

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION MINUTES
MONDAY, OCTOBER 7, 2019**

A. CALL TO ORDER

The City Council of Inver Grove Heights met in Work Session on Monday, October 7, 2019, in the City Council Chambers. Mayor George Tourville called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

B. ROLL CALL

Present were Mayor Tourville; Council Members Bartholomew, Perry, Piekarski-Krech, and Dietrich. Staff: City Administrator/Interim Deputy Clerk Joe Lynch, Assistant City Attorney Bridget McCauley Nason, Community Development Director Heather Rand, Interim Finance Director/Senior Accountant Shannon Battles, Parks and Recreation Director Eric Carlson, Information Technology Manager Marc Gade, City Planner Allan Hunting, Police Chief Melissa Chiodo, Police Commander Dennis Haugland, and Deputy Police Chief Sean Folmar.

1. Alternative Official Newspaper Selection

City Administrator Lynch requested discussing Agenda Item 3 first because it is an action item. He stated Lillie Suburban Newspaper is no longer publishing legal notices and an alternate is needed. The St. Paul Pioneer Press is currently the only resource. Mayor Tourville asked if a quote was received. City Administrator Lynch responded that information has been requested from the Pioneer Press, but the City has not heard back yet.

Mayor Tourville stated the Legislature has been looking into allowing other means of publication than just newspapers. The City website may be used for official notices in the future.

Mayor Tourville asked what the Council would be approving if a quote had not yet been received. Assistant City Attorney, Bridget McCauley Nason, responded the Council could adopt the Resolution as presented with additional language stating "we name them as the official newspaper provided the charge per column inch does not exceed an amount determined by the Council". She stated staff could investigate options and discuss at the next meeting, but adopting the resolution now allows for a placeholder, so publication deadlines are not missed. Assistant City Attorney McCauley Nason recommended adopting it as written. Ms. Nason replied that the Council could put a cap on it so it would read the amount is not to exceed \$6.00 per column inch. State Statute allows the City to change an official newspaper at any time during the year.

Motion by Bartholomew, seconded by Perry to approve Resolution No. 19-192 Designating the St. Paul Pioneer Press as the Official Newspaper for the City of Inver Grove Heights with a cap of \$6.00 per column inch.

Ayes: 5

Nays: 0 Motion carried.

2. 2020 Budget – ADA, EDA, Recreation, VMCC, and Golf Budgets:

Interim Finance Director/Senior Accountant Shannon Battles discussed the 2020 Budget and stated the Fund Balance Policy asks that the general fund balance be kept between 40-45% of the next year's expenditures. The current general fund balance is at 40.2%. Councilmember Bartholomew asked for the methodology of the 40.2%. Interim Finance Director Battles responded she took the December 31, 2018 fund balance in comparison to the 2020 general fund expenditures to get

40.2%. Councilmember Bartholomew stated he wanted to make sure they know the general fund numbers. He commented that to him, it seemed more toward 45% than 40% and would like it kept closer to 40%.

Ms. Battles discussed the Debt Service Policy stating it requires the levy repayment amount to be no more than 15% of the total Citywide levy and is presently at 11.5%.

Mayor Tourville asked about Franchise Fees and the target amount of \$1 million dollars. He commented that it looks more like \$1.5 million and asked if that was 75% of the revenue. Interim Finance Director Battles responded Franchise Fees are paid quarterly, that is only two quarters, or half, of the fees. Mayor Tourville asked if it is expected to get closer to \$2 million dollars. Interim Finance Director Battles responded in the affirmative, it will be closer to the \$2 million dollar amount. Councilmember Bartholomew asked if the projected revenue would be higher than \$1 million, or if it is just an accumulation of unused funds. Interim Finance Director Battles responded cash carries over from year to year, that is last year's balance plus the first and second quarters of 2019. City Administrator Lynch stated the revenue should be about \$250,000 per quarter.

Mayor Tourville stated if the fund is more than anticipated, they may be able to do more with pavement management. City Administrator Lynch stated Public Works Director Thureen is expecting to use the funds to offset costs for pavement management.

Councilmember Bartholomew asked if there was an accurate and up-to-date account with the Fiduciary Fund Account/Agency Escrow Fund that shows \$3 million dollars. Interim Finance Director Battles responded yes. He asked if there would be any proposed policy changes this year and if it would be the same as last year. She responded they would be the same.

Community Development Director Heather Rand presented the EDA Draft Budget for 2020 stating there have been no large changes from previous years.

Parks and Recreation Director Eric Carlson would be discussing ADA, Recreation, VMCC, and the Golf Course Budgets. He began discussion with the Golf Course stating the following in 2020:

- Projecting revenue slightly over \$2 million dollars with expenses of \$1.8 million dollars.
- No planned capital equipment purchases.
- A payment of \$82,000 will be made for the 2016 improvement project.
- Expect about 60,000 rounds of golf to be played.
- 2020 will be the last year of the three-year Anniversary membership.

He stated for Council consideration this year is to retire some of the debt the Golf Course has with the cash balance. A summary for the debt the Golf Course has through internal loans from the Central Equipment Fund is as follows:

- The Golf Course Improvement project done in 2016. At the end of 2018 it had a balance of \$1,965,792.
- In 2018 three pieces of capital equipment were purchased. Approximately \$75,000 was owed at the end of 2018.
- In 2019 Council approved the purchase of a brand-new golf car fleet for \$205,560 and three additional pieces of capital equipment for \$83,754.

He stated there is \$2.3 million dollars of debt at the Golf Course and recommends using the positive cash balance to pay for the capital equipment that has outstanding debt in the amount of approximately \$365,000. At the end of 2018, the Golf Course had a positive cash balance of \$765,000. He stated they anticipate that at the end of 2019 they would have a \$100,000 profit which brings the end of the year cash balance in 2019 to just over \$500,000.

He stated due to owning over \$1.5 million dollars' worth of equipment at the Golf Course, they should be setting aside about \$110,000 annually so there is cash on hand instead of borrowing money from the Golf Course Fund to purchase needed equipment. That would leave an anticipated profit in 2020 of about \$90,000 and the end of year 2020 cash balance at roughly \$700,000. He stated there would be approximately \$100,000 in profit at the end of 2020. It is proposed to be done with the difference in paying off the three-capital equipment purchases that were made and would affect the cash on hand at the end of the year. In total it would be nearly \$200,000 to go into the Golf Course Fund. The only debt would be the 2016 improvement and that would continue to be paid until 2042.

Parks and Recreation Director Carlson responded at the end of 2018 the actual cash balance is \$765,000. At the end of 2020 they would be back up and will have paid off the debt of the three equipment purchases. The goal is to be able to provide the needs of the Golf Course on the cash the Golf Course generates through its operation. Mayor Tourville asked if they are obligated to deal with a consultant for another membership plan. Parks and Recreation Director Carlson responded the agreement signed with the consultant indicates that if a program is run similarly to the one already run, the City would be obligated to use their services and pay fees. He stated they would speak with the City Attorney to see what constitutes same or similar. Mayor Tourville asked when they would have a program to present in draft form to the Council. Parks and Recreation Director Carlson responded it would be in June or July of 2020.

Parks and Recreation Director Carlson discussed the Community Center budget as follows:

- Projecting revenues for all programs and services at approximately \$2.8 million dollars.
- Expenses of \$3.2 million dollars.
- Capital investments of \$829,000.
- There is an Agreement with the School District for the Older Adult Program. Receiving \$50,013 to help fund the position. The Agreement ends in 2021.
- There is a Use Agreement with the School District for swimming and hockey. Receiving \$262,500 from the District for use of the facility not including pool and ice time in 2020 which is paid when they use it. For that they would receive approximately \$40,000 for pool time and approximately \$90,000 in ice time fees.
- A ten-year Agreement was signed with the School District that runs through 2026. The use fee was only determined for the first five years. Numbers for the final five years have not been worked out yet but is being discussed.
- There is an Agreement with the Youth Hockey Association. The Association pays \$14,000 a year that goes back to when the facility was first constructed and ends in 2023. Discussions about renewing the Agreement will be taking place.
- Cost recovery for the Community Center is projected at 86%.
- Plan to make improvements to the HVAC system in the lap pool area, all of the pool filters, replacing some fitness equipment, and upgrading the lighting in the facility to LED Lighting.

- Have an Agreement with the City of Rosemount for the West Rink. Rosemount is paying 90% of the complete project costs and will be paying the City \$82,000 for the next nine years. That payment goes to repay the capital investment made in the West Rink. This is not considered revenue.

Parks and Recreation Director Carlson discussed the Recreation Budget as follows:

- Projecting revenues of \$245,000 from programs and services provided.
- Expecting expenses of \$523,000. Cost recovery at 47%.
- There are no significant program changes. Continue programs as done in the past.
- There are 400 different programs being offered serving close to 4,000 people.
- The 2020 Budget includes an increase in the Recreation Specialist from a ½ FTE to a full FTE to help be able to provide programs and services in Recreation.

Parks and Recreation Director Carlson discussed the ADA Budget stating it is a project-based budget used to address ADA issues at City facilities. Money was used this year to replace the pool lift at the pool and for the purchase of a water accessible wheelchair. He stated there are items that are not ADA compliant but do not need to be addressed at this time. City Administrator Lynch stated ADA Fund 447 has a cash balance of \$194,000. There is a plan that identifies things that need to be addressed in the future.

3. 2020 Information Technology Position

Information Technology Manager, Marc Gade, discussed the background of the position being requested stating it comes as a recommendation from the OST report. The position is warranted and necessary to meet the IT needs of the City and staff. Responsibilities include server maintenance, security and permissions of the systems, backups and restorations, network administration, and Level 2 support. Councilmember Piekarski-Krech asked who currently does the work. IT Manager Gade responded it was done by Works Computing with some items not being addressed. He stated those are things he can do and has done previously but other needs were requested by staff. This is more to take on in one position. If not for the help of another position, this would need to be outsourced.

Councilmember Piekarski-Krech asked for a breakdown. IT Manager Gade responded department supervision would be managing staff, projects within the department, GIS Staff, two IT Specialists, capital replacement, and budget, all of which he does now. Councilmember Piekarski-Krech asked what he would continue doing and what someone else would be doing. IT Manager Gade responded the position includes server maintenance, security and permission, SAN Storage, management, VMware management, telecommunications, network administration, and Level 2 support. He stated his responsibilities would be department supervision, project management, inventory, capital replacement, budget, system advisory, disaster recovery, internal business relationships, reporting, vendor management, and software license management.

Councilmember Piekarski-Krech asked for an explanation of internal business relationships. IT Manager Gade responded it is the relationship between IT and the departments themselves, understanding the needs of the departments and how to service them. City Administrator Lynch stated Manager Gade is trying to be proactive in considerations about business applications. He stated choices were made that IT was not involved in and trying to catch up after the fact. Councilmember Piekarski-Krech asked if items were purchased without IT involvement. City

Administrator Lynch responded there has not been someone to oversee the entire operation and do some of the projects mentioned. Some purchases of higher profile software were made without getting IT involved upfront. He stated that now, all of those costs were shifted over to IT's budget, so the IT Manager will be responsible for the oversight of all software and the aspects of it.

Councilmember Piekarski-Krech stated she was concerned about the amount of money put toward a software system that was supposed to improve communications and still has issues. She asked if this position can bring the City where they need to be, she could support it. She stated the person would have to benefit the organization and the citizens. IT Manager Gade responded it would. Laying out responsibilities would free up time to have oversight, implement software correctly, and understand the users' needs prior to purchase.

Councilmember Bartholomew stated he was not ready to support the position at this time and needed a little more work and input. IT Manager Gade responded he would work on that.

Councilmember Dietrich stated she was interested in how much outside consulting support would be needed. IT Manager Gade responded very little would be needed for core functions but would be needed with implementation. If purchasing infrastructure, the initial setup would need vendor support.

Councilmember Perry asked if there was an estimate over the last two years for the cost of a consultant versus the cost of a full-time employee. IT Manager Gade responded it would be difficult to gather as some of the work was not being done. He stated he could look at the invoices and tally the numbers to see what was spent on Works Computing over the last two years. City Administrator Lynch stated 2018 would be easy to compile, 2019 would be difficult because there was an interim period where there wasn't a Manager and they relied on consultants. They would get a breakdown together, categorize them, and get them back to the Council.

Mayor Tourville listed the following requests:

- Staffing recommendations
- OST report
- Number of workstations and employees
- Consultant fees

4. 2040 Comprehensive Plan Overview

City Planner Allan Hunting stated they are nearing the end of the adoption approval process. The Comprehensive Plan is scheduled with the Metropolitan Council Board on October 9th. The City Council will have to formally adopt the plan at the end of October. He discussed the process stating it began in 2017 and consisted of workshops, reviewing drafts, and gathering input to compile into draft form that was submitted to Met Council in December 2018. The plan, once adopted, includes:

- Guiding Principles: Includes the well-balanced tax base, good connected parks and open space, well-planned office and industrial areas.
- Guiding Principles from a Land Use Perspective: Looks at current conditions and where to guide in the future, used in review of plans, recommendations, and proposals for projects.

Mr. Hunting stated once adopted, it will require implementation as follows:

- Look at the Zoning Ordinance, subdivision, and other Codes checking for a need to update.

- Housing Committee reviewed their chapter and will be working on a new action plan.
- Economic Development Strategies will be in the forefront more often.
- Mississippi River Corridor Critical Area Plan: This is through the DNR, the Legislature updated via an Executive Order. Requires gathering input from communities and residents along the Mississippi River to preserve the character of the river. The City will have to adopt a new Critical Area Plan.

5. Alcohol Compliance Discussion:

Police Chief Melissa Chiodo updated the Council in response to the alcohol compliance failures. She stated that out of the alcohol compliance hearings, the Council had the following two requests:

1. Days were suggested for when businesses would be closed if failing the compliance check. She stated it was suggested beginning in the new year. Page 26 states “the Police Chief or his/her designee provide to the Council calendar dates for license suspension”. She stated that of those dates, the Council would choose which dates the business would be closed.
2. Businesses sometimes fail to provide alcohol server training and were asked by the Council if there was a penalty for that. She stated it was not in the policy so it was added as Item No. 6 stating “failing to conduct mandated alcohol server training as required is a failure that can result in the minimum penalties”. “Each violation in Subsection A would be considered a separate violation and is subject to penalties”.

Police Chief Chiodo discussed two other documents included in the packets stating it was requested to provide to business owners the process used. After consulting with an Attorney, they were told it is considered investigative data and the City does not have to provide that information. She summarized the two documents as follows:

- Document 1: A letter that is addressed to the liquor license holder and given to those that apply for a liquor license and renewal. The letter states they would be doing a minimum of two compliance checks a year, the point of the checks, why they are done, and reminding them of what is required by law.
- Document 2: A three-page document that has “Alcohol Compliance Program Frequently Asked Questions” that would be provided to business owners. Includes information about what the Compliance Check program is about, why they are important, the benefits to the business and community, goals, and how many compliance checks would be done.

Mayor Tourville stated several people have asked about the underage person and how they can answer, what can they be trained to answer, and if it is investigative and secretive. “The buyer will not use any other identification other than an under 21 valid MN Driver’s License or MN Identification Card. If the buyer is asked to present their ID, they present the above stated forms of ID. After presenting the ID and asked for date of birth, the buyer will provide correct date of birth. If asked their age, the buyer will advise they are 21 years of age. If the buyer is not asked for identification but asked of age, the buyer will respond they are 21 years of age”.

6. Massage License Ordinance Update

Police Commander Dennis Haugland discussed Massage Licensing Ordinance revisions stating he met with the Assistant City Attorney and looked at other City Ordinances and determined that items can be added. Those items were included in the proposed Amendment changes.

Councilmember Piekarski-Krech commented that she didn't think they allowed massage as a home occupation as stated in Section 7 "Legally conducted as a home occupation". Assistant City Attorney Bridget McCauley Nason responded that under the current Ordinance it is allowed as a home occupation. She stated if a person says they have a massage business in their residence they must maintain both a business license and a massage therapist license and comply with standards. Councilmember Piekarski-Krech stated she didn't think they should be allowed. Police Commander Haugland responded he was unsure if any were in the home but there are 12 massage therapy business licenses. City Administrator Lynch stated he had a map of the locations and handed them out to the Council. Mayor Tourville stated it was difficult to tell based off the map if a business was in a home or not. He asked if there are any that are in homes. City Administrator Lynch responded he would get that information to the Council.

Councilmember Piekarski-Krech asked if this covers those that go to homes to give massages. City Administrator Lynch responded the requirements state they must have an individual license and be associated with a business.

Police Commander Haugland stated research was done looking at other cities and some limit the number of massage businesses or therapist licenses available in the City. He was unsure if that was something the City wanted to consider.

City Administrator Lynch stated this item can be brought forward for Council consideration at the end of October. Businesses can be notified that this is in process. Assistant City Attorney McCauley Nason stated the Council was interested in the possibility of having this adopted before the license renewal cycle begins. City Administrator Lynch stated for consideration is the inspection aspect, be it Police, Code Compliance, or a combination. If that is done, the fees would possibly have to be increased to cover staffing time. Deputy Police Chief Sean Folmar stated it would be similar to alcohol compliance checks, it would need to have clearly defined rules and repercussions.

Police Chief Chiodo responded a policy would have to be created that doesn't punish legitimate businesses but not a welcoming environment for those that want to take advantage.

Mayor Tourville suggested looking at how other cities deal with locked doors.

7. Hunting and Weapons Ordinance Update

Deputy Police Chief Folmar discussed the current Weapons Ordinance as well as the proposed Weapons Ordinance. The first item for discussion would be eliminating all of Section C and adding Shotguns to Section B of 5-6-1 Weapons Ordinance. He stated Section C has five subsets, 1-3 is same as in Section B, subset 4 lacks relevance and the City Council eliminated Goose hunting within the City rendering subset 5 useless. Adding Shotgun to the other Ordinance would eliminate all of Section B by adding it to Section C.

He stated another change in Section D for Bow and Arrow and requested eliminating subset 1A and all of subsets 2, 3, and 4. Those would remove all hunting possibilities within the City of Inver Grove Heights, but would allow target practice within an enclosed structure, designated archery range in a City park, school, or college grounds, and at a licensed commercial archery range. From 2012 to 2018 there were approximately 105 calls for Police service related to hunting. He stated each time someone calls 911 to report someone trespassing, a suspicious vehicle, or have a question, the cost

at the current rate would be \$38.23 per dispatched call, plus the Officers time in addition to Police Department staff time.

Mayor Tourville stated there are groups of residents that have sent letters stating the hunting permit should be over as they get bombarded from people wanting to hunt on their land. Deputy Chief Folmar responded they keep a list of who doesn't want the hunts. The published map needs to be revised, that would have to come before the Council at some point. Mayor Tourville clarified that the Police Department would like the City Council to not allow any further deer hunting in the City of Inver Grove Heights. Deputy Police Chief Folmar responded that was correct. He is looking for direction about the Ordinance. Councilmember Piekarski-Krech suggested getting public information out there so they are aware it will change. Councilmember Bartholomew suggested it was time to consider an Amendment and have the three Readings. He stated he didn't want to have unintended consequences as a result of this change. Deputy Chief Folmar stated there was no language deleted from the current Ordinance. The only verbiage added referenced dealing with employees of any government entity approved by the Chief of Police when needed to harvest and reduce populations of animals within the City limits.

Mayor Tourville asked the Council if they would like the Police Department to put together an Ordinance and begin readings. Councilmember Bartholomew agreed. Councilmember Piekarski-Krech suggested getting the word out first. Deputy Police Chief Folmar asked the Council if they would like this done in two separate Ordinances. One would be adding the shotgun language in with all the other firearms and the other Ordinance would be for deer hunting.

Mayor Tourville requested articles to go out stating the City Council is considering changes with the Deer Hunting/Bow Hunting Ordinance. Deputy Police Chief Folmar suggested trapping go under the Animal Control portion of the Ordinance. He stated he would keep the two together for the first meeting and if it is determined to separate the two, he would for further meetings. Mayor Tourville suggested separating the two. First dealing with the shotgun portion, and then the hunting portion which needs public input. Mr. Lynch stated they could notify every one of the intentions to change and start the bow hunting process after the first of the year. He stated they could begin with the weapons portion at the next meeting.

C. ADJOURN

Mayor Tourville stated the following meeting notices:

- Meeting on Monday, October 14th at 5:00 p.m. for the review.
- Meeting on Monday, October 28th at 5:00 p.m. for Strategic Planning.

Motion by Dietrich, seconded by Perry to adjourn the meeting at 8:38 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.