

**WORKSHOP
OAKDALE CITY COUNCIL
January 26, 2021**

The City Council held a workshop on Tuesday, January 26, 2021, at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:04 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Susan Olson
Colleen Swedberg
Kevin Zabel

Also Present: Christina Volkens, City Administrator
Brian Bachmeier, Public Works Director/City Engineer
Susan Barry, City Clerk
Jeff Koesling, Parks Superintendent (virtually)
Alyssa MacLeod, Communications Specialist
Bahea Manasra, Administrative Intern (virtually)
Chelsea Petersen, Administrative Services Director
Emily Shively, City Planner
Bob Streetar, Community Development Director
Bill Sullivan, Chief of Police
Julie Williams, Recreation Superintendent (virtually)
Kevin Wold, Fire Chief (virtually)
Matt Lynse, HCM Architect

NEW PUBLIC WORKS FACILITY COST ESTIMATE

Public Works Director/City Engineer Bachmeier provided an overview of the public works facility project proposed to be built on 9.2 acres at the corner of 32nd Street and Granada Avenue, on property donated to the city by 3M. He noted that property owners in the area had been notified about the project and activity on the site and that schematics were being prepared. Public Works Director/City Engineer Bachmeier commented that the new site would allow for all equipment to be at one location as well to provide as storage for a variety of materials such as road salt, fuel, sand, gravel, and brush drop off.

In response to a question from Council Member Zabel, Public Works Director/City Engineer Bachmeier noted that an area for residents to acquire compost could be considered, possibly at the existing public works site.

Public Works Director/City Engineer Bachmeier showed locations where 3M conducted soil remediation and noted that the majority of the new facility would avoid those areas. He compared 2020 and 2021 cost estimates for the 70,000 square foot facility: 2020: \$200 per square foot = \$14,000,000, with another \$1,000,000 for site improvements; 2021: \$222 per square foot = \$20,250,000, after adjusting for increased needs based on the Willowbrooke development and other identified changes by public works, the estimate is projected at over \$28 million. Public Works Director/City Engineer Bachmeier shared potential cost reductions offered by the architect,

including: fewer skylights; change in roofing materials; remove one bay; less concrete, more asphalt; less radiant floor heating.

City Administrator Volkens explained that the city's request for a local option sales tax was submitted to the Legislature in 2020; however, was unable to move forward due to the pandemic and that updated cost information would be needed for the 2021 legislative session. She said that the police department project should be at \$15 million (an increase from the previous estimate of \$12 million due to an annual adjustment of \$500,000 due to delays proposed by Police Chief Sullivan), and suggested setting \$22 million for the Public Works project; with a sales tax rate of .5 percent with a 1.4 or 1.5 percent increase per year for 25 years.

In response to a question from Council Member Ingebrigtsen, City Administrator Volkens explained that any cost overages on the projects would be paid for with property taxes.

Council Member Zabel expressed concern with setting \$22 million due to the many factors in play. He suggested setting the sales tax for ten years and extending it, if needed.

City Administrator Volkens noted that the extension could occur at any point.

Mayor Reinke recollected that past discussions indicated that a resident would pay \$66 in property tax versus \$100 in sales tax.

In response to a question from Council Member Ingebrigtsen, City Administrator Volkens indicated that should the local option sales tax not be approved by the Legislature or by the voters, the city would need to discuss other financing options for the two projects. She asked that the city keep moving ahead with the design.

Council Member Zabel suggested leaving the city's public building fund in place as a contingency.

Council Member Olson supported setting the amount for the public works project at \$22 million.

Council Member Swedberg agreed.

Public Works Director/City Engineer Bachmeier and Mr. Lynse explained that construction costs may likely increase up ten percent by 2023, particularly due to labor costs.

Council Member Swedberg noted her profession has experienced cost increases due to supply chain shortages.

In response to an inquiry from Mayor Reinke about minimizing the city's risk and exposure, Mr. Lynse recommended the city hire a construction manager partway through the design process to provide real-time cost checking and to recommend adjustments before bids are sought.

In response to a question from Council Member Zabel, Mr. Lynse explained that the per square foot cost difference between the main public works structure and the addition was based on site work and lump sum costs.

Council Member Zabel expressed concern with the one million dollar cost estimate for the public works addition and asked how the \$22 million project total was determined.

Public Works Director/City Engineer Bachmeier indicated that the \$22 million figure was derived from the project estimate that included the Willowbrooke Addition and deducted seven of the 12 value engineering options, a five percent contingency and inflation.

City Administrator Volkens added that the \$22 million does not include the 12,500 square foot addition proposed at the public works facility.

Mayor Reinke supported setting the sales tax for 30 years and asked for input from the City Council.

City Administrator Volkens explained that the sales tax would end after 30 years and noted that 25 years has been the average used for other local sales tax requests going to the Legislature. She suggested 25 years for the sales tax and 30 years for the bond which would provide a payment cushion. City Administrator Volkens indicated that the amount on the resolution presented at the regular meeting for the police and public works projects local sales tax would total \$37 million.

The City Council discussed the pros and cons of a 25-year bond versus a 30-year bond.

Mayor Reinke agreed.

Council Member Ingebrigtsen supported \$37 million total for the two projects and a 25 year local sales tax and 30 year bond.

Council Member Swedberg supported \$37 million and a 25 year local sales tax and 25 year bond.

Council Member Olson supported \$37 million and a 25 year local sales tax and 25 year bond.

Council Member Zabel supported \$37 million and stated that although he could live with 25 year local sales tax and 25 year bond, he preferred a 30 year local sales tax and 30 year bond.

Council Member Zabel suggested that the city hire a lobbyist for the local option sales tax matter.

Council Member Ingebrigtsen agreed.

Council Member Swedberg agreed.

Mayor Reinke agreed.

Council Member Olson supported the use of a lobbyist if it would improve having the city's legislation passed.

SPECIAL PROJECT FUND

City Administrator Volkens asked that approval for two capital expenditures to be approved at the regular council meeting and also asked for direction on which fund should be used for the expenditures. She added that the expenditures should have been approved in November.

Council Member Zabel supported having the expenditures coming from the general fund reserves as the current balance exceeds the five and one-half months in reserves designated by city policy.

City Administrator Volkens shared her preference to utilize special project funds in lieu of using general reserve funds, which would be a significant policy shift.

Council Member Zabel noted that additional discussion could take place when the fund budgets are discussed in February.

The City Council added costs for a lobbyist to assist with the local option sales tax endeavor.

The consensus of the City Council was to use reserves for the following purchases:

Capital Expenditures:	\$643,000
Ambulance	\$285,000
Lobbyist, up to	\$ 36,000

City Administrator Volkens asked that the motion for approval be presented at the regular meeting.

TEMPORARY POLICY: COVID-19 LEAVE BANK FOR MEDICAL AND PERSONAL ABSENCES

Administrative Services Director Petersen indicated that due to the continued pandemic, staff proposed another temporary policy that would extend 80 hours of COVID leave to employees who did not exhaust all 80 hours provided to them in 2020 as well as for the City Administrator to end the leave bank prior to June 30, 2021 if circumstances warrant.

Council Member Swedberg proposed an expiration date of March 31 and extended if needed.

Council Member Ingebrigtsen supported the temporary policy.

Mayor Reinke supported the temporary policy.

In response to a question from Council Member Zabel, City Administrator Volkens indicated that the city's unions had been provided with the proposed policy and that no comments had been received.

In response to a question from Council Member Zabel, Administrative Services Director Petersen indicated that some cities have reset the 80 leave bank for all employees, others have not.

Police Chief Sullivan commented on the benefit of resetting the hours, particularly for public safety employees.

Council Member Zabel supported the policy but asked that the matter be tabled as he had additional questions.

Mayor Reinke directed that action to table the policy would be made at the regular meeting.

The meeting recessed at 6:50 PM.

The meeting reconvened at 8:50 PM.

CHIEF SULLIVAN: ANNUAL UPDATE AND CAMERA SURVEILLANCE PLAN

Police Chief Sullivan provided an overview of the new and existing security cameras at City Hall and Walton Park. He also commented that forfeiture funds being set aside for the police department expansion project be used, instead, to purchase body cameras at some point in the future and for a police department staffing study as the expansion project had been delayed; however, no decisions to be made at this time. Chief Sullivan commented on preparations being made to address any issues relating to the Chauvin trial.

In response to questions from the City Council, Chief Sullivan stated that Police Department staff were in the process of receiving COVID-19 vaccinations and commented on the increase in auto thefts in the metro area.

SUMMERFEST

Communications Specialist MacLeod provided an overview of the Summerfest Committee's proposed modifications to the 2021 event: discontinuation of the carnival, concessions and food provided by self-contained food trucks, and changing the event from four days to three days. She added that the Committee was also working on a long-term vision for the event.

In response to a question from Council Member Swedberg, Communications Specialist MacLeod noted that the committee is looking at options relating to the parade, entertainment, and fireworks.

Council Member Olson suggested that the event become a music festival.

Council Member Zabel suggested events take place at various locations in the city.

In response to a suggestion from Council Member Zabel, Council Member Swedberg noted that the Recreation Department would develop kids programs and activities for the event.

HOM FURNITURE: REQUEST FOR A NEW PARKING STANDARD FOR FURNITURE STORES

City Planner Shively reviewed a request from HOM Furniture for an ordinance amendment to reduce the amount of parking required for furniture stores. She noted that HOM intends to renovate the former theater at 1188 Helmo Avenue for a showroom, retail tenants, and potential restaurants. City Planner Shively reviewed parking standards in several other communities and also discussed a desire of the Minnesota Department of Transportation to close the access to the site at 10th Street. She reviewed two options voted on by the Planning Commission, relating to parking requirements for furniture stores.

Option A: One off-street parking space per 400 square feet plus one space per 800 square feet over 6,000 square feet.

Option B: One off-street parking space for each 325 square feet of floor area.

The City Council supported Option A.

CODE AMENDMENT: CHAPTER 2, ARTICLE 5, PERSONNEL

Administrative Intern Manasra provided an overview of several policies currently being reviewed by staff.

The City Council supported removing all personnel language from the code book and adopting a personnel policy.

Staff was directed to bring back a code amendment to the February 9 City Council meeting.

ADJOURNMENT

The workshop adjourned at 9:50 PM.

Respectfully submitted,
Susan Barry, City Clerk