

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION MEETING
MONDAY, JUNE 5, 2023 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met for a Work Session on Monday, June 5, 2023, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich, Council Members: Murphy, T’Kach, Gliva, Scales; City Administrator Kris Wilson, City Attorney Bridget McCauley Nason, City Clerk Rebecca Kiernan, Community Development Director Heather Rand, Code Compliance Coordinator Tyson Rainey, Police Chief Melissa Chiodo, Finance Director Amy Hove

3. DISCUSSION ITEMS:

A. Exclusive On-Sale Liquor Licenses

City Administrator Kris Wilson discussed City Code 4-1-4, B-1; On-Sale Intoxicating Liquor License. This allows for on-sale intoxicating liquor licenses that may be issued to the following:

- Hotels that have an on site “restaurant” as defined in this chapter
- Clubs or congressionally chartered Veterans Organizations
- Theaters
- Restaurants
- Exclusive liquor stores
- Inver Wood Golf Course

Exclusive liquor stores will be the main topic. Most think of an off-sale liquor license as a place where beverages containing alcohol are purchased to take home/away to consume elsewhere. In this case it is a category of business eligible for an on-sale liquor license (consuming the beverage at their place of business).

- City Code references it as an exclusive liquor store that can get an on-sale license.

State Statute 340A.412, Subd. 14, defines an exclusive liquor store with a specific list of 14 categories of merchandise that a business can sell and be considered an exclusive liquor store. This includes alcoholic beverages, tobacco products, ice, soft drinks, various things such as cork extraction devices, and other things related to alcoholic beverages.

State Statute also provides that an exclusive liquor store that has an on-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

Most license holders that sell food qualify as a restaurant. In order to do so they are licensed by the State Department of Health as a restaurant.

- If preparing food in a licensed way, this type of liquor license is not needed; qualifies as a restaurant.
- State statute specifically states an exclusive liquor store may offer live or recorded entertainment.

Exclusive liquor stores are listed in city code as a type of business that can get an on-sale license.

Currently there are no licensees under that category and no recollection of this category being used in recent memory. If continuing with that approach, an exclusive liquor store that gets an on-sale license would have to:

- Meet all licensing requirements. This includes a background check, proof of insurance, and compliance checks.
- An exclusive liquor store is not eligible for a Sunday on-sale license.

Question for Council:

The local business that brought this topic to staff's attention is PerpleBunny Axe House. Staff was challenged to find an avenue for which the business could have a liquor license.

- This business is not currently serving food and are not licensed as a restaurant.
 - Does not qualify under that section.
- Some may consider this type of establishment like a bowling alley or golf course; those uses are specifically called out in state statute as being eligible.
 - It does not provide for a general category of recreation or entertainment.

Staff consulted with the State Alcohol and Gambling Enforcement Division. It was advised that this is a policy question for the Council whether considering a business such as PerpleBunny Axe House to be selling anything other than items on the approved list.

- Is there taking money and repayment to having the opportunity to participate in axe throwing constitute something else that they are selling
- Or because it is not a tangible good does it not constitute something they are selling

Staff wanted to make sure that Council considers issuing this type of liquor license to recreational/entertainment businesses such as PerpleBunny Axe House, there may be other similar type businesses in town that might also be interested. Staff has not gone out and solicited other businesses. For example: There is a recently opened Haunted House attraction in town. There may be other businesses that may want to serve alcoholic beverages to their customers while they are doing what the business does on-site. This would be the avenue for a business that does not wish to serve food but wants to be able to sell alcoholic beverages.

- These are rare in the State of Minnesota
- Approximately 1% of liquor licenses in the state go to businesses defined as exclusive liquor stores

She shared that the City Clerk, City Attorney, and Mr. Dustin Kerr from PerpleBunny Axe House (present), have been involved in conversations regarding this and are available for questions.

Councilmember T'Kach said it was mentioned that other businesses could do this. She questioned if it could be someone running a garden center.

City Administrator Wilson replied some are easy to see when they are selling something not on the list. Exclusive liquor stores can only sell something on the list. Selling plants does not qualify as an exclusive liquor store. A business that comes to mind is the Haunted House. She said she was not saying they want a liquor license, but it might be the type of business that could ask. She said staff has mentioned there has been one inquiry in the past from a Spa that would like to be able to serve beverages to their customers. If the spa sells lotions, makeup, and cosmetics for people to take away with them, they would not be an exclusive liquor store. They would be selling something other than liquor and would not be open to this avenue. She stated that tobacco is listed. There are a couple of tobacco sampling shops in the city. While they have not requested a liquor license, this is another type of business this may open the door to. This asks the question if it meets their business goals. Businesses having an event may have it catered, sometimes the caterer will have a license to serve alcoholic beverages.

Mayor Dietrich asked if this would include the vape shops in town.

City Administrator Wilson replied that tobacco is one of the items that an exclusive liquor store may sell. It would take further analysis of the specific business and what it is they sell, to question if they sell anything not on this list.

Mayor Dietrich asked if it would be under Council purview to create a list that is within the statute if the city did not want a certain type of business to be eligible for this.

City Attorney Bridget McCauley Nason responded it is known/clear at this time if the city could customize the list or not. State statute says these are products that may be sold. There is

language within the list that references food stating "food if authorized by the municipality." There is one reference on the list that puts additional approval onto the city that does not exist with respect to the rest of the product. She mentioned this was something that staff could look into if it was the Council's direction. These licenses were not very common. There are things included such as a Speedway and a few other businesses that were not similar to what the city is addressing.

Councilmember Murphy asked what the state said was up to local municipalities.

City Administrator Wilson replied it was businesses providing a service. If wanting to consider, this means they are selling something not on the list. The question with the business is if PerpleBunny is selling axe throwing or if considering selling something would be something tangible.

Councilmember Murphy questioned if selling axe throwing, they would be disqualified.

City Administrator Wilson replied if the Council decides the business was selling axe throwing, they would not be eligible. If thinking they are providing entertainment, similar to charging a cover at a bar to watch a band play, it is clear they are offering live or recorded entertainment.

Councilmember T'Kach asked about places that offer painting classes and sell wine or beer. She questioned if they were selling the painting class.

City Administrator Wilson replied that would be the question before the Council; that is another example of a similar business. If coming away from a painting or pottery class, you are walking out the door with something tangible. If going to a haunted house or axe throwing business, you had an experience while there, but did not purchase something tangible to take home. This is outside of a t-shirt depicting the company name on it.

Councilmember Scales stated if walking away with something, they were sold something. If not walking away with anything, it is an experience. He said the selling of something is specific, it is tangible property, this is not selling a product.

Councilmember T'Kach said her understanding is that the Council has the authority to do inspections, make sure they are serving alcohol to the right age, and if there were a lot of police calls. She questioned if any of that changes.

City Administrator Wilson replied they would be subject to the same compliance level as a holder of a similar type of license.

Councilmember Gliva said initially it sounded like it could work into the city ordinance and follow state statute. Her concern is the unintended consequences. It would be like creating a bar in Inver Grove Heights. She is in favor of making this specific. She wanted to make sure they were not going to the extreme because it sounds like entertainment, nothing tangible is sold. She said she felt there should be protection on the other end.

Councilmember T'Kach asked what kind of protection Councilmember Gliva was referring to.

Councilmember Gliva replied having the ability to incorporate anything into the ordinance that says axe throwing, haunted house, or escape room. Listing specifics until state statute catches up.

Councilmember Murphy asked if it would be as simple as giving money and taking something away. It defines what selling is in the city. He questioned if this was something that could happen. He said there would not be people popping up bars all over the place.

City Administrator Wilson replied with a bar, you are not taking anything out other than a t-shirt or mug that was purchased.

Councilmember Gliva commented this was not protecting on the extreme end.

Councilmember Scales said he thought Councilmember Gliva was referring to having protection that it will not turn into a bar scene. This would be associated with an event, a process, as opposed to being open as a bar. He said watching would not be associated with the event anymore, people would just come and sit there, drink, and not axe throw.

Councilmember Gliva agreed.

Mayor Dietrich said they would have to walk away with the experience.

Councilmember Murphy asked if bowling alleys were specifically called out.

City Administrator Wilson replied bowling alleys are called out. The bowling alley in the city also qualifies as a restaurant.

Councilmember T'Kach asked if there were land use issues or complications when it comes to zoning. She questioned if someone could come into the city and get a permit/licensing to open a bar.

City Administrator Wilson said the exclusive liquor store is currently listed as an on-sale type. No one has done this recently. If Council decides they do not want that in there, the City Attorneys research has suggested it could be stricken.

Councilmember T'Kach questioned if they could end up with a small business within a B-3, in a neighborhood.

City Administrator Wilson replied that would need further review with land use experts. Staff looked specifically at PerpleBunny because they happen to be in a PUD in the area. They are permitted in the Planned Unit Development as recreational use. The recreational use was amended to allow their business to go in. This is because there are new forms of entertainment and socialization; code does not always reference them. She said the question is if the Council believes that any business licensed in this manner, for land use purposes a bar or restaurant, or if comfortable having something from a land use perspective that is a recreational use yet have a liquor license under this category. Staff is comfortable with the zoning because residences and businesses are separated in most of the community.

Councilmember T'Kach mentioned short term rentals could be another potential place where it could be questioned if entertainment. She asked if someone could apply.

Councilmember Scales stated if someone came in front to the Council and sold the 16 items listed, the liquor license would likely be given because it is currently on the list. The only difference is having entertainment associated with it. The difference to him was the activity.

City Administrator Wilson agreed.

City Administrator Wilson stated the main question for Council in this case is if PerpleBunny Axe House was selling something off of the list. If the Council considers the exchange of money for the opportunity to participate in axe throwing, do they consider them selling something? She questioned if the city definition of selling something is something tangible (object, thing). PerpleBunny Axe House is not selling anything other than what is on the list.

Mayor Dietrich stated she was interested in looking at vape shops.

Councilmember Murphy stated the Council wants this business to be able to do this but does not want things to blow up. He questioned if this would be turned over to staff to determine.

Councilmember Scales stated the list of items are pretty specific. He thought it would be difficult for a current operating business to be able to do this due to the breadth of what they would be selling. It

would be difficult to cut it back to what is on the list to make it work. He said he does not see too many businesses willing to make their product line specific to make this work.

City Administrator Wilson referenced the list stating tobacco is the one that would give her the most pause. She does not have a personal understanding of the scope of what they sell. She questioned if they would be willing to jettison minor product offerings in return for being able to have an on-sale liquor license. She mentioned not every business would rush to this; there is a license fee and insurance. She suggested having the City Attorney dive deeper into how this could be customized. If unable to scratch tobacco from the list, she questioned if there could be a requirement for entertainment. For example, they could issue these types of liquor licenses but only if they are associated with golf, bowling, axe throwing; a type of experience/service. She suggested it be only if zoned for a commercial use. This would address short-term rentals. Further information on short-term rentals could be looked at by staff.

Mayor Dietrich said that was also her concern with vape shops. She does not know what they sell. She has been in a cigar shop and knows it's just tobacco but was unsure about vape shops. She said she would like to know more before a policy is made.

Councilmember T'Kach mentioned there are a lot of small businesses in people's homes, such as hairdressers and tax accountants that are likely zoned residential. She questioned if staff could look into this and if there could be summer parties with someone selling alcohol in their backyard as a bar.

City Administrator Wilson replied they would have to go through a background check and insurance. These would generally be businesses. The item that gives her the most pause is the fact that you can sell tobacco under an exclusive liquor shop. If the Council has concerns about this, having parameters or customizing should be explored.

Dustin Kerr, 4485 Cinnamon Ridge Trail, Eagan, MN introduced himself.

Mayor Dietrich asked Mr. Kerr if he would consider having chips or prepackaged food items.

Mr. Kerr replied they are looking into that with an attorney about what it would take to become a restaurant. He said there was not a lot of space to do that. This request allows them to pursue a different avenue for selling. He said they have sold chips in the past and may be willing to do it again. There is also the possibility of putting in a toaster oven and doing Heggie's Pizzas to provide food. He shared that they do want to go down that route.

City Attorney Bridget McCauley Nason summarized what the Council was looking for:

- Trying to lock down what the types of exclusive liquor stores could look like
- What limitations or types of restrictions the city might be able to place on them
- Review zoning in conjunction with all licensing components to ensure consistency between anticipated zoning for these types of businesses and what is in the zoning ordinance
- Home businesses and VRBO's

Mayor Dietrich stated that would be fine.

City Administrator Wilson said staff will begin research on those subjects and get back to the Council as quickly as they can.

B. Update on City Code Compliance Activity

Community Development Director Heather Rand stated that Tyson Rainey, Code Compliance Coordinator, has been in this position for four months. He will be giving a presentation that would focus on the trends seen as he is out in the field responding to residents' concerns with code compliance.

Code Compliance Coordinator Tyson Rainey stated he has been with the city since 2013 and has been the Code Compliance Coordinator for four months. He presented the following on Code Enforcement:

Why Code Enforcement is Important:

- Protect public health, safety, and welfare, while ensuring every citizen the right to a clean enjoyable neighborhood.
- Maintain property values.
- Quality of life in the community.
- Broken Window's Theory. This means blighted properties attract more blighted properties, crime, harbor for vagrants.
- Encourages potential businesses and residents to come or stay in Inver Grove Heights.

Code Compliance Unit:

- 1 person (Code Compliance Coordinator) within the Community Development Division
- Complaint based investigations
 - Does not have the time or resources to proactively go out looking for code compliance issues. There is enough to do with the complaints that come in
- Partner and collaborate with building inspections, planning, public works, police and fire, city attorney's office, state, and federal agencies

What Code Enforcement Does:

- February 1 to present:
 - 98 cases with 70 of those closed out (corrected)
- Calls include:
 - Exterior building materials left outside, incorrect material
 - Fence/wall
 - Garbage pickup
 - Home business
 - Infestation
 - Junk vehicles
 - Property maintenance issues
 - Parking (mostly private property parking complaints)
 - Prohibited structures
 - Roll off boxes and dumpsters
 - Setbacks
 - Signage
 - Snow removal
 - Tree removal
 - Vegetation/weeds
 - Zoning/land use
 - Run off/stormwater
 - Rubbish/waste removal
 - Rental properties
 - Public nuisance

What Codes are Used:

- Depends on what property they are looking at: Residential, commercial, agricultural, rentals
- MN State Building Code is used for residential, commercial, and agricultural
- International Property Maintenance Code (IPMC) is just for rentals
- Differences:
 - IPMC is universal around the country/world for everything the city code touches on such as: weed/grass control, property maintenance, parking lot maintenance.
 - Current Code does not address E1, E2, and Agricultural for weed and grass control. The IPMC would.

- Rodent harborage, infestation, driveway maintenance, exterior maintenance, for all structures, buildings, and sheds. The IPMC covers. Currently used for rentals only.
- For a property that is not a rental, it is very limited on being able to do anything with those types of issues.
- MN State Building Code: Minimum acceptable building code. Lower standards than the IPMC. Workmanship is not addressed.
- City Code deals with property maintenance, nuisances. More limited and subjected to opinions than the IPMC.

Examples were shown of the type of work he does:

Junk and Refuse:

- Items the city defines as junk or refuse on the property. A complaint is received, he works with them to try to get it resolved.

Junk Vehicles:

- If inoperable, does not run, has flat tires, expired license plates, unlicensed; these are considered a junk vehicle.

Hoarding:

- Work with Social Services with hoarding cases. Limited to what can be done.
- Follow the lead of Human Services.

Mayor Dietrich asked if he was under the authority to remove pets from that situation.

Code Compliance Coordinator Rainey replied the police department would be able to if there was not someone there to care for it. Those animals would be impounded at the Animal Hospital until someone can care for them. People are taken at their word that someone would show up and care for the animal. It could become a problem if someone does not show up.

Code Compliance Coordinator Rainey discussed:

Infestations:

- IPMC for rentals cover infestations such as squirrels.

Home Occupations:

- Inver Grove Heights has limitations about what is allowed in residential areas.

Diseased and Hazardous Trees:

- Growing issue with the Emerald Ash Borer along with other diseases.
- Future discussions among staff will take place regarding resources for diseased and hazardous trees on private property.
 - Could become quite expensive for tree removal depending on quantity, size, and location.
 - For now, if diseased and hazardous, staff recommends the property owners remove it. This can be quite expensive. There are some property owners that cannot afford the tree removal required. There are no known grants/funding to assist.

Building and Property Maintenance:

- Items such as concrete and siding are covered under the IPMC.
- Fences. Missing pieces or falling over. Code will allow for this to be corrected.
- Deteriorating sheds.

Grass and Snow:

- For grass, less than 8" if a residential lot on less than an acre.
 - There are questions coming in regarding pollinator yards. Staff is having discussions about how the city would handle this.
- Homeowners are required to remove snow on adjacent sidewalks around their property.

Code Enforcement Process:

- Verify a code violation (initial inspection)

- Notice of violation is sent to the property owner
- Reinspect at the deadline provided
- Up to two more notices of violations
- Abatements
- Criminal citation (last resort)

Factors that are Considered:

- Life/Health/Safety Hazards are priority cases
- Repeat violators. Numerous notices are not sent to correct things due to history of non-compliance
- Size of the issue and the reasonable amount of time it would take to abate
- Cooperation and communication by the property owner with an action plan for compliance

Councilmember Murphy referenced snow removal and asked if there was a time that residents were not responsible for the sidewalks surrounding their property.

Code Compliance Coordinator Rainey replied there are certain routes like main streets such as Cahill, where the city has that as a part of their snow route. There are other areas. He said he does not believe the city has ever done an abatement when it comes to snow removal.

Abatement has not really been an option, he sends notices. If nothing is corrected a criminal citation is issued and would have to go through the court process.

C. Dakota County Drug Task Force

City Administrator Wilson stated staff requested this item be postponed to a later Council meeting.

D. Use of Opioid Settlement Funds

Police Chief Melissa Chiodo showed the Council her jersey for the next event taking place called Cops and Bobbers. This event takes place on June 13th for 6-11-year-olds. Staff is hoping to make this a yearly event or to have a fishing team with kids.

Police Chief Chiodo discussed the lawsuit against manufacturers of Opioids. A settlement came out of this resulting in public safety agencies receiving money in Minnesota. She has met with Fire Chief Thill, City Administrator Wilson, and Finance Director Hove to discuss ideas.

National Epidemic - Crisis Background:

- Since 1999 there has been an increase in opioid deaths
- Peaked in 2014
- Continues to rise through 2020
 - Over 60,000 in 2020 from synthetic opioids alone

Crisis Evolution:

- Began with opioid manufacturers via legal prescriptions people were getting
 - Marketing and inadequate monitoring of the side effects and how addictive they were was non-existent.
 - Americans having legitimate surgeries with a doctor were given an opioid as a pain killer without the knowledge they were addictive. This turned out to be wrong.
- Began going after opioid manufacturers and then Fentanyl hit the market along with other synthetic drugs
 - A lot of the Fentanyl is coming from China. This is not manufactured in a lab similar to how Penicillin and other drugs are manufactured.
- Settlement resulted in up to \$300 million dollars in Phase 1
 - Four drug manufacturers to date (possibly a fifth being added)
 - More settlements would be ongoing with distributors/retailers
 - Minnesota estimates receiving approximately \$235 million dollars with more anticipated to come

Inver Grove Heights Crisis Background:

- Check welfare calls from 2013-2022 have increased
- Goes up in 2014
- Overdose calls in the city were flat at first and started picking up in deaths around 2021

State of Minnesota Crisis Background:

- Since 2000 there have been 5,568 residents that have died from opioid overdose deaths
- Those numbers climbed in 2000, 2015 saw a spike
- In 2020 deaths spiked with 678 residents that have died

Fatal Overdoses by City in Dakota County:

- Inver Grove Heights averages 6.48 fatal overdoses per 100,000
To note: These do not include people that overdose and die and are given Narcan by police officers, firefighters, and paramedics and are brought back.
- The cities of Hastings and West St. Paul have higher numbers compared to Inver Grove Heights

Fatal vs. Non-Fatal Overdoses in Dakota County:

- Yearly deaths have gone up from 38 in 2011 to 65 in 2021.
- People that have gone to the ER for a fatal overdose and are brought back have higher numbers with 90 people in 2016 and 263 in 2021.
 - People can now get Narcan from a pharmacy. Do not need a prescription.
 - There are people in public safety that have 14-16 used canisters of Narcan. This means someone overdosed, died, someone used a canister of Narcan on them and came back. None of these are ER visits. People do not always go to the ER; some are homeless.

Crisis Response Providers Receiving Funds: Four groups will receive funding:

1. County Health Care
2. County Government
3. Community Partners (places that provide treatment, provide harm reduction such as clean needles to users that provide other types of prescribed drugs to help people to get rid of their addiction).
4. First Responders: Police, Fire, EMS, and Sheriff

Settlement Framework: Allocation of Funds:

- Local Governments would get 75% of funds directly. This includes:
 - All counties, cities with over 30,000 residents, cities that have a Public Health Department, cities involved in the lawsuit
 - Cities under 30,000 do not receive direct funds, they need to go through their County to get money
 - State Government gets 25% to use for public health and other uses
- City of Inver Grove Heights (bottom of the list):
 - Due to receive \$486,963.00 to use according to the settlement
 - The city has received approximately \$115,000 to date
- Dakota County receives approximately \$10 million dollars to use towards fighting this epidemic. Money will come over 18 years. This gives opioid manufacturers 18 years to pay. A lot have front loaded (paid more at the beginning with payments becoming smaller as the years go on).

Allowable Opioid Remediation Uses. 3 categories in which settlement funds can be used:

1. Treatment:
 - a. Most would be used toward community groups, health care providers
 - b. Train First Responders on Medication for people in Opioid Use Disorder (MOUD)
 - c. Implement police addiction recovery initiatives
 - i. This is not something she recommends for a city of this size. Used more toward larger cities such as Dallas

- d. Provide training to law enforcement and correctional/judicial partners on the best practices for handling criminal justice involved persons when they come out of the system
2. Prevention:
 - a. Expansion of the Drug Take Back Program (currently have one box in City Hall)
 - i. One event per year, can be expanded
 - ii. Do not have a box outside but used to; it was exposed to the elements. Could build another to keep it from the elements
 - b. Funding on evidence-based prevention programs in the community
 - i. Specifically, D.A.R.E. This program was redone to raise awareness to kids about opioid uses and the shapes and forms it comes in, how to report, how to avoid, and how to educate yourself
3. Other Strategies: First Responders:
 - a. Public Safety expenditures relating to the opioid epidemic
 - i. Can be used for the use of Narcan related calls
 - ii. Test kits for drug use
 - iii. CPR related machines for police and/or fire departments
 - b. Education of staff. Updates on the latest, how to recognize it, and protect themselves
 - c. Wellness and support services for public safety
 - i. The emotional toll this takes on police, fire, and EMS when on these calls and seeing such a bad epidemic

Settlement Framework: Usage of Funds:

- Requires an adopted budget or separate resolution authorizing expenditures during a specific timeframe.
 - No sunset clause.
 - If wanting to use, whether fire, police, or joint project between both, information must be brought before the Council for authorization and must tie to the settlement with the reason.
- Local governments may make contracts or grants to a non-profit, charity, or other entity with Opioid Settlement Funds.
- Can recoup administrative costs up to 10% of the relevant allocation.
- Finance Director Amy Hove has been involved and has created a fund. A report has been submitted for 2022 which had no expenditures.

Settlement Framework: Limitations on the use of funds:

- Can only be used for future opioid remediation activities
- Can not be used to pay litigation costs for the settlement

Crisis Response proposed ideas: (group meeting outcome):

- Prevention/Education:
 - Dare Officer/SRO, partner with the school. Expected cost to the city \$70,000
 - Liaison work with Cahill Place and Gateway (two treatment facilities). Ideal Option is the latest to open dealing with those with opioid addiction
 - Education on a community wide level such as: Inver Hills Community College, Public Schools, Community Meetings, Public Service Announcements
 - Expansion of the Drug Take Back Program, collection, tracking, and disposal
 - Education of law enforcement and fire on precautions and practices
- Response:
 - Purchase naloxone, narcotics test strips, Nik Kits
- Wellness of First Responders:
 - Trauma Response Support

Other Ideas: Reached out to other Dakota County agencies to see what they may be doing with their funds:

- Apple Valley: Police department to focus on enforcement and officer education.
- Burnsville: No determination yet. Police and fire departments are working with their City Administrator on best uses and may focus on prevention.
- Eagan: Directed by their City Council to have the police department focus on prevention efforts.
- Lakeville: Purchase a vehicle for their DTF Officer, DTF fees for one year, and enforcement and prevention by the police department.
- Dakota County: Board will determine spending but will cover different areas of treatment, prevention, recovery, harm reduction, research, and training.

Councilmember Scales said he would be interested in what the Police Chief thought the priorities would be. Where the Police Chief believes the city could do the best work since she sees this every day.

Police Chief Chiodo replied there were a couple of areas. The first being educating the city's youth. This drug does not affect a certain race, class, gender, or socioeconomic status. This affects kids across the board. Calls have been received that a parent(s) has overdosed and are dead, the child is home and unsure of what is going on. Prevention is needed to let kids know how dangerous this is. She said, "One Pill Can Kill."

She said the second item would be training and resources for first responders in the city that need to respond to calls in the safest and best manner. Staying up on the various things they can do such as medical interventions police/fire can do on the scene, equipment used, keeping officers safe, and taking care of those in the community who are losing their battle with opioid addiction.

Councilmember Murphy referenced the collections boxes, one was indoor and one outdoor. He asked how they quantify what is in there and how much they get.

Police Chief Chiodo replied people can come in Monday through Friday during business hours and put items in the drop box. There were 14 bankers' boxes full from that collection. Items are brought to a place and in front of those dropping off, it is burned so they can see it disposed of. During the once-a-year drug take back done in conjunction with the DEA, there is a four-hour window. The city took in over 400 pounds of any type of narcotic that people brought in. She mentioned that many come in after hours because they may not want to walk in, in front of staff. There is not an after hours drop box at this time. It is emptied weekly, inventoried, tracked, sealed up, and placed in a room where two people always do this as a pair and bring for disposal.

Councilmember T'Kach asked if there was any after the fact peer support for officers if a couple of officers are at a scene with a crisis.

Police Chief Chiodo replied there is a peer support team in the department. Officers volunteer, a group is selected from the volunteers, they are trained. There is 24-hour-a-day peer support available for officers.

Councilmember T'Kach said it seems as if the opioid issue begins with pain. She questioned if there would be any use for the money to do more to alleviate. People could get access to the community center for swimming, or a special program set up for people needing rehab that doctors in their medical clinics are not helping with. She said the University of Minnesota has a pain clinic; she questioned if the city could get people into pain clinics. This would help break or prevent the cycle before it happens.

Police Chief Chiodo replied that would fall under other entities, not public safety, to provide. She said she could bring the idea back to their group but was unsure it was something they would do. Staff does not have a right to people's medical records, it would be taken on word of mouth and difficult to see if legitimate. She said it was something worth chatting off line but was unsure it would fall under one of the categories of public safety.

Councilmember T'Kach said she thought of it as a wellness thing, to break or prevent a cycle.

Police Chief Chiodo responded that wellness portion was for first responders. To make sure they were taking care of their own people.

Councilmember T'Kach asked if there was enough Narcan at schools, other public places, and for police staff to address the issue.

Police Chief Chiodo replied she was unsure how much they had in schools. She mentioned she was at one of the public meetings with schools and they would like to have more. Officers use it quite a bit, they either replace it or if medics have extra, they give it to the police department. It can always be ordered, there is no shortage. It costs a lot; police and fire go through a lot.

Councilmember T'Kach asked about public entities. She questioned if there was Narcan in City Hall, other than the police department. She asked about places where the community can be trained on using it. She said she thought Minnesota may do something to make Narcan more available.

Police Chief Chiodo replied Narcan is very available. It can be requested from a pharmacy without a prescription. Entities in the county, such as Hope, provide training services. With reference to the police department taking on the burden/responsibility of training people to use it and having it available, if not using it right, there are some instances where they may not want to do this. This would be something that would have to be discussed with the City Attorney regarding liability. It was a question of whether they should provide it if there are other places in the county that are already providing it for the public.

Councilmember T'Kach said she was thinking of a Dakota County partnership or if Dakota County would take on the training.

Police Chief Chiodo replied it could be a part of Dakota County's Public Health Plan.

Councilmember T'Kach said when seeing use in schools among youth, she was unsure how much of that was directly related to pain or a medical issue. She asked if more activities for young people were needed, or access be subsidized. She said many at Simley are at or below poverty level that may not have extra money to do activities. She asked if there would be value, connecting it to the parameters given.

Police Chief Chiodo replied schools would receive money. They could apply for grants through the County and other entities. When seeing youth using Fentanyl, it's usually not because of physical pain, its often-emotional pain, stress, they feel it may help them cope better. Previously it came from doctors relating to pain and surgeries, now it's another narcotic people can easily get with it when coming into the country. She said it was harder to buy alcohol if underage than it is to find someone willing to sell a pill or something else.

Councilmember T'Kach asked if there would be value in expanding the program that police officers already do with youth. Build more self-esteem among young people, help them feel they can contribute to the community and make a difference, help with how to deal with bullying.

Police Chief Chiodo replied it would go hand in hand with doing the DARE program again. The program educates and redirects. Being honest with kids about what this does to them, to parents, or friends. Their hope with the DARE program is to educate, they also need to give the kids something else. She mentioned that the current SRO does this now with high school and

middle school. There are student groups the SRO works on with kids issues and how to deal with them. She said they could expand on that.

Councilmember Gliva said this was brutally eye opening. She felt prevention is 100% the way to start. They need to start really young. She is very aware of the program. She believes a constant reminder and prevention should be in place in school that every child knows. Spending the money is where they would find the most bang for the buck in trying to deal with this crisis.

Mayor Dietrich asked if the Police Chief was looking for something specific in terms of direction. Police Chief Chiodo replied this gives a baseline of where things are at and what the settlement is for. Feedback is helpful. Staff is being very thoughtful on how this is spent. They want to make sure it is used adequately, are considering different areas, and get ideas from Council that staff may not have thought of.

Councilmember Murphy agrees with prevention. Enforcement is on his list of things to spend the money on.

E. Potential Uses of Federal ARPA Funding

City Administrator Wilson discussed priorities for the use of ARPA Funds. Staff is looking for initial feedback from the Council that would help them make a more specific plan.

Background:

ARPA Funds are one of two forms of COVID response monies distributed to cities nationally as a result of the COVID 19 Pandemic.

- This is distinct from CARES Act funding received earlier in the pandemic. These were used to respond to direct costs the city was facing as the pandemic wore on.
- ARPA Funds are more on the recovery side of things. It came later in the timeline.
 - Inver Grove Heights received \$3.9 million dollars. Half was received in May 2021 and half in May 2022.
 - Nothing has been spent yet. This was on hold/in reserve in hopes of receiving State Bonding Funds for the two priority requests.
 - The city was fortunate to receive state bonding funds for both priority projects.
 - There is currently a path forward for funding of 117th Street. This gives the opportunity to think broadly and widely about the best use of these funds in the city.
- Cities receiving less than \$10 million dollars could tell the Federal Government that this was revenue replacement for lost revenues during the pandemic.
 - This is the route Inver Grove Heights took.
- One time money that must be spent on a "governmental purpose."
- Staff's conversations have focused primarily on capital expenditures (one-time expenditures).
- These funds have a deadline for spending by December 31, 2024 and need to be fully spent by December 31, 2026.
 - The easiest way to think of obligating them is to enter some kind of contract.
- Can be divided up and spent on multiple things.

Considerations:

- Can the proposed project be carried out within the timeline for committing and spending the funds?
- Would the project or expenditure create ongoing operating costs that need to be funded with non-ARPA funds?
- Are there alternative sources of funding available for a particular item or are ARPA funds the best chance for funding a particular project?

How important is:

- Spending in a way that directly impacts residents versus a behind the scenes need of the city
- Breadth and scope of resident impact
 - If comfortable spending it in areas that have a particular need even if it directly reaches a smaller population
- Longevity of the project benefit
 - Could easily spend \$3.9 million on various stormwater projects; would still continue to need money for stormwater
- Needs versus wants

Possible Uses gathered from multiple members of the leadership team at the staff level:

- Water Infrastructure
 - Water treatment plant is currently under design.
 - A presentation will take place during a July City Council meeting about what that evaluation has found, scope of work, price estimate.
 - Benefits a large portion of the city but there are residents with water not coming from the municipal system.
 - The city is submitted in a low interest loan from the State's Public Facilities Authority. Payback would need to be factored in.
 - Automated Metering Infrastructure (AMI). Modernization of water meters. Widespread, more sophisticated, more accurate billing can diagnose a leak or problem.
- Park Investments
 - Receiving State Bonding Funds. \$2 million dollars was received for Heritage Village Park.
 - Obligated to match for the remainder of the project.
 - Estimate the remainder of the project to be \$640,000 (not bid out yet).
 - Anything over \$2 million given by the state is the city's responsibility.
 - Currently penciled into the Park Acquisition and Development Fund. If leaving the money there for other park uses, spending ARPA funds to match the State Bonding money could be an option.
 - Proactive land acquisition in the northwest area for park purposes.
 - Considered long lasting and tangible.
 - Relocate historic IGH structures the city owns on city properties
 - Old Town Hall building and the old school building
 - Moving the buildings to Heritage Village Park
- Capital Investments - Building and Equipment
 - VMCC, Fire Stations, Public Works Building
 - Money has been set aside for the remodeling/expansion of the public works facility
 - Could be difficult with the dates of spending the funds.
 - Rising costs for large equipment
 - When buying a piece of large equipment, cash is paid for snowplows, fire trucks. The city starts to save for its eventual replacement (Central Equipment Allocation).
 - Target estimates for saving for the equipment is turning out to be low. Costs for larger pieces of equipment are rising faster than anticipated.
 - There are some gaps when looking ahead for large equipment purchases.

City Administrator Wilson shared that there is another chunk of one-time money coming into the city that may factor into how this money may be spent. The State of Minnesota adopted a public safety aid payment to cities and counties. This is one time money. Estimates show Inver Grove Heights to receive \$1.56 million dollars to use toward some form of public safety. For example: If short on funds to buy the next fire truck needed, can use this source or ARPA. Funds will be received from the state later this year. Staff is interested in knowing if the Council can choose one or two directions, if there is anything

believed to be a non-starter, or something the Council may be interested in using ARPA funds on. Staff can then focus their efforts on bringing forward a more detailed presentation.

Mayor Dietrich commented that the public works facility was mentioned. She questioned if anyone has done research about the fire station on Upper 55th and bringing it up to code. She asked how long it would take to get that information and estimated costs.

City Administrator Wilson replied that could be done in the timeline provided. Each departments budget requests are due to the finance department tomorrow. One of the requests in Fire Chief Thill's budget is for money to study the location of that station. It would answer the question about if the building should be torn down in that location and rebuilt or if the growth in the northwest area would be better served by selling the land, station, and building somewhere further west of that station. She stated that Fire Chief Thill has spoken with other fire departments that have done similar studies to get a sense of how much that might cost. The Council will see that as one of the fire department's budget requests for next year. This can be fast tracked if that is an interest of Council. The first question would be if that was the right spot, in today's Inver Grove Heights, for a fire station.

Mayor Dietrich stated the pandemic brought about the need for a lot of mental health. A lot of people received that by visiting area parks. She said she would be in support of some of those monies going toward that as there is a direct correlation.

Councilmember Murphy said he went toward a balanced approach of the needs versus the wants. He agrees with the mayor that they should look at land acquisition in the northwest area for kids in the area. Moving the two buildings into Heritage Village before they fall down, since that was what it was designed for, are pretty important. He said he would prefer the buildings be moved before looking at Phase 5. With regards to the water treatment plant, they need to make sure they are in solid shape. He suggested if there was money left over, giving some to public works to go towards roads. They may be able to get a few more miles of roads done.

Councilmember Scales agreed with Councilmember Murphy on a balanced approach. He liked the idea of moving those buildings. The buildings were originally slated to move down to the park, he believes it is time to get them there. He said he wanted to make sure this money is given back to residents the best they can. He was not a fan of putting in buildings and capital improvements, those already have a plan. He said this was the opportunity for a northwest area park. They could do long term things that would benefit residents. He said there is not an opportunity to do that very often. He shared that he wanted to take the opportunity to give something back to the residents who live here. Doing it that way would add something to the community that is long lasting. He commented it is fun to talk about a new fire truck or capital expense such as the water treatment plant, but he did not believe those would give residents the long term benefit they could do with this money.

Councilmember T'Kach agreed with giving residents something for the long term that was not in the capital improvement budget. With the public works building, she was concerned that would put them on a trajectory since the money needs to be spent by a certain time. They may not even know what they are doing there. She agrees with park land acquisition as a legacy. She suggested, rather than two or three acres, having a larger piece of property set aside and holding onto it for a while. She asked if land could be gathered and held until ready to develop. She asked if the City Administrator has spoken with Dakota County as a partner to move the historic buildings. Those are a part of the history of Dakota County. She questioned if the county would have any interest versus the city taking on the entire burden.

City Administrator Wilson replied the County has been a major contributor to the funding of where things are at today with Heritage Village Park. She mentioned that Commissioner Atkins has a strong interest, he is passionate about the history of the city and the area. She has not had conversations with county staff about this, she has mostly spoken with Commissioner Atkins.

Councilmember T'Kach questioned if that may be another way to pay/leverage some of these funds. If the city could come up with 50% and the county come up with a percentage. She liked the idea of the funds going across all residents. She said water treatment and the facility are capital improvements; there is a plan, the same with water meters. Those do not serve the entire community because some people are on wells and septic.

She said something that may be for the whole community could be planning an engagement process. In previous years, the Council has discussed a vision process, to create a community vision and implementation plan, something that could possibly be used or incorporated into the 2050 Comprehensive Plan. Something that reaches out to the community and asks them. She said this is planning dollars they do not really get and do not set money aside for and hire very qualified consultants to determine which way to go on various issues. She said the five Councilmembers are not necessarily going to know, the circle of constituents with the business community and residents may.

Councilmember Gliva would like to see a redevelopment of Concord. She said there is some opportunity on the riverfront they do not take in the city. This could include help and partnership with Dakota County. She was unsure what that would entail. It would be a city-wide benefit. She said she would not be opposed to parks, particularly in the northwest area. There is not a solid space for that area. She said the financial person in her wants to do water treatment and spend money on water. Her top two would be redevelopment and something that is park related in the northwest area.

Mayor Dietrich mentioned there was a benefactor that had contacted her a couple of years ago about an interest in moving one of those buildings as a donation. She questioned if anyone has reached out to people about that before jumping in and taking on the expense. She said there are people that are interested. She said she could speak further about this offline with the Parks Director. She wanted it known that it's still a viable option.

City Administrator Wilson replied that she was not aware of anyone directly wanting to contribute. Feedback has been heard along with positive support. A thought she has discussed with the Park Director was the possibility of using ARPA Funds to get those buildings onto the site and getting them on a solid foundation. This does not mean they would immediately be usable and open to the public. That is another level, restoration. If the city wanted to invest ARPA funds to relocate them it would give the buildings visibility, creating more public interest, and maybe some type of community fundraising effort to raise funds that would allow people to be able to go inside.

Councilmember T'Kach said she would love to do a comprehensive redevelopment plan with a developer on Concord. She wondered if the EDA should be the ones paying for it; there are EDA funds. She was unsure of the costs to bring in consultants. She questioned leveraging funds against EDA, matching, bringing in partners like Dakota County. She agreed they were not optimizing life in that area. She said she thought the community would like input on that and suggested doing a community planning process.

City Administrator Wilson stated planning efforts around the redevelopment of north Concord and the riverfront area may be on the longer list of possible uses included in the Council packets.

When speaking of redevelopment, they end up with a goal of it ending up in private hands. She questioned the costs the city might permanently incur, infrastructure, and if there was any limitation on

using the funds to buy land they want to sell back into the private sector and add to the tax base. She said she has not looked into that angle on these funds but will to see what the opportunities are.

City Administrator Wilson addressed Councilmember T'Kach and replied that the EDA Acquisitions Fund has a very small amount of funds outside of the grant funds.

Councilmember Gliva questioned the public safety aid the city is receiving and if it was new.

City Administrator Wilson replied it is brand new. It just passed this legislative session; it has not been done before. Her understanding was that it was a priority of the Governor to provide aid to every community for use on what ever they see as their public safety priority or needs. There is a short list of what it cannot be used on such as tear gas and armored vehicles. The Council will have to decide on the joint efforts of the police and fire departments. The city is waiting on further guidance from the League of Minnesota Cities. There are staffing needs in both departments that could benefit. This money will not be there forever.

Councilmember T'Kach asked if the legislature, with regards to the LGA, would help the city.

City Administrator Wilson replied the City of Inver Grove Heights does not receive LGA. Public safety aid is one time money coming. There will be some affordable housing funds coming from the new quarter cent sales tax in the metro area which is ongoing funds. Staff is still waiting for information and guidance for eligible uses.

Mayor Dietrich stated she wanted some of the money to be spent on fundamental things such as CIP projects: roads, water treatment; those affect a majority of residents.

Councilmember T'Kach mentioned when thinking about water quality and local water bodies, there have not been conversations about remediation or improvements. There are many water bodies in the city, many are impaired. She questioned if there would be opportunity there.

City Administrator Wilson replied staff could look at that. She said the city relies heavily on the watershed districts for the quality of surface water in the city. Runoff is a worry along with the quality of water being added to the water body from streets and parking lots in the city. There are two watershed districts that are the experts. She said she could pose the question to the Environmental Specialist and the Environmental Advisory Commission.

Councilmember T'Kach questioned what they could do to minimize run off causing issues.

City Administrator Wilson replied that one of two State Legislators, Representative Hansen, was instrumental. There is a large pool of money for cities relating to water quality, stormwater, runoff, and environmental. This is another new program. There are a lot of new programs coming out of this year's legislative session. This one is not a formula allocation, it would be grant applied for. The same money may also offer opportunities for Emerald Ash Borer work. Staff is working on understanding the rules of the new state programs. She mentioned that ARPA money is established, it is in-house in a standalone fund. There are deadlines.

F. 2024 State Bonding Request

City Administrator Wilson presented the 2024 State Bonding Requests. The State of Minnesota does Bonding Bills or a Capital Investment Bill every other year in even numbered years. 2024 is a scheduled bonding year for the Legislature to debate capital bonding requests. One was just passed in 2023.

Timeline:

- Council would have to adopt a Resolution seeking State Bonding Funds at the June 12th, 2023 City Council Meeting.
- Due to the state by Friday, June 16th.
- This is to be considered for inclusion in the Governor's Bonding Bill.

- Local governments, state agencies, state college and university systems can all submit.
- A lot of what ends up in the final State Bonding Bill is a result of politics.

Eligible Local Projects:

- Capital Investments in fixed assets: public buildings, parks, bridges, streets, water and sewer lines, infrastructure.
 - Cannot ask for planning processes, programming, or a service to residents.
- Publicly owned in perpetuity for a public benefit.
- Monies awarded for cities are asked that a regional benefit to the project be identified.
 - The perfect case for this was with the 117th Street reconstruction. The trucks that travel that road benefit people all around the metro area and beyond. The argument that the tax payers of Inver Grove Heights should not have to bear the full cost of reconstruction of the street is a straightforward argument to make.
- City projects need to be 50% funded through non-state sources.
 - It could be a federal grant, county money, other partners.
 - Projects get through with exceptions to this rule.
- They will pay for predesign and design costs associated with a project, cannot ask for bonding funds for master planning and general studies.
 - Projects need to be to a certain point to successfully compete for bonding funds.

Governor's Office Prioritizing:

- Provide at least a 50% match
- Provide a resolution of support from the governing body

Staff has done some brainstorming on this and have struggled to come up with an Inver Grove Heights area they feel is strongly ready. One that came up was a potential future interchange at 494 and Argenta and seeking state funding to advance that forward. The city is nowhere near looking for construction dollars for this but is looking for funding.

She stated at a January City Council meeting there was a presentation by WSB stating what would need to be done to move this forward. They identified Step 1 as an interchange study with an estimated cost of \$250,000 to \$500,000. She felt that could be too much of a study and would not be ready enough to call it a design of an interchange. She said they could try if the Council thinks it, is a priority. She said she is seeking information from the Council about any specific projects they would like to champion for the city to put forward.

Councilmember Scales asked if this would be an opportunity to put forward the water treatment plant.

City Administrator Wilson responded no; they need to fix the water treatment plant faster than these funds will be available. The city hopes to be under construction this winter.

City Administrator Wilson stated that Representative Hansen introduced a bill to help fund the water treatment plant this year. It did get a hearing but did not get included. This was because of state bonding funds to fund the low interest loan the city has applied for. When the city says sewer or water treatment, they are told to call the Public Facilities Authority.

Councilmember Murphy asked why a fire hall would not qualify.

City Administrator Wilson replied it is of regional significance. Every city in the state needs fire stations. The question would be asked why residents of other communities should help fund.

Councilmember Murphy asked why it would not qualify even if we aid other cities.

City Administrator Wilson replied it is commonplace with other cities. If there is a fire station receiving some funds it is usually due to them putting in regional training facilities. Scott County has a regional training facility that serves police, fire, and public works for all cities in the county.

Councilmember T’Kach asked if there were any partnerships along the Mississippi River to do some cleanup or something along the river that would be of regional significance.

City Administrator Wilson replied she was sure there were projects but was unsure they qualified as a fixed asset.

City Administrator Wilson shared that an option would be to reach out to Dakota County and find out if they are submitting for any projects that are in Inver Grove Heights and jointly advocate for funding. She said she hoped when the times comes to seek funding for the 494 and Argenta interchange, they would be doing it in partnership with the County as it is a County Road. She was unsure river cleanup qualifies.

Mayor Dietrich questioned if someone from staff could have a conversation with County Commissioners to see if they are putting in anything for 494 and if it would qualify as far as planning. It may put the city in a position to put that on as a major priority.

City Administrator Wilson replied she would check.

Councilmember Gliva asked if submitting this as a proposal, if it meant the city is fronting the project.

City Administrator Wilson replied they would inquire. For example: Public Works Director Brian Connolly provided testimony for 117th Street. When providing testimony, those types of activities ask how much funding the city has available, what is committed. Projects may have a better chance of funding if able to respond with figures.

Councilmember T’Kach asked if there was a benefit to not going into a bonding bill every year and giving it a rest.

City Administrator Wilson replied yes that perspective could be argued as most do not receive money each and every year. The city did receive two projects this year. The city wants to be known for having projects that are well formulated and ready to go. Others at the county or state level take more of a “it never hurts to ask” strategy.

She shared that her professional style is that she does not want to bring the Council anything that is not well researched and thought out, with the answers to questions. That strategy would be taken to the legislature stating the city is ready, prepared, boxes are checked off. It’s personal/professional preference to decide where the city would want to fall.

Councilmember T’Kach stated her concern is that there are so many things going on this year with water treatment and projects. She worries about staff time being so thin that the city does not appear like they have everything in order; they may drop the ball on something important. For example, the water treatment plant. She would rather have everything planned out correctly when going to the state or anywhere publicly.

City Administrator Wilson said between now and next Monday, she would reach out and talk to the county and find out if they have a project in Inver Grove Heights or if they are advancing the one discussed and see if there is an opportunity there.

She mentioned there is a fair amount of funding available for cities and counties in 2023. At the state level there are new grant and funding programs. At the federal level there are a lot of infrastructure funding. She said sometimes it is looking at what the city priorities are, and then chasing the money that helps the city meet those priorities as opposed to trying to fit in and doing projects the city isn’t quite ready for. If deciding there is not a request to submit through the state process, does not mean between now and February they cannot work on things that are a priority to the city, they can.

4. ADJOURN:

Motion by T’Kach, second by Gliva, to adjourn the meeting at 8:15 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek