

INVER GROVE HEIGHTS CITY COUNCIL MEETING

MONDAY, November 25, 2024 - 6:00 P.M. - 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, November 25, 2024. 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 and Scales; City Administrator Wilson, City Clerk Kiernan, Community Development Director Ziemer, Public Works Director Connolly, City Engineer Merchlewicz, City Attorney Nason, Police Chief Chiodo, and Parks & Recreation Director Lares.

3. APPROVAL OF AGENDA:

Administrator Wilson asked for Agenda Item 7B to be moved to the City Council Meeting on December 2, 2024. It is a requested comprehensive plan amendment and rezoning for land north of 70th Street and east of Highway 3. All required notices for the November 25th meeting have been met but the City also sends out automated emails when a Council agenda is published via two different software systems. It is a courtesy and not required legally. One of the software systems did not send out the notice so it did not reach all of the subscribers. It was an accidental mistake. Council can legally proceed but there is a high level of community interest in this item and Staff recommends moving it to the following meeting. The other items on the agenda are not generally controversial and staff does not see a reason for Council to postpone the other items.

Motion to approve amended Agenda by Gliva, second by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

Motion to Move Public Comment to the End of 7E prior to closed session by T’Kach, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

4. PRESENTATIONS:

5. CONSENT AGENDA:

- A.** Approval of Minutes of the November 4, 2024, City Council Work Session
- B.** Approval of Minutes of the November 12, 2024, City Council Meeting
- C.** Approval of Disbursements, **Resolution 2024-263**
- D.** Personnel Actions

- E.** Resolution Authorizing Purchase of New K9 Vehicle, Declaring the Current K9 Vehicle Surplus Property and Amending the 2024 Budget, **Resolution 2024-264**
- F.** Resolution Accepting State Appropriation for Heritage Village Park, **Resolution 2024-265**
- G.** Resolution Approving Hardship Assessment Deferral for City Project No. 2024-09H - 96th and 99th Street Area, **Resolution 2024-266**
- H.** Resolution Approving 2025 Community Development Block Grant Application to Dakota County Community Development Agency, **Resolution 2024-267**
- I.** Resolution Approving Renewal of Joint Powers Agreement for Embedded Social Worker Program and Related Management Control Agreement, **Resolution 2024-268 & 2024-271**

Council Member Murphy requested Item 5G be removed from the Consent Agenda.

Motion to approve Item A - F, H - I by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Council Member Murphy said he has seen the supporting documents for the assessment deferral and asked if Council would want to have a signed tax return from the applicant to confirm what they are attesting to.

Council Member Scales asked if they are able to require a signed tax return for a hardship assessment deferral.

Attorney Nason said she has not seen the hardship assessment deferral policy but assumes that they require proof of the applicant's financial circumstances. The applicant provided an unsigned version of the tax return, and it is a reasonable condition to require a signed version of the tax return.

Motion to table Item G to December 9, 2024 by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARING:

A. Liquor License Compliance Check Violations

Commander Otis presented this item.

Brief Overview of Alcohol Compliance Program:

- Per the City's Alcoholic Beverages Ordinance
 - The Council has designated the Police Department to conduct compliance checks
- Compliance checks:
 - Are a tool to verify businesses with a valid liquor license are acting responsibly
 - Helps reduce underage access to alcohol
- Short-term and long-term goals:
 - Reduce underage access to alcohol

- Enhance the knowledge and improve skills related to stopping underage alcohol sales and service for our local businesses
 - Obtain and maintain a 100% yearly compliance of no underage alcohol sales and/or service
- Compliance checks are done once annually

Commander Otis said when liquor license renewals are applied for, the City Clerk provides a checklist to each applicant.

Compliance check process:

- Verify License Holders within the city
- Recruit and train underage buyers
- Must possess/present their own valid UNDER 21 MN State DL or ID>
- Follow MN State Statute 340A.503 Subd. 6

Commander Otis said he will focus on specific conditions of the license.

City Code 4-1-1 through 4-1-24

- 4-1-14 Conditions of license
 - D: Sales to Certain Persons Prohibited:
 - J: Alcohol Server Training Required:
- 4-1-19 Civil Penalties and Sanctions
 - A: Civil Sanctions Imposed:
 - 5. Failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages.
 - 6. Failed to conduct mandated alcohol server training as required by this Chapter
 - B: Minimum Penalties
 - Must occur within the last five years

Conducting the checks:

- License Locations:
 - On-Sale
 - Off-Sale
- Compliance Check Notifications:
 - Pass - The license holder is sent a letter via the mail advising them that they passed the current year's compliance check.
 - Failure - The officer of record will identify themselves on the day of the failure and conduct post-sale follow-up procedures. If a license holder does not have training records available, they are given 72 hours to have the documents turned in.

Compliance Check Failure Review:

No Public Hearing required:

1. Grove Bowl Inc. dba: Drkula 32 Bowl

Public Hearing required:

1. IWA Sushi Inc. dba: IWA Sushi

Sergeant Winget presented the compliance failures.

Grove Bowl Inc. dba: Drkula 32 Bowl (No Public Hearing required):

On October 30, 2024 at approximately 3:28 p.m. the Police Department conducted buyer, Alcohol compliance check.

- The officer of record observed the following:
 - The underage buyer ordered one Coors Light bottle and water.
 - The bartender served the underage buyer, and the buyer completed the sale.
 - The underage buyer advised the bartender did not ask for any identification.
 - After the sale was completed, the officer of record stepped in.
- The officer of record identified himself as a Police Officer and began the post-buy procedures.
 - The bartender and manager were advised of the failure.
 - The clerk provided a voluntary statement and stated she thought the buyer was a girl she knew who was currently in the bowling alley.
 - The bartender was charged with a Gross Misdemeanor for the act of selling, furnishing, or giving alcoholic beverages to a person under 21 years of age.
- On November 8, 2024 Drkula 32 bowl was notified of the prohibited sales failure and the administrative penalties.
 - 4-1-14-D: Sales to Certain Persons Prohibited
 - No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any person under the age of twenty-one (21) years or to any person obviously intoxicated or to any other persons to whom sale is prohibited by State law.
- They were advised this was their first violation within the last five years.
- Staff Recommendation:
 - For the first violation within the last five years, there is a \$750 civil penalty.

Motion to impose sanctions on Drkula's by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

IWA Sushi Inc. dba: IWA Sushi - Public Hearing required:

On October 30, 2024 at approximately 3:28 p.m. the Police Department conducted buyer, Alcohol compliance check.

- The officer of record observed the following:
 - The underage buyer ordered one Coors Light bottle and water.
 - The server served the underage buyer, and the buyer completed the sale.
 - The officer of record advised the server did not ask for any identification
 - After the serving was completed, the officer of record stepped in.

- The officer of record identified himself as a Police Officer and began the post-buy procedures.
 - The server and manager were advised of the failure.
 - The server provided a voluntary statement and stated she always checks identification, but did advise she served the buyer without checking for identification, and that this was her first table, and she was tired.
 - The server advised the officer via email.
 - Their training expired in December 2019.
 - They completed the 4-hour training on October 31, 2024, and provided the updated training certificate.
 - The server was charged with a Gross Misdemeanor for the act of selling, furnishing, or giving alcoholic beverages to a person under 21 years of age.
- On November 8, 2024, IWA Sushi was notified of the prohibited sales failure, the basis for a license suspension, and the administrative penalties.
 - 4-1-14-D: Sales to Certain Persons Prohibited
 - No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any person under the age of twenty-one (21) years or to any person obviously intoxicated or to any other persons to whom sale is prohibited by State law.
 - 4-1-14-J(8): No server training
 - No liquor licensee shall allow the sale or service of any alcoholic beverage by a person who has not complied with the alcohol server training requirements of this section. Any such sale or service shall constitute a violation of the licensee's liquor license.
- They were advised this was their first and second violations within the last five years.
- Staff Recommendation:
 - For two violations: \$1,000 civil penalty and a one-day license suspension selected by the Council from the following dates:
 - Friday November 29th
 - Wednesday December 11th
 - Monday, December 23rd

Mayor Dietrich opened the public hearing.

Hisayoshi Iwa, owner of IWA Sushi - 7781 Amana Trail - said the server was tired and it was her first table. She forgot to ask for the ID but has worked at IWA Sushi for a long time and this was the first time she forgot to ask. She was not prepared to start work and he is sorry.

Motion to close the public hearing on IWA Sushi by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Mayor Dietrich reopened the public hearing.

Brook Williams - 3515 78th Street E - said she has restaurant experience, and the beginning of the shift is where things get missed the most. The server also has a small child, and it could

be part of the reason her training lapsed. Williams said she does not know if two violations for one individual is a fair assessment because it is generally a low wage job.

Motion to close public hearing on IWA Sushi by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Mayor Dietrich asked if Council has a preferred date for the suspension.

Council Member Scales said he does not like license suspensions because sometimes it is out of the owner's power for the actions of the employee. In this case, the lack of the employee's certification for so long was controllable by the business.

Council Member Murphy said he wants to remain consistent, and the last suspension Council decided to suspend sales on a Wednesday.

Motion to impose sanctions on IWA Sushi - \$1,000 penalty and 1 day suspension to be held on Wednesday, December 11, 2024.

B. Liquor License Renewals

Clerk Kiernan presented this item. There are currently 32 active liquor licenses issued by the City. They will all expire on December 31, 2024. The 21 license renewals brought forward have submitted all of the information for approval. The remaining 11 will be brought forward at the Council meeting on December 9th. Staff recommend holding a public hearing and approving the liquor license renewals.

Mayor Dietrich opened the public hearing.

There were no public comments.

Motion to close public hearing by T'Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve 21 Liquor License Renewals by Scales, second by Murphy.

Ayes: 4

Nays: 0

Abstain: 1 (Gliva) Motion carried.

C. 2025 Tobacco License Renewals

Clerk Kiernan presented this item. There are currently 33 retailers with active tobacco retail licenses issued by the City that will expire December 31, 2024. The three license renewals have been reviewed by Staff. Staff recommend holding a public hearing and approving the three tobacco license renewals. There will be more license renewals within the next two weeks.

Mayor Dietrich opened the public hearing.

There were no public comments.

Motion to close public hearing by Gliva, second by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

Council Member T’Kach asked if they have a limit on the number of tobacco licenses approved in the City.

Clerk Kiernan said they do not have a limit at the city level, and they have approximately 37 tobacco licenses currently.

Council Member T’Kach asked to confirm if there is a limit on liquor licenses.

Clerk Kiernan said there is a limit of off-sale liquor licenses of 18.

Motion to approve 3 tobacco license renewals by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR BUSINESS:

A. Approval of Rental Housing Licenses

Director Ziemer presented one rental housing license that has been reviewed by Staff and found to be eligible for a license. Staff recommends approval.

Motion to approve one rental housing license for the address of 7801 Ava Trail by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

B. Comprehensive Plan Amendment and Rezoning for 6570 Robert Trail S, 6680 Robert Trail S, and 1401 70th Street E

Item has been moved to December 2, 2024 City Council Meeting.

C. 3rd and Final Reading of Ordinance Establishing the 2025 City Fee Schedule and of Ordinance Updating and Clarifying Fee Reference in City Code

Clerk Kiernan presented this item.

Move from Resolution to Ordinance:

- Preferred to comply with state statute
- Notable differences

Ordinances	Resolutions
Require three readings	Require only 1 reading
Published in the official newspaper of record (or summary)	Do not get published

Uncodified Ordinance:

- Staff is recommending an “uncodified” ordinance.
 - Same manner as codified and carries the same legal authority
 - Stands independently and not merged into sections of City Code.
 - Useful tool for interim ordinances and items that frequently change.

Second Ordinance proposed with this item:

- To finalize this process, staff have prepared a “housekeeping” ordinance
- The purpose of the ordinance is to remove final remaining references to fees (except for plat and building permit utility connection fees, park dedication fees, and certain other fees) from the Code and replace the same with a reference to fees found “set forth in the City Fee Schedule”
- This will provide consistency moving forward, and eliminate the risk of conflicting fee references or amounts

Questions Received during the November 12 City Council Meeting:

1. Commercial fee reduction from 2% to 1.5% of valuation.
2. 50% Permit Renewal Fee/Expired Permit

The IGH Building Inspections staff compiled all neighboring Dakota and Washington county municipality’s permit and rental fee schedules in June 2024 to evaluate the City’s permit costs and adjust the fee structure, provide additional fee items, and clarify fee language.

Clerk Kiernan said the rationale for the Commercial fee reduction from 2% to 15.5% was the majority of municipalities utilize the 1.5% of project valuation which eliminates the permit cost advantage for other communities in attracting commercial development and takes into consideration that the City of Inver Grove Heights has higher utility connection fees compared to neighboring municipalities.

The rationale for the 50% Permit Renewal Fee/Expired Permit is permits expire if there is no recorded activity within 180 days after permit issuance or a 180-day lapse between inspections which is stated on the permit card. The permitting system has automation which sends the permit holder an email message at 150 days alerting them that the permit will expire in 30 days due to inactivity and to schedule an inspection. When the permit reaches 180 days, the system automatically expires the permit. The permit holder is given the opportunity, as stated in the email correspondence, to reach out to inspections staff and request an extension for approval by the building official. There can be a significant amount of staff time regarding the administrative and subsequent inspections in researching the status of the project to reactivate the permit such as calling the applicant about the expired permit and having an inspector verify if the work has been completed. The permit holder could be required to obtain a new permit for the work performed. This rarely happens on a new single family home construction and is mainly single fee permits such as roofing, siding, windows, water heaters and furnaces.

Staff recommendation for Council Action:

Consider approval of:

- Third and final reading of Ordinance 1485, adopting the 2025 Fee Schedule
- Third and final reading of Ordinance 1486, amending various provisions of the Inver Grove Heights City Code Related to Fees
- Summary Publications for both ordinances

Mayor Dietrich asked if anything has changed since the 2nd Reading.

Clerk Kiernan said the only addition has been the fee schedule for the cannabis section which will be brought to Council for approval within the next few weeks.

Council Member T'Kach thanked staff for providing the information regarding her previous questions and said she understands that the City cannot profit off of fees but asked if they could be losing money based on Staff resources. T'Kach asked if Staff has information regarding how much of a reduction in dollars it would be to lower their permit fees from 2% to 1.5%.

Clerk Kiernan said she does not have a dollar amount but can connect with Building Official Steve Johnson.

Council Member T'Kach said she understands the want to be aligned with other cities, but the cost may be very different.

Administrator Wilson said she does not have the difference in revenue between 2% of the value versus 1.5% of the value. If it is the direction of Council, Staff can do a study to determine the time spent for each staff position and what the position is paid etc. in 2025 but would involve a consultant and a cost to the City. The study would not be able to be accomplished by the end of 2024.

Council Member T'Kach said it would be great if they could set the fees at 1% but they do not have the information on how much the cost actually is and asked if Administrator Wilson, based on her experience working in other cities, thought the cost to Inver Grove Heights is comparable to other cities.

Administrator Wilson said she cannot provide the answer without further research. Staff did research to ask other Dakota County cities what they are charging, and they are charging 1.5%. They negotiate the union contracts to try to set wages at comparable levels and she has no reason to believe the inspections and processes should cost Inver Grove Heights substantially more or less than other cities.

Council Member T'Kach said Staff's rationale for basing the fees on other cities makes sense.

Council Member Gliva asked if Staff had reduced the 2024 costs by 0.5% to try to provide a rough cost.

Administrator Wilson said Staff can provide that information if Council would like to continue this item to one of the remaining meetings in December.

Council Member Scales said the data is all based on the past and not what is going to happen in the future, and he appreciates Staff verifying other cities fees. Scales supports the 1.5% fee.

Motion to approve Third and Final Reading of Ordinance 1485 adopting the 2025 Fee Schedule, Ordinance 1486 Updating and Clarifying Fee References in City Code, and Resolutions 2024-273 and 2024-274 approving summary publications by Scales, second by T'Kach.

Ayes: 5

Nays: 0 Motion carried.

D. 3rd and Final Reading of Ordinance Amending Utility Connection and Certain Development Related Fees

Administrator Wilson presented this item.

Process:

- Annual action of the City Council
- Required by state statute to be accomplished via ordinance and following a public hearing
- Ordinance require 3 readings in Inver Grove Heights

Sections of the Proposed Ordinance:

Section 1: Connection Fees for Water Utility System

Section 2: Connection Fees for Sanitary Sewer Utility System

Section 2: Connection Fees for Stormwater System

Section 4: Trunk Line Assessments for Water & Sewer

Section 5: Land Use Approval Fees & Deposits

Section 6: Effective Date (January 1, 2025)

Sections 1 - 4: Utility Connection Fees:

- Sets connection fees for water, sewer and stormwater utilities.
- Paid at the time of connection to the system - most often by developers, but sometimes by current residents.
- For the past 15+ years, City has had higher utility connection fees for most development in the NWA - as a means of "paying the City back" for upfront investments made without assessments to property owners.
- In the NWA, the connection fees escalate with density to a greater degree than they do outside the NWA - creating a particular challenge for proposed multi-family development.

Ordinance Approved at 1st & 2nd Reading:

- 5% increase to non-NWA and city-wide connection fees.
- Flat fee amounts for NWA-specific plat connection and building permit connection fees (both water and sewer) - pending further study and discussion.

- No changes since the 2nd Reading.

Next Steps:

- Approval of 3rd & Final Reading + Resolution of Summary Publication
- Continued Study of Connection Fees
 - Seeking rates justified by City's costs, while also competitive with other developing cities in the metro-area
 - May consider mid-year adjustment to fees following completion of this additional study
 - Council continues to have the ability to consider requests for reductions on a project basis

Administrator Wilson said she and the Finance Director initiated work with the City's financial consultants Ehlers. They will provide updates to Council as the study progresses.

Motion to approve Third and Final Reading of Ordinance amending City Code Title 3 Chapter 4 Sections 2 & 3 related to water, sanitary sewer, and stormwater system connection fees and sanitary sewer and water trunk area assessments; Section 8-7-4 related to stormwater system rates and charges; and Section 10-3-8 Related to Land Use Approval Fees and deposits and approve the Resolution 2024-275 for the summary publication by Murphy, second by T'Kach.

Ayes: 5

Nays: 0 Motion carried.

8. PUBLIC COMMENT:

Brook Williams - 3515 78th Street E - said she is interested in starting a small business to utilize goats to remove buckthorn from properties. The current ordinances for small businesses would require customers to obtain a permit from the City to use her business. There are limitations on innovative small businesses due to Inver Grove Heights ordinances and requests Council to look into how the City of Pendleton Oregon is bringing innovative businesses into their community.

Mayor Dietrich asked Williams to leave the information with the City Clerk for Council to discuss.

9. MAYOR AND COUNCIL COMMENTS:

7E. CLOSED SESSION: Attorney-Client Privilege

Motion to move into closed session pursuant to Minn. Stat. Sec. 13D.05, subd. 3(b) pursuant to the attorney-client privilege regarding a special assessment objection/appeal by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Motion to move into Open session by T'Kach, second by Gliva.

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Ayes: 5

Nays: 0 Motion carried.

10.ADJOURN:

Motion to Adjourn at 7:27 p.m. by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sara Lyons