

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, JUNE 12, 2023 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, June 12, 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, Gliva, T’Kach; City Administrator Wilson, City Attorney McCauley Nason, City Clerk Kiernan, Finance Director Hove, Community Development Director Rand, Associate Planner Botten, Public Works Director Connolly, Parks and Recreation Director Lares, Police Chief Chiodo, City Engineer Merchlewicz, Communications Manager Looze, Assistant Finance Director Hosszu

Also Present: Bonnie Schwieger, Senior Manager, Abdo Eick & Meyers

Absent: Councilmember Scales

3. PRESENTATIONS:

4. CONSENT AGENDA:

A. Minutes of the May 1, 2023 City Council Work Session

B. Minutes of the May 8, 2023 City Council Meeting

C. Minutes of the May 22, 2023 City Council Meeting

D. Approval of Disbursements **Resolution 2023-131**

E. Personnel Actions

F. Exempt Charitable Gambling Permit for the Church of St. Patrick

G. Approval of Massage Business and Therapist Licenses

H. Joint Powers Agreement (JPA) with Dakota County and Project Budget for Concord Boulevard Project **Resolutions 2023-132 & 2023-133**

I. Ordering Feasibility Study for the 2024 Pavement Management Initiative (PMI) Project Areas **Resolution 2023-134**

J. Resolution 2023-135 Approving Minimum Cash Reserve Policies for Water & Sewer Operating Funds, Transferring Excess Balances, and Consolidating Capital Funds

K. Resolution 2023-136 Approving a One-Year Conditional Use Permit Extension for 7855 Cahill Avenue (Assisted Living Facility)

L. Resolution 2023-137 Accepting Donations from the Inver Grove Heights Public Safety Foundation

M. Acceptance of Grant to the Police Department

N. Resolution 2023-138 Accepting Memorial Donation to the Police Department

O. Updated Service Contract for Weather Warning Sirens

P. Authorization to Enter into 2023-2025 Labor Agreement with LELS, Local 540

Q. Resolution 2023-139 Establishing Juneteenth as a City Holiday

Motion by Murphy, second by T’Kach, to approve the Consent Agenda as presented.

Ayes: 4

Nays: 0 Motion carried.

5. PUBLIC HEARING:

A. Temporary Two-Day Liquor License for Church of St Patrick

City Clerk Rebecca Kiernan presented the application for a temporary two-day Liquor License for the Church of St. Patrick located at 3535, 72nd Street East, Inver Grove Heights. The Church has applied for a temporary liquor license for September 16th and 17th, for their annual fall festival. Notice of the Public Hearing was published in the Pioneer Press on May 28th, 2023. Staff recommends approval of the temporary license.

Motion by Gliva, second by Murphy, to close the Public Hearing at 6:02PM

Ayes: 4

Nays: 0 Motion carried.

Motion by Gliva, second by T’Kach, to approve the temporary Two-Day Liquor License for the Church of St. Patrick located at 3535 - 72nd Street East.

Ayes: 4

Nays: 0 Motion carried.

6. REGULAR BUSINESS:

A. Comprehensive Annual Financial Report for the Year Ended December 31, 2022

Finance Director Amy Hove stated that the auditors will be presenting the Comprehensive Annual Financial Report for the year ending December 31, 2022. She said they typically have Brad Falteysek presenting but tonight the city’s direct contact, Bonnie Schwieger, Senior Manager at Abdo Eick & Meyers, will be presenting.

Bonnie Schwieger, Senior Manager, Abdo Eick & Meyers, presented on the following:

Audit Results:

There are a few different opinion letters that are issued within the financial statement. Opinion letters are required because:

- State Statute requires that an Independent Auditor come in and do an audit of the financial information.
- Required to have a Legal Compliance Audit by State Statute.
- Related to Federal Awards. This is the first year this specific audit is done due to the SAFER Grant received. This bumped the city up over the Federal Audit threshold of \$750,000.

Auditor’s Opinion:

- Unmodified Opinion
 - Consistent with what the city has received in the past. Provided reasonable assurance that the financials were free of material misstatements.
 - Allows the users of financials to put trust in them.

Legal Compliance Opinion Letter:

- No findings
- Able to issue a clean opinion

Single Audit:

- A couple of compliance and control findings were disclosed within the audit report.
- For the SAFER Grant, a few compliance areas were found that the city needs to look at when applying and receiving these awards in the future.
- Discovered some control elements that could be improved to make sure compliance and control reporting was a bit tighter.

To note: These were not areas that were troublesome, but things through the audit process they are required to disclose and would help those involved to improve in the future.

General Fund Results:

General Fund, Fund Balances:

Consists of balances over the past five years and compares it to the General Fund Balance Policy.

- City policy is to have 40-45% of the next year's budget included within the fund balance.
 - City was in line with the policy at 43.5% (slight decrease from prior years)

General Fund Budget to Actual:

- Fund balance increased slightly
 - Some of the increase was due to setting aside funds for the SAFER program, to pay for future payroll costs.

General Fund Revenues by Type:

- Largest source of revenue is from taxes
- License and Permits
- Transfers In from other areas
- Other category: Interest, earnings, and grants
 - Large jump in 2022 due to the SAFER Grant coming in to pay for firefighter costs

General Fund Expenditures by Type:

- General Government
- Public Safety experienced a large increase due to additional payroll costs
- Public Works
- Other: Includes the Recreation Department (brought into the General Fund in 2022)

Special Revenue Fund Balances: Funds committed to very specific purposes:

- Community Center
 - Large negative balance due to an interfund loan (forgiven in 2023; \$1.4 million dollars)
- Recreation Fund was moved into the General Fund
 - Went from \$400,000 to zero because it was combined in with General Fund operations
- Opioid Settlement Funds: First time funds received in 2022; restricted for public health resources

Debt Service Funds. Obligations for streets and other governmental type projects:

- Does not include anything that would be issued in the future (only information through 2022)

Capital Projects Fund Balances:

- Closed Bond Fund: Helps pay back future debt service
- Restricted and assigned
- Assigned balance would change with the Closed Bond Fund, going to pay back debt service.

Internal Service Funds. Funds set aside from different departments to pay for very specific activities:

- Central Equipment Fund (Main): Build up reserves to pay for specific equipment replacement for future years.
 - Can increase a lot or go down drastically when the planned replacements happen.
 - Unique type of accounting system. Very few use this type of system. Can be more complicated, a well-designed way to set aside funds for future replacements.

Councilmember Murphy asked what the other way of doing this was.

Ms. Schwieger replied the other way would be to include it within the year-to-year General Fund. This can be confusing when trying to look back at past budgets. Having it separated out the way the city has is much easier to plan for.

Ms. Schwieger discussed the Water Fund:

This was previously done with operating capital mixed in the same funds making it difficult to see what was set aside. The new way of doing things has operating reserve separated out from capital reserve.

- \$12 million dollars operating and capital. All is planned for within the rate study. This is accounted for in future capital projects.
- There is a minimum target balance; 6 months of operating cost.

- Operating receipts and disbursements have a category that shows how much cash is coming in from operating receipts to pay for those obligations and to save up for future capital needs.
- Operating receipts have been sufficient to cover operating costs and disbursements.
 - Suggests looking back the rate study to see what the projected capital needs are.

Sewer Fund:

- Total cash for operating and capital. Looking at the past four years.
- Sewer funds have not quite met the operating costs and debt payments.

Stormwater Management Fund:

- Will be addressed in a future rate study to determine how the stormwater capital is split apart from operating needs.

Golf Course Fund:

- Looks at receipts coming in and cash available
- There was a large spike in 2020 due to the three-year membership drive

Cash and Investments Balances by Fund Type:

- Not all cash available for everyday use
- General Fund is the main operating fund

Mayor Dietrich mentioned it was a very good presentation and congratulated the Finance Department.

Motion by Gliva, second by T’Kach, to approve the Comprehensive Annual Financial Report for the Year Ending December 31, 2022 as presented.

Ayes: 4

Nays: 0 Motion carried.

B. Rental Housing Licenses

Community Development Director Heather Rand presented 10 Rental License Applications for approval. The applications have been reviewed by community development staff and the police department. All are in order. Staff recommends approval of the following in order of rental address, property owner, and property manager:

8825 Branson; Laura Devney, Inver Grove Heights, MN, Jacob Devney, Inver Grove Heights, MN
5821 Babcock; Liborio Ramirez, Inver Grove Heights, MN, Liborio Ramirez, Inver Grove Heights, MN
4728 Blaylock; Christopher Tomasson, Centennial, CO, Tyler Brietzke, Maple Grove, MN
8857 Brunell Way; Estate Properties LLC., Inver Grove Heights, MN, Benjamin Kieffer, Inver Grove Heights, MN
7943 Charles Way; IH2 Property Illinois LP., Dallas, TX, Invitation Homes, Mendota Heights, MN
8861 Brunswick Path; Crystal Ann King, Roseville, MN Crystal Ann King, Roseville, MN
7335 Bond Way; Amy Jo Sik, Hastings, MN, Branden James Nation, Eden Prairie, MN
7281 Bond Way; Smeeta Antony Living Tr., Inver Grove Heights, MN, Branden James Nation, Eden Prairie, MN
4761 Blaine Ave; Andrew Allen Direman, Rockford, MI, Branden James Nation, Eden Prairie, MN
4708 Blaine Ave; Andrew Wayne Swanson, Rosemount, MN, Branden James Nation, Eden Prairie, MN

Motion by T’Kach, second by Gliva, to approve the Rental Housing Licenses as presented.

Ayes: 4

Nays: 0 Motion carried.

C. Request for Variance from Setbacks and Accessory Structure Size Limitations, 10471 Barnes Avenue. Resolution 2023-140

Associate Planner Heather Botten presented a request for property located on the northwest corner of 105th Street and Barnes Avenue, zoned Agricultural. The applicant is requesting two variances:

1. A variance to allow an accessory structure 4,000 square feet in size whereas 2,400 gross square feet is the maximum size allowed.
2. A variance from the northern property line to be setback 38 feet from the property line whereas 50 feet is the required setback for structures greater than 1,000 square feet.

The property is 5 acres. The lot currently has a single-family home with an attached garage and a 3,200 square foot detached accessory building that has been on the property for over 20 years. The roof of the structure collapsed in January due to the heavy snow load and will be demolished. The applicant would then be allowed to build a structure up to the same square footage of 3,200 square feet. The applicant is requesting a 4,000 square foot structure. The structure would be for the owner's own personal use. It would be in compliance with exterior building material requirements and would meet setbacks from the front and side property line to the west.

Staff recommends denial of both variance requests. Denying the request does not preclude the applicant from reasonable use of the property. Staff believes there is room on the property to move the structure further south to comply with setbacks. The original structure was located about 58 feet from the property line, in compliance with setbacks. There is room to add the additional 20 feet to the south side of the building or to move the entire structure south.

The applicant would be able to replace the existing structure with another structure up to 3,200 square feet, which is 800 square feet over the 2,400 currently allowed for lots over 5 acres. Staff believes approval of the request could set a precedent for other setback encroachments and other large accessory structure size requests. Staff does not believe the information presented satisfies the practical difficulty requirements. At the May 16th, 2023 Planning Commission Meeting, a Public Hearing was held; the Commission recommended denial of the request at a 7/0 vote based on the lack of a practical difficulty.

There are two resolutions in the Council packets. One is for denial and the other is for approval. If approved, a practical difficulty would have to be stated. There are four conditions listed that staff also recommends approval on.

Mayor Dietrich asked for confirmation on the 3,200 allowable, the setback, and if it would need to be replaced as is.

Associate Planner Botten replied a 3,200 square foot structure could be placed anywhere on the lot as long as it complies with the 50-foot setbacks. The original structure complied with setbacks. It is not grandfathered in for any type of setback location.

Randy Motilal, 10471 Barnes Avenue, stated he was in attendance on behalf of his parents who are both out of the country. He said the reason why they were requesting a variance for the larger structure is because it used to house farming equipment for other lots they own. They currently farm in Glencoe Minnesota, Hutchinson Wisconsin, Cologne Wisconsin, and Gaylord Minnesota. They have over 75-300 acres of farmland that they work on growing crops and farm animals. There is equipment at those locations, but they shuttle equipment back and forth from this location to various spots. Since they built the current structure in 2000, they have accumulated more farming equipment they need.

He displayed photos of the various equipment they store at times including a runner, front end loader, van, four wheelers, lawn mowers, tractors for plowing/farming, a semi-truck with two trailers, plow, bobcats, trailers, loaders, other farming equipment, and trailers.

He stated with the amount of equipment they have/use on a yearly basis, the space of the structure they currently have would not be enough to house them and keep them working properly, especially in the winter months without having to rent and pay storage somewhere else. They would prefer to be able to

keep it in one location for the ability to maintain them. He said if the 38-foot setback was a reason for denial, they would be willing to move the structure to work with the 50-foot setback. He said when they built the original building, a permit was not needed back in 2000. They did not know they needed one going forward. He said they understand regulations change, but they were not aware of it. They have already ordered and purchased the new structure; it is on site ready to be built. If they had known, they would have gone through this process before purchasing. He said they already have the building and really need it to house everything they have.

Mayor Dietrich asked how he became aware of the permit requirement.

Mr. Motilal replied he had accidentally crashed into his parents' garage with the plow truck. The structure of the house needed to be fixed. When the City Commissioner came to check on that, he noticed the shed was in shambles and made them aware they needed a permit to get it demolished and rebuilt. He said other than that they would not have known. This took place in April.

Councilmember Murphy asked if building permits were not needed in 2000.

Associate Planner Botten replied in 2000 there is record in the building permit file that they inquired about a building permit. It was deemed an agricultural building at that time. There is a letter from the city stating as long as it is used for agricultural purposes the permit would not be required and would be exempt. If it had been just a regular building for personal use a building permit would have been required.

Councilmember Murphy asked for examples of agricultural purposes.

Associate Planner Botten responded that the building code has changed. For an agricultural purpose only building a building permit is now required. Code states "accessory structures to principle agricultural uses; farm, ranch, stable, greenhouse, would be exempt from code requirements. In this case, (an aerial photo was shown), this property is not a principle agricultural use. The building, even though it is built for that requirement, is not being used as such. The new building is also not a principle agricultural use on this property.

Mr. Motilal stated when they initially built the structure, they were housing farm animals in it. Over time they got away from that and brought them to other farms. There was also a large garden. Over the years they branched out to other locations. They shuffled where things were and had this be the central location. They still do gardening and have some livestock on site that would be housed in the structure.

Mayor Dietrich asked for clarification from staff.

Associate Planner Botten replied there are currently no animals on site. The property is not being used as a principle agricultural use. Staff would not consider this to be an agricultural building.

Mayor Dietrich asked if gardens of any size counted.

Associate Planner Botten replied gardens do not count. If it was a greenhouse operation, they would count. A personal garden would not count.

Councilmember Murphy said he struggles to find a practical difficulty in this situation. He would be concerned this would be precedent setting. He is happy they would get to rebuild. He thought the agricultural use may be used, but he is not seeing it.

Councilmember Gliva said she agreed especially since they were rebuilding a 3,200 square foot building in comparison to what the ordinance currently says with 2,400. She said she cannot find a practical difficulty.

Councilmember T'Kach said she was glad the applicant could move the structure to meet the setback requirement. She said this was a tough choice; she does not see the practical difficulty here.

Mayor Dietrich said they have to follow what is stated in the Statute and agreed with fellow Councilmembers.

Motion by Murphy, second by Gliva, to deny the Variance to exceed 2,400 square feet and to allow a setback of 38 feet whereas 50 feet is required for property located at 10471 Barnes Avenue. Resolution 2023-140

Councilmember Murphy asked if these were two separate motions.

City Attorney Bridget McCauley Nason replied there is one resolution of denial. Her understanding was that it was a motion to approve the resolution denying the variance to exceed the 2,400 square feet and to allow a setback of 38 feet whereas 50 feet is required. The resolution denies both variance applications.

Councilmember Murphy agreed that was his intention with the motion.

Ayes: 4

Nays: 0 Motion carried.

D. First Reading of an Ordinance Establishing a City Licensing Requirement for Tobacco Sales

City Clerk Rebecca Kiernan presented on establishing a licensing requirement for tobacco retailers.

Background:

- Most Dakota County cities license tobacco retailers at the local level. Inver Grove Heights did not enact a tobacco licensing program in 2015. Dakota County kept the responsibility of licensing and enforcement of tobacco products at that point.
- Chapter 12 of the Inver Grove Heights City Code addresses cigar/vape shops located within our jurisdiction but does not contain a licensing program for tobacco retailers.

Changes from Dakota County to the City:

- Dakota County reached out to the City Clerk's office in 2022 requesting that the City of Inver Grove Heights shift the responsibility for licensing and enforcement of tobacco products, starting with the renewal process in 2023 for licensure in 2024.
- There are currently 32 tobacco retailers located in the city.
- Early in 2023, the Council discontinued the licensing of service stations and automobile dealerships, making staff time available for this licensure process.
- The licensing process can be accomplished with existing staff resources in the City Clerk's office and the Police Department.

Key Features in the Proposed Ordinance:

- Proposing a 1-year license period to go from January 1st to December 31st
 - Consistent with other neighboring jurisdictions tobacco licenses
 - Consistent with IGH liquor licensing
 - Different from Dakota County (currently 2 years)
- Background check and insurance is required
- Staff training and recordkeeping are required
- Similar to liquor licensing
- Violations:
 - First - \$300 fine (ordinance to amend - no suspension)
 - Second - \$600 fine plus a 1-day suspension
 - Third - \$1,000 fine plus a 7-day suspension

The proposed penalties match Dakota County and neighboring cities.

License Fees – Tobacco:

License fees for tobacco retailers in Dakota County ranged widely. Staff recommends a fee that is justifiable for time spent.

- Proposed at \$300 annually

Next Steps if the 1st Reading is approved:

- Public Hearing would be held with a 2nd Reading
- Monday, July 24th, 2023 at 6:00 p.m. in City Council Chambers
- All retailers in Inver Grove Heights currently licensed by Dakota County will receive a direct mail notice with the proposed ordinance

Questions for Council:

- Does the Council want to proceed with a 1-year license or stay with a 2-year
- Would the first violation of the city license be the first violation regardless of retailer's history with Dakota County
- Does the Council want to add any additional restrictions or requirements

Mayor Dietrich asked if there was insight from the police department regarding a reason for changing from 2 years to 1-year and what the benefit would be.

City Clerk Kiernan replied it would be easier to keep in line with the liquor licensing program with checks twice a year. Dakota County found it simpler to run as a 2-year period.

Mayor Dietrich asked if it would be less staff time with a 2-year.

City Clerk Kiernan responded it would be slightly less.

City Administrator Wilson replied it would be less staff time to renew licenses once every two years. Staff finds the annual process of sending retailers the notice that it is time to renew their license to be a good prompt. They make sure their insurance is up to date and the employees are trained. This ensures a more regular interaction between the city and business that helps improve compliance. She shared that staff is concerned how they would justify to their liquor license holders that they have to renew every year and tobacco holders only need to renew every other year; it seems unfair. Staff has recommended 1-year but can be changed in the draft before the 2nd Reading if that is the Council's preference.

Mayor Dietrich asked if the violations can be stacked.

City Clerk Kiernan replied they are currently stacked at Dakota County. She asked the Council if they wanted to start over with a fresh slate or continue with the violations already received.

Mayor Dietrich said she supports the 1-year license. She believes they should be paying attention to what the history is with Dakota County; it is being continued within the city. She had nothing to add with regards to restrictions or requirements.

Councilmember T'Kach said she was fine with the 1-year license for the reasons the City Administrator stated. She would like to continue with history. She questioned having recreational marijuana coming and if there would be some type of ordinance surrounding it. She asked if these would be related.

City Clerk Kiernan replied it may have to be a separate ordinance.

Councilmember T'Kach said if the ordinance was separate, she questioned if the penalties would be similar as well as the renewals.

City Attorney McCauley Nason replied she has not read the bill yet. She is heading to the League of Minnesota Cities Legislative Update. The final bill that was passed did significantly inhibit the city's ability when it comes to licensing and regulations. Once there are better bearings on what the city is allowed to do and what the timeframe looks like, information would be brought to the Council. This includes the regulation of businesses that sell marijuana under the State Statute that was adopted this legislative session. She said it would look nothing like

what the Council reviewed when there was a draft about one year ago. Things have changed as far as what the city is allowed to do.

Councilmember Gliva said she felt 1-year was fine for licensing to keep it consistent. She suggested keeping the continuation of information Dakota County has.

Councilmember Murphy said he was fine with 1-year and that history counts. He had no restrictions to add. He requested clarification on Section 4-12-07, Page 10, where it states, "sampling of premium cigars and pipe tobacco may occur in a tobacco product shop subject to the following conditions", Item #1 states "tobacco products shop must sell premium cigars". He said he felt a better definition was needed for what a premium cigar is. He said Item #2 discusses the ability to do sampling "if the only other thing sold in the shop were cigar accessories, pipe tobacco, and pipe tobacco accessories. They may not sell any other tobacco related accessories." He said the last part of the sentence could get them in trouble. Specifically, "any other tobacco related accessories." He commented that it seemed like you cannot sell an ashtray. He asked if that would need to be checked.

City Clerk Kiernan stated that is what is in the current code. Staff could revisit and add it to the 2nd Reading.

Councilmember Murphy referenced #7 stating that "no alcoholic beverages may be sold or served on the premises". If licensing a tobacco shop, he asked if that meant they cannot come back to the Council and apply for an exclusive liquor license.

City Clerk Kiernan replied they could not.

Councilmember Murphy said he would have an issue with #7 because it could restrict some businesses that may want to do what one of the other businesses is doing.

Councilmember T'Kach addressed #7 stating she thought they were looking at the exclusive liquor store places that would not be able to sell tobacco. She questioned if these would be mutually exclusive anyway.

City Administrator Wilson stated there are two issues being worked on that are occurring at the same time. The Council has not come to a decision, but based off an email, there is the ability to restrict what an exclusive liquor store can sell. Discussion regarding this will continue two weeks from tonight. She stated that the specific language on the bottom of page 10, top of page 11, the restriction on selling alcohol, is in current code. A city issued license is not currently required to sell, there is language around sampling and cigar shops in the current city code. The "no alcoholic beverages may be sold" was not inserted in response to the previous conversation. It has been city code for several years. She agreed that they need to say the same things, they need to not conflict in two sections of the city code. When the Council weighs in on this, staff would get it cleaned up.

Motion by T'Kach, second by Gliva, to approve the First Reading of an Ordinance Establishing a City Licensing Requirement for Tobacco Sales.

Ayes: 4

Nays: 0 Motion carried.

E. Second Reading of Ordinance Amending City Code Related to Alcoholic Beverages in City Parks

Parks and Recreation Director Adam Lares presented the second reading of an ordinance amending the city code relating to alcoholic beverages in the city parks. After receiving feedback and dialog from the community and Councilmembers, staff made a minor adjustment as follows:

Background:

- One of the reasons staff is looking at a change in the ordinance to allow alcoholic beverages in three city parks was a business decision.
- There are a lot of opportunities where residents and non-residents come to parks, shelters and an athletic complex and would like to offer participants/guests alcoholic beverages.
 - Current ordinance does not allow anything above 3.2% alcohol by volume
- Staff has taken this into consideration and worked with the City Attorney, the police department, and staff to make proposed changes to the ordinance. This includes three (3) locations:
 - South Valley Park Shelter
 - Rock Island Swing Bridge Park Shelter
 - Rich Valley Athletic Complex
- This is intended for large and small gathering spaces. These are the three that have been requested as having alcohol consumption or distribution (Rich Valley Athletic Complex).
- Not intended for all city parks.

Changes - South Valley Park:

Removed:

- 3.2 malt liquor language
- 150 feet from park shelter

Determined to do a Code of Conduct. The signage would allow and direct participants and guests as to what they can and cannot have within the shelters.

Added:

- Rock Island Swing Bridge Park
- 16 % by volume (was previously 10%) this includes wine, single serve mixed drinks
- Original container
- Single serve
- No more than 16 oz.
- Event sponsor is required to identify guest age and who is eligible to consume alcohol (part of the permit process)
- Consumption would need to be contained to the shelter area

Changes - Rich Valley Park/Complex

Removed:

- 3.2 malt liquor language
- Removal of Park. Concentrated to the athletic complex area. Contained to the parking lot and athletic complex.

Added:

- Must be in conjunction with an event for which the sponsor has obtained a permit from the city to use the athletic complex for a permitted event and only if the person possessing or consuming the alcoholic beverage is an invitee of the event sponsor.
- Must obtain a short-term liquor license if choosing to distribute or sell
- Must be in the original container
- 16% by volume
- Single serve
- No more than 16 oz.
- Event sponsor is required to identify guest age and who is eligible to consume alcohol
- Athletic Complex
- Alcoholic beverages will not be allowed at any youth-focused events or tournaments

Also Added:

- New section of ordinance
- Sell

- Must obtain one of the following:
 - On-sale liquor intoxicating liquor license
 - Temporary on sale 3.2 liquor license
 - One-day consumption
- Can be sold in non-glass or plastic cups, not required to be in original containers
- Alcoholic beverages will not be allowed at any youth-focused events or tournaments

Requested Action:

The Council is asked to consider approval of the second reading amending the city code related to alcoholic beverages in city parks.

Recommendation:

- The Parks and Recreation Advisory Commission reviewed the proposed ordinance at their May 10th meeting. Unanimously voted to recommend approval of the ordinance to Council.
- Staff recommends approval of the second reading of the proposed ordinance as presented.

Mayor Dietrich asked how this would come to the Council as policy makers regarding license holders that have events. She asked if they would be on the Consent Agenda, public hearing, in what form.

Parks and Recreation Director Lares replied South Valley and Rock Island Swing Bridge would be done through the permit application process. This will go before staff and the Parks and Recreation Commission for approval. The Council will receive a notice of what the event was for, for example a graduation party. For Rich Valley Athletic Complex there would be three options: a 1-day liquor license, on-sale liquor license, temporary on-sale 3.2, those would come before the Council. If at a certain threshold, the police department would review the application and determine if on duty officers would be needed on site.

Councilmember T’Kach said it seemed like a great opportunity to meet some of the city’s environmental goals. She suggested as it goes through the approval process, to require compostable cups if going the route of single serve. She said they would have a composting drop off by the end of the year. If items were BPI Certified compostable, they could go into the Dakota County/Inver Grove Heights compost drop off. She would like to see that as setting the bar for the city.

Parks and Recreation Director Lares responded that was something they could encourage within the application process. Options and recommendations could be given as to where people could purchase those types of compostable beverage containers. It can also be added across the system for a lot of the permits outdoors at a later date.

Councilmember T’Kach asked if there was a reason it could not be required now.

Parks and Recreation Director Lares replied its currently not written in this ordinance.

Councilmember T’Kach asked if the ordinance could be amended, as it is the purpose of three readings.

Parks and Recreation Director Lares replied it could be evaluated. He said he was unsure if it would deter anyone from licensing at Rich Valley. It was something that could be strongly encouraged.

Councilmember T’Kach mentioned it was a minimal cost over the cost of a plastic cup. When looking at the garbage costs they would be paying in the parks, it could possibly offset the city costs to haul the garbage away versus having compostable cups. If having a picnic, the napkins and paper plates could go into compostable bags. She said this seemed like the perfect opportunity to set the stage especially as they think about other large parks that may have large events. She said it might be difficult to add or change it later, once established.

Councilmember Gliva liked the idea of conservation and being environmentally friendly but thought the goal was to get the parks in use. She said she would be in favor of it being a strong

recommendation. She commented what some consider costly for one person, may not be the same for another person. The goal is to use the parks.

Mayor Dietrich agreed. She said she does not want to tell people what they can and cannot do. Adding a strong recommendation would be fantastic.

Councilmember T'Kach asked if a discount could be added to the permit fee, something that would provide an incentive. She said people are told to do things every day. There are a lot of people using the parks. She commented that somewhere the city has to live their values if saying we are an environmental city and people move to the city for the green, trees, parks, and trails. It would keep in line with what the city wants to be, such as a Green Steps City. She questioned where they draw the line, it seemed inexpensive.

Parks and Recreation Director Lares replied there could be opportunity that an incentive program be offered along with a strong recommendation. This could be looked at and promoted along with the fee schedule for 2024. Staff would run the numbers to see what type of discount could be considered and propose it for the fee schedule adjustments.

Councilmember T'Kach asked how that would be enforced. She said it seemed impractical but appreciated the idea. She would take something over nothing. She did not feel it was that much of a burden if going the extra mile to allow alcohol in the parks at this time.

Parks and Recreation Director Lares replied applicants would have to provide a plan. It would be a course of action on how they plan to identify and distribute alcohol at Rich Valley Athletic Complex. Within the plan staff could have the applicant identify if they would utilize compostable cups and that would be when they get the reduction. He said with the size of the complex, there is usually staff on site, they could check. He said they could work with the Parks Department to help verify. He shared his experience with most event sponsors and said that they are more than happy to provide additional information if looking for an incentive/reduction. A lot of large-scale events typically like to say they are going green, this would help them as well. He said this could be added to the permit application.

Councilmember Murphy said he was unsure they were in a position to be reducing fees. He questioned who would enforce the cups. He asked who would say they have the wrong cup, now they would have to shut down. He questioned if it would be something police officers would do. He said he is for protecting the environment, but also for the government not being in his face with little things like what cup he is drinking out of. He felt there were better ways to help take care of the environment. He would like to get this moving so the parks can be utilized better and generate revenue. He asked if referring to the Rich Valley Athletic Complex meant the baseball fields.

Parks and Recreation Director Lares replied the athletic complex includes baseball/softball and soccer/football/lacrosse fields. The park on the south end adjacent to the tennis court would not be included in the ordinance change.

Councilmember Murphy said as he reads the ordinance it means with the proper permits; they can have alcoholic beverages on/at the playing fields.

Parks and Recreation Director Lares replied that was correct. He addressed the first comment stating with the permit application, there would be an option. Deciding to use a compostable cup would be one option, choosing not to would not receive an incentive.

Mayor Dietrich asked if Director Lares has done this with other cities.

Parks and Recreation Director Lares replied he has seen this done in other cities where they strongly encourage people to use compostable items that can go in organic disposals/recycling bins. They do not typically tie an incentive to it, but strongly recommend it. The incentive may

not be strong enough to push people in that way, it would depend on the event sponsor. Some sponsors missions are to go green.

Mayor Dietrich asked if there was Council consensus to not mandate, but strongly encourage.
The Council agreed.

Councilmember Gliva said she was reluctant about underage drinking. She wants to make sure this does not come back as a liability. She said she was assuming the City Attorney has already looked at that type of language.

City Attorney McCauley Nason replied a requirement would be to have a plan that is acceptable to the city which includes city staff and/or police department review about how underage drinking would be handled. She anticipates for larger events, there could be a wristband system or something like it. The city will require the permit holder to sign off on liability waiver language for understanding it is their responsibility/problem if their attendees are drinking underage.

Mayor Dietrich asked if the Council was interested in forgoing the second and third readings.

Motion by Murphy, second by Gliva, to forgo the Third (3rd) Reading.

Ayes: 3

Nays: 1 (T'Kach) Motion carried.

City Attorney McCauley Nason stated she pulled up the section on the waiver and it states that the rules may be suspended but only by unanimous vote by the City Council. The vote of 3/1 means there needs to be a third reading. She requested a motion to approve the second reading.

Motion by Murphy, second by Gliva, to approve the Second Reading of an Ordinance Amending City Code Related to Alcoholic Beverages in City Parks.

Ayes: 4

Nays: 0 Motion carried.

F. Resolution Approving Contract For NWA 65th Street Small Area Plan Land Use and Engineering Planning Services. Resolution 2023-141

Community Development Director Heather Rand requested Council consideration regarding entering into a professional contract for a Northwest Area 65th Street Small Area Planning project.

Background:

- A few months back there was discussion surrounding what is being done in the city with respect to corridors when it comes to roadways.
- There has been great continued development interest in the city's northwest area (NWA).
 - Plats were approved for Peltier Reserve, Highlands at Settlers Ridge, and Canvas at Inver Grove Heights. These are all located near the 65th Street/Robert Street area.
- There is also developer interest in parcels adjacent or near the proposed 65th Street.
 - For example: Lund, M & E Enterprises, Kriz, MBF, Loch Gregor, Ace in the Hole LLC., and parcels on Allen Way, southeast of the Holiday Station store.
- The city's Comprehensive Plan and various transportation/roadway studies have long called for construction of 65th Street between South Robert Street and Babcock Trail as a Collector Street.

- Some ask if there are more viable alternatives to 65th Street construction from South Robert Trail heading east to Blaine Avenue.

Purpose of the Study:

- Staff (City Administrator, Public Works Director, Community Development Director) proposed in April, to consider a small area plan study that would gather data and analyze the options to inform Council as to where they should go with the decision about continuing the planning for, and ultimately construct, 65th Street as a collector street.
- The small area study would bring together data on multiple scenarios and impacts on roadways, development, land use, natural resources, and utility infrastructure.
- Identify and outline costs and tradeoffs to the various options or roadway plans identified in a small area study.

City issued Request for Proposals:

- 4 firms were invited to submit proposals
 - Firms that specialize in engineering and land use planning
 - All have offices in St. Paul/Minneapolis or close by
- 2 responded by the deadline: WSB and TKDA
- The two proposals were evaluated by the Community Development Director, Planning staff, Public Works Director, and the City Administrator.
- TKDA was recommended.
 - Costs are not to exceed \$49,400. 7 other staff members will work intermittently on this study.
 - To be paid for by the Host Community Fund.

Why TKDA was recommended:

- Appreciated the multi-disciplinary team. They have land use planners, design engineers, a person who specializes in community engagement, engineers, and utility specialists.
- High level public engagement in the project approach is offered:
 - Public meeting at the beginning of the project
 - Public meetings later to review alternatives
 - Online website page/social media use
 - PC (Planning Commission) and CC (City Council) Meetings
 - Alternative development Charette (staff/developers, partners)
 - Land use developers
 - Landowners
 - County highway department
 - One or two City Councilmembers

With regards to TKDA, she has checked their references, and has also worked with them in the past.

- Solid track record for success of SAPs in other cities
- New Consultant team for Inver Grove Heights to engage with (neutral, objective, creative)

Staff Recommendation:

- To accept the June 2, 2023 dated proposal from TKDA
- Approve resolution awarding a contract to TKDA at a cost not to exceed \$49,400 to be paid for from the IGH Host Community Fund.

Councilmember Murphy asked if TKDA has done any work with the city prior to this.

Community Development Director Rand replied planning staff have told her they have not. WSB has been involved in the study work in-house for engineering work for the 65th Street area. TKDA wants to go back and read the studies that have been completed, and then take it to the next level.

Councilmember Murphy said if a study was done on this prior, he asked if it was getting old and if that was why it was no longer viable.

Community Development Director Rand replied she would not suggest it is old. This is another opportunity to identify new and different alternatives for that collector's street.

Public Works Director Brian Connolly responded he does not believe the other studies were old or outdated. His understanding, based on conversations with the Council when a 65th Street update was brought forward, was that there did not seem to be a collective consensus to decide one way or another to move 65th Street forward based on the engineering studies. This is intended to look more at the planning component versus a transportation study. He does not expect it would change the data related to past transportation studies. This study would show if a street would not be put in and the limitations that may be set in the area in regard to development and density. It also looks at if not building the street, how to address the utility items dependent on a street corridor.

Councilmember Murphy asked if the other side of 65th Street, from Argenta to South Robert, was the city's responsibility.

Public Works Director Connolly replied yes, funding was received. There was State Aid and assessments for the portion, extension, and work associated with 65th Street. A portion where it intersects with Argenta has been built within the last 1 ½ years through the County's project for the realignment of Argenta Trail.

Councilmember Murphy said it was a good idea to do. He requested definitions of the different kinds of streets. In the past he has been confused about what collector and residential streets are.

City Administrator Wilson replied information could be provided to all members of the Council.

Councilmember T'Kach said this was comprehensive in terms of the area it looks to study. The people beyond the study area on 65th Street east of Babcock would be affected. She said it would be nice to look at that line of residential properties past Lion's Park along Blaine to Cahill and Carmen. Those would be impacted by what happens on 65th. She was unsure of what additional cost TKDA would need, if anything, to make adjustments with more outreach and efforts to get them together and into the Charette. Lions Park is a challenge to get kids to safely. She has received comments/questions about when a different intersection would be put in on Blaine and 65th. She said she liked the idea, Council had spoken about looking at a no build situation, she wants to make sure to really engage residents. She said people from the community come into the Council Chambers often not knowing something, such as needing a permit or painting a fence. She was unsure the online communication tools may be as effective as they think they are. There needs to be more thought about how to engage the community on big issues like this.

Community Development Director Rand responded that the focus for this study was on 65th Street. The Comprehensive Plan suggests connecting from Blaine to South Robert. They are fixated on that area. It does not mean they do not want input from the whole city. She said the point was well taken that other people are impacted. It is wise to have a public meeting to get the word out so others, regardless of where they are, give input or give input online. She said the intent with the study is that it is not just geared to appease to the couple of property owners in the immediate area who have properties adjacent to 65th Street. She asked that the Council work with staff, and if approved, to get the word out along with the Communications Manager.

City Administrator Wilson agreed with what Community Development Director Rand said. There are several components of public outreach proposed, community engagement is part of the study. She wanted to make sure that Council's expectations and staffs are the same. She said this study was not intended to recommend to the Council to build or not build 65th Street. It will not tell what residents

want. It is to give data to help make a decision and have a conversation with residents. It will say if building 65th Street, what the cost to the city would be, the type of density, how to serve it, how to extend utilities. Another would be if not building a straight connector street but building local roads that have different access points, the density it could support, how to bring in utilities, how the roadway would get paid for (city and developers). The goal is to provide the city, not with value laden data, but just data and different scenarios. Then the Council and the public can bring their values and say they like a certain mix or scenario. There will be public input during the study, but most value would come from evaluating the scenarios with residents once they have them in hand.

Motion by Gliva, second by T’Kach, to approve Resolution 2023-141 Approving Contract For NWA 65th Street Small Area Plan Land Use and Engineering Planning Services with TKDA as presented.

Ayes: 4

Nays: 0 Motion carried.

7. PUBLIC COMMENT:

There were no public comments.

8. MAYOR AND COUNCIL COMMENTS:

Councilmember T’Kach shared that Dakota County had a really great turnout at their opening for the Bison Park. She encourages people to go down to Spring Lake Park, Bison Prairie, and enjoy the experience.

9. ADJOURN:

Motion by Murphy, second by Gliva, to adjourn the meeting at 7:33 p.m.

Ayes: 4

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek