

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, NOVEMBER 8, 2021 - 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 8, 2021, in person. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Bartholomew, Council Members: Piekarski Krech, Dietrich, Murphy, and Gliva; City Administrator Wilson, City Attorney McCauley Nason, City Clerk Kiernan, Police Commander Otis, Finance Director Hove, Interim Public Works Director Eckles, and Community Development Director Rand.

3. PRESENTATIONS:

4. CONSENT AGENDA:

- A.**
 - i. Minutes from the October 4, 2021, City Council Work Session.
 - ii. Minutes from the October 11, 2021 City Council Meeting.
- B. Resolution 2021-287** approving Disbursements for period ending November 2, 2021.
- C.** Approve Personnel Actions.
- D. Resolution 2021-288** Authorizing Submittal of the 2022 Dakota County Waste Abatement Grant Program.
- E. Resolution 2021-289** to approve 2022 seasonal and temporary employees pay plan.
- F. Resolution 2021-290** Approving Joint Powers Agreement between the Dakota County Soil and Water Conservation District (DCSWCD) for Technical Services for Conservation Projects.
- G.** Approve Improvement Agreement for Lot 1, Block 1, and Outlot A of Whitaker Addition (Hyundai).
- H.** Approve Custom Grading Agreement and Stormwater Facilities Maintenance Agreement for 9245 Arnold Ave.
- I.** Approve replacement and acquisition of 2022 Capital Equipment Purchases.

Motion by Dietrich, second by Gliva, to approve the Consent Agenda Items 4A-I.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

A. Public Hearing for Liquor Violation for Cub Wine & Spirits. Resolution 2021-291

Police Commander Joshua Otis discussed the Alcohol Compliance Check failure that took place at Cub Wine & Spirits on July 15, 2021. He said 32 Liquor License compliance checks were done. One was at Cub Wine & Spirits, which failed that check. The Incident Report was provided in the Council packets. He said this is their first violation in the past five years, based on City Ordinance it is a \$750.00 fine. He said with the way the Ordinance is written, the Council can take different action on that, which is why a Public Hearing is held.

Councilmember Piekarski Krech asked Police Commander Otis if he felt other action should be taken other than the First Offense. Police Commander Otis responded they recommend what is in the Ordinance.

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Chris Bergsten, District Manager, Cub Foods, oversees the Inver Grove Heights store. He said he is a third-generation grocer, the business has been in his family for three generations, he takes these matters very seriously. There was a policy in place at that time that anyone who appears under the age of 30, they card those customers. They have since changed that policy to a scan policy where they scan everyone's ID no matter how old they are. In order to move forward with a purchase, with both liquor and tobacco, they are required to scan their ID before they can move forward with their purchase. He said they take incidences very seriously; they have policies in place that could result in termination. In regard to this matter, the employee that failed the sting was appropriately addressed. He assures everyone in the room that this would not happen again.

Mayor Bartholomew mentioned that they have changed their procedure to adapt and to scan all ID's going forward. Mr. Bergsten responded yes.

Mayor Bartholomew said steps have been taken to make sure this does not happen again. Mr. Bergsten responded that was correct.

Mayor Bartholomew appreciated his diligence and appreciated Mr. Bergsten coming forward. He said this is a difficult time, these are matters that must be enforced. Mr. Bergsten said it was frustrating and very disappointing. They take such matters very seriously.

Councilmember Murphy referenced how they scan the Driver's License and asked if software tells them a person is underage. Mr. Bergsten responded there is Age Verification Software that is programmed into the current date, and it reads the 21 years or older. Nothing is saved. There is not database out there that saves personal information. It just gives a red light/green light. Councilmember Murphy thanked Mr. Bergsten for the information, he was curious about how it worked.

Motion by Piekarski Krech, second by Gliva, to close the Public Hearing at 6:05PM.

Ayes: 5

Nays: 0 Motion carried.

Mayor Bartholomew stated Staff recommends imposing a minimum required penalty of \$750.00. He said he tends to agree with Staff and in this case has heard from the Representative from Cub Wine & Spirits. He said he believes they will make all diligence in the future to prevent this from happening.

Councilmember Murphy agreed.

Motion by Gliva, second by Murphy, to follow Staff's recommendation and impose the penalty for the first violation within the last (5) years in the amount of \$750.00 to Cub Wine & Spirits located at 7804 Cahill Avenue, Inver Grove Heights, MN 55076. Resolution 2021-291

Ayes: 5

Nays: 0 Motion carried.

B. Public Hearing for Liquor Violation for Gold Palace Liquor. Resolution 2021-292

Police Commander Otis discussed a Liquor License failure at Gold Palace Liquor that occurred on July 15, 2021. They were dealt with according to the City Ordinance. The involved party that sold the liquor to the underage individual was cited and is currently going through the Court process. The recommendation is for a \$750.00 Civil Penalty based on the City Ordinance. It is the first violation for Gold Palace.

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Councilmember Gliva asked if they keep records in the event another violation takes place within five years. Police Commander Otis responded the Police Department keeps records of yearly occurrences all the way back to 2011.

John Vogt, Owner of Gold Palace, said since this happened, the employee that made the sale has gone through Alcohol Server Training again. He said he takes all his employees and their selling of alcohol very seriously. They all go through a training process before they are allowed to do any selling of alcohol. He said unfortunately, he does not have the money that Cub Foods has to be able to buy a scanner. He said he does take it very seriously, and the employee has gone through the training process again.

Mayor Bartholomew asked if an annual refresher is done for each of the employees. Mr. Vogt responded he believed it was required every two years. Most of his employees have been around for a long time, they do it at least every two years.

Mayor Bartholomew said he was glad it was done every two years. He mentioned that perhaps a refresher would help. He said this is very important and they take these very seriously. He appreciates Mr. Vogt's candor and his business and is glad he will be diligent.

Motion by Piekarski Krech, second by Gliva, to close the Public Hearing at 6:09PM

Ayes: 5

Nays: 0 Motion carried.

Motion by Murphy, second by Dietrich, to follow Staff's recommendation and impose the penalty for the first violation within the last (5) years in the amount of \$750.00 to Gold Palace Liquors located at 1330 Mendota Road, Inver Grove Heights, MN 55077. Resolution 2021-292

Ayes: 5

Nays: 0 Motion carried.

C. Public Hearing and Second Reading on Development Fee Ordinance Changes.

Finance Director Amy Hove stated this is for a Public Hearing and a Second Reading of an Ordinance that would amend the Utility Connection Fees for 2022. City Code requires having Three Readings for the Ordinances and the Second Reading and Public Hearing happen in conjunction the same night. She said the First Reading took place on October 11th, 2021. At the time there were some concerns about the past practice of applying different fee increases to connection fees inside the northwest area of the city versus outside of the northwest area of the city. She said Staff has done additional research and brought forward a couple of options at the November 1st Work Session. Those options are for consideration this evening as alternatives to the option presented to the Council on October 11th. Those options are:

- Option #1: Original option proposed back on October 11th.
 - Included different fee increases for northwest area versus non-northwest area.
 - Water at 3.5%
 - Water in the northwest area at 4%
 - Sewer at 3.5%
 - Sewer in the northwest area at 5%
 - Stormwater increase at 5%

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- Option #2: Looks at applying more uniform precepts to fees that are inside the northwest area and outside the northwest area, regardless of the location of the property.
 - Water and Sewer percent increases are recommended at 2% and 5%.
 - This is based on the most recent analysis that Ehlers performed and brought forward at the October 19th Special Council Meeting. There was a presentation on the health of the Utility Funds and the Connection Funds.
 - Staff lowered their recommendation to Water fees to 2.5%
 - Sewer stayed at 5%
 - Stormwater at 5%
- Option #3: Takes a look at Option #2 and tries to align the core connection fees so they are the same inside the northwest area and outside the northwest area.
 - These were fees that only diverged by nominal amounts. Staff felt they could align those a little bit closer.
 - Increase recommendation for water is 2%
 - Sewer Connection Fees at 5%
 - Stormwater at 5%
 - For Core Connection Fees there is a Water Core Connection Fee and a Sewer Core Connection Fee. They took the rates whether inside or outside of the northwest area and took the lower of the two and applied the 2% or 5% and lined those up. Water Connection Fees and Sewer Connection Fees will be the same for the Core Connection Fees.

She stated there are three Options before the Council. Staff is interested in feedback and input. They propose bringing the Third Reading forward in December.

Councilmember Dietrich said she wanted to follow up from the last meeting when Mayor Bartholomew had asked about contacting businesses and the Chamber. She asked if there was any response from them. Finance Director Hove responded she did not receive a response from the Chamber of Commerce. She said Staff sent out the original Ordinance as proposed. She said for tonight, based on the feedback and direction received from Council, she would reach back out to the Chamber and give them the information.

Councilmember Dietrich asked about Businesses. Finance Director Hove responded she has not heard any response. She said they put the Ordinance out on the website and social media. They have not had any responses. She said these are development related fees, or the fees that properties pay when they hook up to the city water, sewer, and stormwater services. There is likely a smaller group of parties that would be interested in these fees versus utility rates or some of the other fees they would be discussing this evening.

Councilmember Piekarski Krech asked about the Water Treatment Plant Fee and why it was less in the northwest area. Finance Director Hove responded as Staff dives into these fees, they are finding differences and inconsistencies between fees in the northwest area and fees outside of the northwest area. That is one that current Staff did not have any history as to why that charge would be different. She said Staff proposes the city embark in a pretty comprehensive Fee and Utility Rate Study next year to figure out if these fees should be different in these regions, and if so why, or if there is a path forward to get these fees more inline regardless of the location.

Councilmember Piekarski Krech said the northwest area is getting their water from the city. All of the city water goes through the Water Treatment Plant. She said she would think the Water Treatment Plant Fee would be the same for anybody that is getting water from the city. Finance Director Hove replied if

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the Council wants Staff to insure that fees will line up for the Third Reading, they can make the change. She said direction would be needed as to which one is preferred. The lower of the two.

Councilmember Piekarski Krech commented she did not understand why it would be less. Historically the fees in the northwest were more so it would pay for the infrastructure. She asked why they would pay less to have their water treated then everybody else. She was curious.

Mayor Bartholomew said it looked like operator error. Councilmember Piekarski Krech replied it was historically what they have been doing. It does not make sense. Mayor Bartholomew agreed.

Councilmember Piekarski Krech said whichever option is chosen, that Ehlers is sure this would cover the cost of all the Bonds and all of the things that need to be done, so they would not come in next year and say they need to raise the rates 10% because they miscalculated. She said that was her concern. They maintain a steady thing and do not go up and down.

Interim Public Works Director Klay Eckles said Staff is starting the process of putting together an RFP (Request for Proposals). Part of that process is trying to understand all the questions they have. He said it was a pretty big list of questions. The city has lots of different fees, there are various ways to calculate those. He said they all see that there is a lot of uncertainty in some of the original data used to create these fees and may be out of date now. He said it could be a fairly big undertaking, there could be a significant variance from these numbers shown on some, some may not change at all. He said he would expect they would see quite a few changes with some of these numbers next year. He mentioned with something like this, it is not a material enough number that they need to worry too much about now. Hopefully within about six months they would have an idea of where they really need to go. He said Staff is seeing some of these numbers and are not sure where they came from because some of the history has been lost. Things have changed a lot in the last five years, this study would be pretty comprehensive and can look at all of these things, balance it out, and give a rationale basis for setting these fees.

Mayor Bartholomew agreed with the point Interim Public Works Director Eckles made stating the difference is minimis with the impetuous to go forward and re-evaluate the rate structure and get everything aligned. He said it would be prudent to pick one of the three with full knowledge that next year at this time they would have the information to make the appropriate changes.

Councilmember Murphy stated understanding the impact of inflation that the city is experiencing, and the need for a study, he is leaning toward Option #2.

Mayor Bartholomew said he did not see much difference between Option #2 or Option #3, he would be comfortable with either of them.

Councilmember Gliva said she is in agreement with Option #2. She said since they do not know what they do not know at this point, trying to make something be close to the same for the northwest area versus non-northwest area does not make sense. She suggested putting a straight percentage on.

Motion by Piekarski Krech, second by Gliva, to close the Public Hearing at 6:22PM

Ayes: 5

Nays: 0 Motion carried.

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Motion by Gliva, second by Murphy, to accept Option #2 into the Second Reading on Development Fee Ordinance Changes.

Mayor Bartholomew asked City Attorney Bridget McCauley Nason if the Motion made was suitable. City Attorney McCauley Nason responded she understands the Motion to be to move the Second Reading of the Ordinance with the revisions shown as Option #2 in the Council Packets.

Ayes: 5

Nays: 0 Motion carried.

6. REGULAR AGENDA:

Administration & Finance:

A. Consider Approval of 2022 Fee Schedule. Resolution 2021-293

City Clerk Rebecca Kiernan brought forward the 2022 Fee Schedule for Council approval. There is not a lot of changes, only a few minor increases to be more in line with what the true costs are of doing business. She wanted the Council to be aware of the Community Development portion saying there were several Building Inspection Fees that were never reported on the fee schedule, now they are there. That is the reason it is a little bit longer than it normally is.

Mayor Bartholomew mentioned he does not see any reason not to approve this. They need to increase the Administrative Fee Schedule. He said he is in support of it.

Motion by Murphy, second by Gliva, to approve the 2022 Fee Schedule. Resolution 2021-293

Ayes: 5

Nays: 0 Motion carried.

7. PUBLIC COMMENT:

There were no public comments.

8. MAYOR AND COUNCIL COMMENTS:

Councilmember Piekarski Krech stated she received an anonymous call this week. She said she would have loved to have given the person the answers to the questions they asked, but if not leaving a phone number, name, or an email, she cannot respond. She said she appreciates people calling in and leaving ideas.

Mayor Bartholomew said he also received a phone call with the same thing; concerns and questions that should be answered, but he has nobody to answer to because there was no name or phone number. He encouraged anyone that calls with questions and concerns, to leave a name and number. He said the Council will get back to you.

Councilmember Dietrich said she wanted to weigh in on the Citizens Task Force of Pavement Management. They held their second meeting last Wednesday; it was well attended. She said it was a 101 of the history of where they have been, where they are at, and what the task is before them. She said she was really encouraged with the conversations happening between Staff and Residents. Some of the citizens are also experts in their field. She said it has been really good conversations; they are making things happen. She is grateful to be a part of that. Mayor Bartholomew said he was grateful they have a group going.

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Councilmember Murphy mentioned with all of the development the city is going to experience with some changes in Minneapolis and St. Paul that are happening. He said he thinks there would be more requests. He said he was curious and would like to better understand how they wrap up a development. He said he believes they escrow some monies for the developers. He wanted to understand that better. He asked if that were something the Council could hear a presentation on, or a one on one because he may be the only one who does not get it. He said he has always been curious about how they wrap it up. It always seems to him like some of the developments that he has lived in, do not seem to ever quite finish. There always seems to be some stuff that does not get done. He said he was curious if that is normal, or if they as a city sign off on it. He said he would like to know more about that when there is time. If it was just one on one, he was good with that as well.

Mayor Bartholomew replied that was a great question. He said he echoes what Councilmember Murphy says on getting a refresher course on how they wrap up/close out a project. How they look at escrow, any other held fees, and how they are assured the performance is met by the Development Contract.

Councilmember Piekarski Krech said it would be an interesting exercise. She suggested maybe having all of the developments listed on the Community Development Website, when a development is completed, when we have completed everything that the city can do for it, they can say "name of development" is completed. She said she is sure once the Council's part is done there is probably still some developer things that are going on. She said they handle Building Permits, but once a development is developed those lots are sited. They probably do not have a whole lot to do with the developer anymore because they are just selling lots to people to build houses on. She commented it would be interesting and a nice thing to have codified on the website.

Mayor Bartholomew said it may be something they can put into a Work Session in the first quarter of next year.

Community Development Director Heather Rand said she appreciates that Councilmember Murphy mentioned that. She said Staff can accommodate that in a Work Session. There are multiple parties at the city that would touch that project towards the end, whether its Building Inspection, Planning, Parks and Recreation, and the City Engineers Office. She said it would be fun to coordinate with all of those departments and have a presentation.

Interim Public Works Director Klay Eckles said it is a wonderful way for all to review what they are doing. Making sure different departments agree with the process. He said he has not been here long enough to understand all of the different processes. It is complex and one of those things that there is never quite a clear finish line. . said it would probably be good for all of them to go through that exercise and look at how things cross over and interact. He said he may not be here but can support the effort.

9. ADJOURN:

Motion by Dietrich, second by Gliva, to adjourn the meeting at 6:32 p.m.

Ayes: 5

Nays: 0

Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek