and safety by eliminating the use of bows and arrows near parks and in areas with growing residential and business structures and/or population
- Reduce the administrative burden the current ordinance places on police department resources

Where/When Bow Hunting Would Be Allowed Option A:

- Hunting is permitted on parcels within the designated updated map,
- Must also be at least 2.5 acres in size for the owner or resident of the property to bow hunt or engage in target practice
- At least 5 acres in size for someone other than the property owner or resident to hunt on, and then only with written permission of the property owner. Person hunting must carry written permission while hunting

Where/When Bow Hunting Would Be Allowed Option B:

- Hunting would be the same as it is in Option A plus:
- Hunting on parcels of some size in the northwest area (Zone 2 in the draft ordinance and map)
- Council should establish the minimum lot size for hunting in Zone 2

Additional Requirements to Bow Hunt:

- No shooting or discharge of any bow and arrow within 300 feet of any residential or commercial structure unless the person owns the residential/commercial property, or the owner gives permission *
- No shooting or discharge of any bow and arrow within 200 feet of any driveway not owned by the person engaged in the shooting or discharge unless given written permission by the owner*
- No shooting or discharge of any bow and arrow within 200 feet of any public street, city, county, or state park land

*To note: Current code allows this but requires people to notify the police department that they have allowed hunting in the setback area.

Where/When Bow Hunting Would Be Allowed:

- Parcel must be in the geographic portion of the designated area on the map

- Hunter must carry written permission of the property owner with specific dates noted and permission to hunt in the setback
- Hunter must be licensed and follow all Department of Natural Resources rules and requirements
- Deer management activities pursuant to Council resolution specifically authorizing activities

Exemptions: Target practice: Enclosed structure, posted/designated park areas, official school/college supervised program, or a licensed commercial archery range

Police Department Role:

- Hunters would not be required to register with the police department
- The police department will not determine a hunter's proficiency
- No exemptions granted
- Police department will not maintain a do not hunt list. (Last time updated, July 2015)
- Police will respond to calls reporting bow hunting in violation of the ordinance:
 - Outside the designated area of the map approved by Council
 - On parcels smaller than designated by ordinance
 - Hunting without the landowner's permission
 - Trespassing Ordinance 5-5-3
 - Any other criminal activity reported to the police

Action Requested:

- 3rd Reading of Ordinance Title 5, Chapter 6: Use of Firearms and Bows and Arrows
- Consider the designated maps, Option A or Option B
- Adopt the resolution approving a waiver of bow and arrow hunting registration requirements

If ordinances are passed it would take effect January 1, 2023. The current Ordinance would remain in effect for this coming hunting season (2022), along with the request to not have the police department do the registration that has been done in the past.

Mayor Bartholomew asked how enforcement would be handled for a resident.

Police Chief Chiodo replied if someone feels the law is being broken, they should call 911. The Inver Grove Heights Police would respond as soon as they are dispatched to the call. It is a misdemeanor.

Police Chief Chiodo displayed the current map and Option A and Option B maps.

- Current approved map from September 14, 2021 Remains in effect for hunting season (2022)
- Option A
 - Eliminates the northwest area
 - Boundary comes down to Courthouse Boulevard
- Option B
 - Zone 1 is the same as what is shown in Option A
 - Zone 2 is the northwest area
 - Council would have to choose what they want the minimum acreage to be
 - Zone 3 is no hunting (also the same on the current map)

Greg Sperl, 1705 93rd Circle East, said the setback rules were designed for rifle hunting. He felt the 300-foot option could be decreased to a 75-foot standard setback. He felt what is being put out as an ordinance was not sustainable.

Bill Carlson, 9175 Dalton Court, said his ideas for hunting have not changed. He does not agree with hunting on the north side of 55. He suggested granting a variance if there was enough room to hunt on a property.

Karen Taylor, 8815 River Heights Way, mentioned they would like to be accorded the same thoughtfulness as the people in the northwest quadrant. She said the Council was concerned about the safety in the northwest area, those in her area would like to be thought of in that way too.

Amy Hunting, 2645 96th Street East, referenced two maps she brought for Marcott Woods showing areas that can be hunted on and those that cannot. She also had a radius map for the same area. She said it was a tangled mess trying to determine where hunting could take place. She did not feel hunting belonged there, there was not enough room. She works in insurance liability and was concerned about the 2.5-acre lot size. She recommends no hunting on 2.5 acre lots.

Kathy Glassing, 9640 Inver Grove Trail, questioned if a gun is considered a lethal weapon in city limits, why a bow and arrow isn't. She has neighbors that hunt at a higher terrain over her home. When they are shooting, arrows come her way.

Steve Woog, 2927 96th Street, said he called the police department last week and asked if there had ever been an incident of anyone being hurt in a bow or archery related incident and was told no. He said the ordinance restricts more than what is out there today. He mentioned that South St. Paul put an archery range right next to their football field on city owned/city run property, its promoted on their website. Now he is being told he cannot practice/shoot archery in his own yard when he has 400 feet. He felt the radius map does not take into account a possible good relationship with the neighbors. His neighbor would allow him permission to go within the 300-foot setback. He said he learned his neighbor was on the no hunt list; when he asked his neighbor about it, the neighbor was not aware there was such a thing. He felt this was more restrictive than it was previously but is a reasonable progression/compromise. He requested Council vote yes to move the progression forward.

Karen Taylor, 8815 River Heights Way, questioned if there was no liability involved, why businesses and Macalester College are not open for bow and arrow hunting. They don't want the liability.

Mayor Bartholomew believes 2.5 acres is too small in a residential area. He was concerned about residents and safety in an area that size. He is not in favor of either option for that reason.

Councilmember Murphy shared that he did not feel they could go from where things sit today to no hunting in the city. He leans toward Option A. He is not a fan of 2.5 acre lots. He said they were trying to respect landowner rights, reduce the burden on the police department, address resident safety concerns around parks and land, and the changing land use. He felt Option A, while not perfect, addresses those issues. He was not in favor of Option B.

Councilmember Gliva mentioned she would like to keep the one zone and leave the northwest area out of it. She sides with Option A.

Motion by Dietrich, second by Gliva, to adopt a resolution designing bow hunting in Option A in the area map for the 3rd Reading of the Ordinance Amending City Code Title 5, Chapter 6 related to the Discharge of Bows and Arrows. Ordinance 1432

Councilmember Piekarski Krech stated she would vote against this because if the purpose to having bow hunting is to dull the deer herd and not have as many deer around, Zone 2 was still needed as that is a high area. There are several properties that have 20-60 acres. Telling them they can't hunt and that their deer isn't a problem is unfair to her. She has heard there are still people baiting and feeding deer which is illegal in the city. Stopping that practice could reduce the deer herd. She suggested reminding those baiting/feeding, that there is an ordinance against feeding deer.

Ayes: 3

Nays: 2 (Piekarski Krech, Bartholomew)

Motion carried.

B. Resolution Adopting Designated Bow Hunting Area Map. Resolution 2022-198

City Administrator Wilson noted that the map labels it as hunting/no hunting. Due to the wording of the ordinance, staff would like to amend the Key to the map to say Zone 1 in the southern portion of the city. This will be done before posting on the website.

Motion by Murphy, second by Dietrich, to approve Resolution 2022-198 for the designated bow hunting area map as stated with the new Key and Zone 1.

Ayes: 4

Nays: 1 (Piekarski Krech) Motion carried.

C. Approve Resolution Suspending Registration Requirements for Bow and Arrow Hunting. Resolution 2022-199

Motion by Piekarski Krech, second by Gliva, to approve Resolution 2022-199 Suspending Registration Requirements for Bow and Arrow Hunting as previously presented by Police Chief Chiodo.

Ayes: 5

Nays: 0 Motion carried.

A short recess was called at 7:04 p.m. Council was back in session at 7:09 p.m.

D. 3rd Reading of Ordinance Amending City Code Chapter 5, Section 12 Related to Unnecessary Noise. Ordinance 1433

Community Development Director Heather Rand discussed the 3rd Reading. There have been no changes between the 2nd Reading (August 22nd) and 3rd Reading. Background information:

City Code Section 5-5-12 prohibits unnecessary noise as follows:

No person shall make, continue, permit, or cause to be made or continued any loud, unnecessary, unusual noise or any noise within the city that would be likely to annoy, disturb, injure, or endanger the comfort, repose, health, peace, or safety of a reasonable person of ordinary sensibilities.

People are required to stop per definition. Current unnecessary noise definitions needing updates:

- Removal of the reference to tape and disc players.
- Unless exempted in subsection C of this section, involves the operation of domestic power equipment, construction, and demolition equipment between the hours of 10:00 p.m. and 7:00 a.m. during weekdays and 9:00 p.m. and 7:00 a.m. on weekends and holidays.

Current Code Amendments: Involve the operation of domestic power equipment and demolition equipment.

Proposed Code Amendments:

- The operation of domestic power equipment, commercial tools, power tools, motorized equipment, landscaping equipment, or demolition equipment
- The construction, remodeling, repair, or maintenance of structures, except for work done entirely inside a structure that is not audible on adjacent properties
- The delivery or unloading of equipment and machinery, building construction, or landscaping materials weighing more than 50 pounds

Staff requests a time change for consistency:

- Current:
 - No noise after 10:00 p.m. and before 7:00 a.m. on weekdays
 - No noise after 9:00 p.m. and before 7:00 a.m. on weekends and holidays
- Proposed:
 - No noise after 7:00 p.m. and before 7:00 a.m., 7 days a week
- Exemptions have been added for:
 - Emergency repairs or if considered a public hazard
 - Construction or repair work in response to significant or other natural disaster when approved in advance by the Chief Building Official

Benefits of the Proposed Code Amendment:

- Clear code language is beneficial to IGH police officers working to enforce
- Consistent in terms of enforcement
- Consistent hours, 7 days a week, is easier

Requested Council Action: Approve 3rd and final reading of the Ordinance Amending the City Code Provisions Related to Unnecessary Noise.

The next item on the agenda is also related to this. Public roadways are allowed to continue construction noise until 9:00 p.m. This pertains to roadway or public infrastructure construction.

City Administrator Wilson mentioned that while the proposed timeframe may seem smaller, staff has been operating on a 7:00 to 7:00 schedule for construction noise through the building permit and development agreement process. That timeframe is being put into the ordinance.

Mayor Bartholomew stated he would support the 3rd reading of the ordinance. He liked the flexibility for construction and health/safety reasons.

Councilmember Murphy said he can support the 3rd reading.

Motion by Murphy, second by Piekarski Krech, to approve the 3rd Reading of Ordinance Amending City Code Chapter 5, Section 12 Related to Unnecessary Noise. Ordinance 1433

It was noted that Councilmember Gliva left the meeting (via Zoom) at 7: 19 p.m.

Ayes: 4

Nays: 0 Motion carried.

E. Resolution Authorizing Summary Publication of Ordinance Amending Title 5, Chapter 5, Section 12 Related to Unnecessary Noise. Resolution 2022-200

City Attorney Bridget McCauley Nason described the process of publication stating before an ordinance can become effective it has to be published in the city's official newspaper. State Statutes allow for publication of a summary of an ordinance amendment. This requires a 4/5 vote of the Council. If the Council approves the resolution, the summary shown on Exhibit A would be published.

Motion by Piekarski Krech, second by Dietrich, to approve the summary publication of the Ordinance Amending Title 5, Chapter 5, Section 12 Related to Unnecessary Noise. Resolution 2022-200

Ayes: 4

Nays: 0 Motion carried.

F. Consider Approval of Rental Housing Licenses

Community Development Director Heather Rand presented three rental licenses. The applications have been reviewed by community development staff and the police department. Staff recommends approval of the following:

- 3580 69th Street East - SFR Acquisitions
- 8388 Copperfield Way - Kelley Bussian-Latterell
- 8754 Bechtel Avenue - Estelle Arnaud Battandier

Motion by Dietrich, second by Murphy, to approve the Rental Housing Licenses as presented.

Ayes: 4

Nays: 0 Motion carried.

G. Discussion of 2023 Preliminary Tax Levy & Budget

Finance Director Amy Hove discussed the 2023 Preliminary Tax Levy and Budget. Discussion surrounds General Fund Budget Requests for 2023 in the following areas:

- Police
- Fire
- Admin Departments
- Finance Department (In addition to tax abatement, transfers out)
- Economic Development Authority (EDA)
- Wrap Up

Citywide Structural Changes:

- New Technology Allocation (revised formula)
- New Account for Division Software
- No Central Stores Allocation

Structural Changes for Police & Fire:

- Noteworthy for Police:
 - Education Incentive and Longevity Pay for Patrol and Sergeants. This was previously budgeted in its own account. Rolling them into an hourly rate. Costs and budgets will be moved to a full-time employee account.
 - Emergency Operations. For example: Special operations and weather sirens. A new account was created in the police department to budget for these activities.
 - End of the Police DWI Grant.
 - There is savings within the Central Equipment Fund. Utilize some of the savings to help outfit vehicles.
- Noteworthy for Fire: The SAFER Savings Plan account is listed in the Fire Department Budget

Police:

- 72% of their budget is made up of personnel. Includes wage increase, health insurance, education incentive, longevity pay
- Significant area of increase was in Internal Allocations
 - Facility cost went up slightly as did the cost to insure police officers
- Supplies & Services have several contracts that have gone up such as: cameras, tasers, and prosecution services
- Going from a budget of \$10 million dollars to just under \$11 million dollars in 2023

Police - Additional Requests not included in this Budget:

- Staffing related:
 - 2 additional officers
 - 1 additional sergeant
 - Education incentive for non-Union command staff

Recommendation: Provide resources for 2 additional officers and an education incentive for non-Union command staff.

If the federal grant is received the sergeant position could be filled.

- Future equipment needs.

Recommendation: There will be future equipment needs. Continue working on a long-range plan for how to pay for additional resources. Not needed/have not been requested for 2023.

Councilmember Murphy asked about what impact the two additional officers would have regarding possible scheduling concerns.

Police Chief Chiodo replied anytime they can get one staff member they appreciate it.

Fire:

- Personnel makes up 63% of the 2023 budget request
 - When hiring the 9 full time firefighters in 2022, the budget went from under \$2.3 million to \$3.4 million. (Offset by a federally funded grant)
- SAFER Savings Plan is noticed in 2023 and in 2022. It goes from \$150,000 to \$325,000
- Internal Allocations: Related to the technology allocation
- Supplies and Services:
 - May look like it is going down with 2022 being just under \$600,000.
 - For 2021 supply chain issues indicate a significant carryover to 2022 budgets. This is the amended 2022 budget that involves those carryovers
 - 2023 budget includes increases for supplies

Noteworthy for Fire:

- Budgeted voluntary contribution to the Inver Grove Heights Fire Relief Association (IGHFRA) Pension Plan
 - \$2,500 increase every year
 - \$92,475 has been budgeted into the fire department
- Increased overtime due to the new Union contract and full-time employee shift coverage

Fire - Additional Requests (Wages/Benefits):

- Increase paid on call firefighter wages
- 2 position reclassifications
- 2 new staffing requests:
 - 1 additional full-time firefighter
 - 1 additional assistant chief

Recommendation: Provide resources to increase paid on call firefighter wages and reclassify the fire marshal position. Consider remaining requests in future years.

Fire - Additional Requests (Capital):

- Boat Pump
- Station 1 Alerting System
- Cameras for Stations 1 & 3
- Additional pickup truck request (part of a savings plan, have been paying extra in their central equipment allocation, plan was to buy this truck)

Recommendation: The additional pickup truck would be brought forward with the other central equipment replacement proposals for 2023.

Staff is analyzing the Central Equipment Fund and determining what of the new equipment requests could potentially be funded with the fund balance. Staff is deferring this recommendation on that part.

Councilmember Murphy asked why they are proposing setting more money aside for when they lose the grant.

Finance Director Hove responded if building enough money every year, by the time they have the grant fall off, staff can start scaling that down. There would be a little bit of savings and a little bit of levy every year. \$150,000 was done the first year, then \$325,000, it ramps up, then when the grant falls off it ramps down. It eventually becomes zero with the SAFER Savings Plan. The overall schedule is about 6 or 7 years before they stop offsetting it with savings.

Administration & Finance. Additional Structural Changes:

- Added city facilities allocation to the Mayor/Council budget. It was previously in the city administrator's budget.
- Human resources and city clerk have been split out into their own budgets.
- City Clerk budget includes the responsibilities for the front desk activities. (Includes 1 FTE and temporary staff). This was previously in the finance department and will be shifted to city clerk.
- The human resources budget now has an account for employee "Wellness & Recognition."
- Shifted some Host Community Fund costs to more appropriate areas:
 - Mayor/Council now has the Lobbyist contract
 - Human resources has the volunteer coordinator contract

Administration Departments:

- Human resources and city clerk: Zero activity in years 2020-2022. Split out for the 2023 budget.
- Mayor/Council: In 2021 there was a significant amount of legal services. Anticipate being closer to budget in 2022. In 2023 the \$43,000 Lobbyist contract will be within the budget along with the city facilities allocation.
- Most departments are seeing an increase due to the technology allocation.
- Elections: 2021 activity is significantly less than 2020 and 2022. There is not a normal election cycle in odd years. Still budgeting what they believe a normal off year would cost along with enough to carryover from year to year.

Communications: Additional Requests:

- Requesting an additional half-time staff person (Communications Specialist) at a cost of approximately \$58,000. Cost would be offset by a reduced use of consultants.
Recommendation: To add this to next years budget. This recommendation is fifth of five priority staff positions. (Top four include: 2 Police Officers, Street Maintenance worker, and Parks Maintenance worker).

Councilmember Murphy asked why the way technology has been allocated has changed from the way it was previously done.

Finance Director Hove replied she was unsure.

Mayor Bartholomew mentioned that he liked this proposal better.

Finance Director Hove stated staff felt technology as a department within the General Fund puts the onus on the tax levy. Staff felt there was enough support to the enterprise and other funds.

Finance:

- 78% is made up of Personnel
- Personnel may look like it dropped significantly. A position was eliminated. Still in the middle of implementing the recommendations made by the financial consultant
- Shifting the front counter personnel and cost from finance to city clerk
- Internal allocations increased slightly
- Supplies and services increased due to the shift in division software

General Fund - Tax Abatement:

- In October 2020, the City Council approved a tax abatement for the Crossings at Inver Grove Heights.

- This is a project tax incentive
- The added value this brings to the city's tax base, taxes would go back to the developer over a certain number of years
 - The abatement period in this case runs for 10 years
 - Estimating that 2023 would be the first year the city would owe the tax abatement back to the developer
 - A Tax Abatement Note would need to be brought back to the City Council for approval
- The first year the tax abatement comes on line is estimated to be next year. Estimated at \$33,000.
- Anticipate in 2024 the abatement could be closer to \$140,000. This is because they are assuming the full value would be on the county's tax rolls.
- The developer pays on the full value. The county refunds the city those taxes. The city refunds them back to the developer.
- The maximum abatement in the agreement is \$1.6 million dollars.
- Runs 10 years or less.

General Fund - Transfers Out:

- In 2020 the city levied for pavement management as a part of the General Fund levy and would do a transfer out to the Pavement Management Fund.
- Parks Capital has slowly been increasing. Recommending increasing this to \$300,000 for 2023.
- The EDA stayed stagnant from 2021 to 2022. A grant was anticipated but never came to fruition. Planning for the full budget transfer to offset.
- Recreation Fund was closed at the beginning of 2022. Created a Recreation Department in the General Fund.
- Other: This category is for corrections, carryovers, special projects, or project closures.
 - These are items that would come before the Council for approval
 - Nothing is budgeted for 2023

Mayor Bartholomew questioned if there was anything unused in the other category or a fund balance that is designated for correction carryovers.

Finance Director Hove replied no. There is \$18,000 that is a part of the 2022 budget, it is a part of the carryovers from 2021 relating to computer equipment transferred to technology.

EDA (Economic Development Authority):

- EDA 2023 Budget Request and discussion about the possible consideration of a new staffing position
- \$85,000 to \$87,000 over the last couple of years
- Personnel is a portion of the Community Development Director's time
- Internal Allocations is small
- Supplies and Services is a contracted position with the Chamber and the space they utilize
- 75% of the budget is made up of those supplies and services

City Administrator Wilson thought supplies and services used to be a contracted position through the Chamber.

Community Development Director Heather Rand replied that may be for the CVB (Convention and Visitor's Bureau). Under Professional Technical Services, line items include things like Ehlers, legal services, or the \$8,000 that is contributed to the Open for Business Program for Entrepreneurs.

EDA - Additional Consideration:

- Potential to hire a staff person who would focus purely on Economic Development. Staffing resources dedicated to EDA is currently a portion of the Community Development Director's time.
 - An Economic Development Coordinator position is \$119,000 a year. (This covers wages, benefits, taxes, and pension)

Recommendation: If the Council wishes to proceed with this position in 2023, staff recommends consideration of funding it half with the tax levy and half with the EDA Fund balance. (50% would be estimated at \$59,500). The EDA Fund balance as of December 31, 2021 was \$235,974.

City Administrator Wilson mentioned there were still two more departments to go, the Community Development Operating Budget and the Public Works Operating Budget. Capital items will also be discussed such as the Capital Improvement Program, Pavement Management Fund, and Host Community Fund.

The City Administrator gave a preview of the City Administrator's overall recommendations: Status quo. A levy of just over \$30 million dollars/a 4.3% increase. This allows for a 3% general wage adjustment for employees and covers increased health insurance costs.

Additional Needs/Challenges:

- Staff levels in many departments have not kept pace with workload demands in a growing city
- Need to adjust part time/temp/seasonal wages to attract employees in the current job market
- Cost of goods and supplies have increased significantly
- City has deferred maintenance on its facilities and infrastructure

Levy Summary. 2023 Requested vs. 2022 Adopted. *Before City Administrator Recommendations:

- If the General Fund expenditures go up by 4.3%,
 - Other revenues, other than property taxes, are not going up nearly as fast
 - Puts a greater burden onto the property tax levy
- Pavement management levy: \$250,000 increase
- Debt levy relatively stable, up 1%
- Citywide levy: 5.4%

City Administrator Priorities for 2023 Budget: Highest priorities:

- Adding 2 Police Officers
- Street Maintenance worker
- Parks Maintenance worker
- 6 position reclassifications: (Matter of staff retention and staff equity)
- Wage increases for paid on call firefighters
- Education incentive for police command staff
- Additional money for:
 - Seasonal Staff for parks maintenance
 - Seasonal Staff for streets maintenance
- 0.5 Communications Specialist
- ½ of the full time EDA position
- Larger increase for the PMP. Go from \$250,000 to \$350,000. Increase of \$100,000

If funding City Administrator recommendations:

- The General Fund levy and Pavement Management levy grows. Would be at an 8.4% levy increase.

To note: This is a preliminary levy. This would need to be adopted by the end of September. The Council can choose to reduce the levy after certifying the preliminary but cannot go higher.

Scenarios for Preliminary 2023 Levy and what it means for the tax rate:

- For 2022 the city tax rate was 51.925%

Looking ahead to the City Council Work Session taking place on September 19th:

- Convention & Visitor's Bureau (City funded entity that operates with a Board and Director)
- Community Development Department
- Public Works Department
- Host Community Fund
- Pavement Management
- Further discussion on the 2023 Preliminary Levy for the September 26th meeting to certify the Preliminary Levy and Budgets

Councilmember Murphy asked if there were figures on the impact with all requested staffing additions. City Administrator Wilson replied with ½ of the full time EDA position and the larger increase for the PMP, it would be a 10.3-10.4% increase; adding them in would be approximately 11%.

Councilmember Murphy requested information on the sergeant position and recreational.

Councilmember Piekarski Krech referenced the seasonal staff request asking if that was for additional salaries or staff.

City Administrator Wilson replied it was for a combination of both.

Mayor Bartholomew asked how Inver Grove Height's part time wages compared to surrounding communities.

City Administrator Wilson stated there were numerous positions staff tried to fill at \$13.50/\$14.00 per hour. Based off signs at fast food establishments, it's not going to attract many. She stated that the City of Minneapolis has a minimum wage for all employers operating in the city; that will be \$15.19 next year.

Mayor Bartholomew questioned if there was a number of people, they are short of for part time.

City Administrator Wilson replied she could get that information for the Council.

Councilmember Murphy said he was surprised the only other city that had an EDA position as proposed was the City of Rosemount.

Councilmember Murphy commented that he initially thought it was a good idea, if it was a good idea, other cities would be doing it. He asked what other cities do and how they address the need for filling the spaces.

City Administrator Wilson replied for a good comparison, their community development staffing would need to be looked at as a whole. Other cities may have the capacity to spend more time on economic development. With the amount of green space/development going on in the city, there isn't enough available time in the day. She shared that the City of Shakopee had a position similar to this for several years, they no longer have it at this time. In her opinion, it tends to be a position that ebbs and flows similar to how a community does along with the philosophy of how the elected body can change. She stated the position can add value, it's up to the Council as to how it prioritizes against the other requests brought forward. The existing community development staff is very lean and busy.

Councilmember Dietrich mentioned she read that it was estimated that four hours a week were dedicated to bringing more commerce to the city. Previously it was more than four hours a week. She asked how the job description evolved with all the empty spaces in the city that need business.

City Administrator Wilson replied four hours a week is from a budgetary standpoint. This is 10% of the Community Development Directors amount/time. She was unsure where the 10% came from.

Mayor Bartholomew thought it was a placeholder.

7. PUBLIC COMMENT:

Jerry Slama, 9185 Inver Grove Trail, referenced the August 22, 2022 Council meeting regarding the first reading of the Ordinance amending City Code Title 4 Chapter 13 to prohibit short term rental within the city. He mentioned that they have built a new home with a permitted auxiliary dwelling unit. They operate licensed short-term rentals in St. Paul and Minneapolis. Their properties are listed on Airbnb and consistently achieve Super Host status. He said the proposed ban raises the following questions: if it was known if the properties in question were currently operating on a short-term rental platform, if the city has reached out to the platform with their concerns, what assurances the city has that a citywide ban would save law enforcement resources or eliminate the issues with problem properties. He encouraged establishing licensing of short-term rentals in the city. The benefits of licensing would be that the city would know what property owners are engaged in short term rentals and could establish fair and equitable requirements for obtaining a license that are in the entire community's best interest. With a licensing process and annual renewal, the city would have the opportunity to engage property owners not meeting expectations, collection of lodging taxes, and establish fire and code compliance inspections. Other cities are doing this. He encouraged reconsideration of the proposed ban on short term rentals.

David Kappel, 9272 Tyne Lane, agreed with what was previously said about short term rentals. He shared that there were resources the city could reach out to. He felt there were dozens of current property owners operating successful short-term rentals a neighborhood would be proud to have. He mentioned that their group would like to help the Council figure this out and make sure it's successful. He said they currently own a place in the city and emailed the city to inquire about licensing and regulations and were told there is not a need for a rental license, which they would like to have, and that there were no regulations against it. He felt they were misinformed by the city.

Tamara Kappauf, 1186 82nd Street East, stated she and her husband have been doing short term rentals since 2018. This has helped subsidize their income. They have been Super Hosts. They have not had any neighbor complaints but did have some issues with people with whom they were uncomfortable. Due to that, they raised the age limit to 25 and make sure people show ID when they show up. She believes short term rentals are great, people have been renting out rooms in their homes for years for additional income. She said she would like to be involved in decisions regarding this. She suggested keeping short term rentals as short term and not trying to make them long term.

Stephen Dick, 1630 52nd Street East, has been a short-term rental owner since 2014. Early on there were some issues, but he has changed policies to get everything under control. There have not been any issues, the police have never been called. He felt there was a misconception/misunderstanding about what short term rentals are. He has a \$1,000 deposit specifically for noise complaints. No noise is allowed outside after 10:00 p.m. He suggested working together and collaborating to come up with good solutions. He said people staying at these homes are frequenting city businesses. He is in support of short-term rentals.

Anthony Verch, 7008 River Road, said he has owned this property since 2017 and underwent a \$267,000 renovation. Once done with the renovation, the hopes were to sell but was unable to. After doing a lot of research they decided to try short term rentals. A rental license was obtained through the city and are registered with the county as a short-term rental. He had a large tax increase of 158.73%, \$16,000 because he owns and operates a short-term rental in the city and county. He mentioned there have only been 10 short term rentals that submitted this in the county. In the four years he has been operating as a short-term rental he has paid over \$35,000 in property taxes. His home has a high occupancy rate. He talks with his neighbors and gives out his cell number for them to call with issues. If a noise complaint is reported, the renters would lose the security deposit. The age limit was increased

to age 25. He felt this was a need communities have. A ban would benefit neighboring cities. He is in support of short-term rentals.

Tamara Martin, 6215 Carleda Way, referenced a memo that was given to the Council on August 29th that was prepared by the City Administrator. The memo addresses three wooded city owned undeveloped lots on Carleda Way. The lots have been left undisturbed since the 1950's. Her neighborhood on Carleda and Prairie Estates are heavily invested in the future of the lots. The lots are currently zoned for parks and recreation. She stated the memo included five possible options for the area that the city may pursue. As a representative of the area, they have many thoughts on what those areas may be and would like to open that discussion with the Council and receive their thoughts and direction. Having them developed into single family lots was not the direction the area was in favor of. The other was having park and recreation involved, of which the area is interested in having a conversation regarding different options. She mentioned the area is waiting and trying to understand the next steps.

8. MAYOR AND COUNCIL COMMENTS:

Mayor Bartholomew expressed his gratitude to the Inver Grove Heights Days Committee, Staff, City Police and Fire Departments, and all city participants and workers that helped with the event.

9. ADJOURN:

Motion by Murphy to adjourn the meeting at 8:34 p.m.

Ayes: 4

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek