

CITY OF ST. FRANCIS
CITY COUNCIL AGENDA

St. Francis Area Schools District Office 4115 Ambassador Blvd. NW

June 20, 2023

6:00 p.m.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The regular City Council meeting was called to order at 6:00 p.m. by Mayor Pro Tem Joe Muehlbauer.

2. ROLL CALL

Members Present: Mayor Pro Tem Joe Muehlbauer, Councilmembers Robert Bauer, Kevin Robinson, and Sarah Udvig. Mayor Steve Feldman was absent and excused.

Also present: City Administrator Kate Thunstrom, Deputy City Administrator/City Clerk Jenni Wida, Community Development Director Colette Baumgardner, Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), Public Works Director Paul Carpenter, Fire Chief Dave Schmidt, Liquor Store Manager John Schmidt, Finance Director Darcy Mulvihill, City Engineer Craig Jochum (Hakanson Associates, Inc.), Police Chief Todd Schwieger.

3. APPROVAL OF AGENDA

MOTION BY: UDVIG SECOND: ROBINSON APPROVING THE REGULAR CITY COUNCIL AGENDA

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

4. CONSENT AGENDA

- A. City Council Minutes - June 5, 2023
- B. Authorization to Purchase Mobile Radio
- C. Cancel July 3rd Council Meeting
- D. 4020 Bldg. Upgrade to Temporary Fire station
- E. 2023 Budget Award
- F. Payment of Claims

MOTION BY: ROBINSON SECOND: BAUER APPROVING THE REGULAR CITY COUNCIL CONSENT AGENDA

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

5. MEETING OPEN TO THE PUBLIC

Hunter Carlson, 2612 230th Court NW, came forward to speak about the cannabis

products.

City Administrator Thunstrom requested that he wait until the public hearing is open to discuss this item.

6. SPECIAL BUSINESS - NONE

7. PUBLIC HEARINGS

A. Interim Ordinance for Cannabis Products

Ordinance 320 - Emergency Interim Ordinance prohibiting the sale, testing, manufacturing, cultivating, growing, transporting, delivery, and distribution of cannabis products in the City of St. Francis

Thunstrom reviewed the Staff report concerning an interim ordinance to prohibit the sale, testing, manufacturing, cultivating, growing, transporting, delivery, and distribution of cannabis products. She shared that there is a State law that has come into play and that they are currently under a moratorium for CBD and THC that expires on August 1, 2023. She explained that the State is looking to help cities draft ordinances while they create an office for cannabis management.

Mayor Pro Tem Muehlbauer opened the Public Hearing at 6:02 p.m.

Hunter Carlson, 2612 230th Court NW, came forward and shared that there is a lot of confusion on this item. He stated that he and his neighborhood have discussed this matter in depth. He explained that he understands that the Council does not have a lot of local control over this but it is coming and should just have it happen now rather than waiting. He shared, on behalf of many people in St. Francis, that they would not want this to pass.

Luke Larson, 23332 Street NW, came forward and shared his open support for cannabis. He stated that he is diagnosed with depression and general anxiety disorder and shared that he prefers cannabis over medications he has been prescribed.

Crystal Kreklow, 23632 Kanabec Street NW, came forward and pointed out that this law is coming August 1 and cannabis is already in the communities. She added that if it is embraced it can be regulated and taxed which will increase the City revenue for projects like the new City Hall Fire Station. She stated that the community could benefit from this and shared that she does not support the moratorium.

Mayor Pro Tem Muehlbauer closed the Public Hearing at 6:06 p.m.

Mayor Pro Tem Muehlbauer shared that he thinks that cannabis is in the City regardless and that he would like to hear Police Chief Schwieger's concerns and ideas on this matter.

Schwieger agreed that it is already here. He explained that a lot of the ordinance allows the City to get more direction from the State on how this will be regulated, where these businesses can be, and how many businesses there will be. He added that when there is an Office of Cannabis Management that is up and fully functioning they will get a lot more guidance. He shared that the Police Department will continue to focus on the use of marijuana and other narcotics while also operating a vehicle.

Mayor Pro Tem Muehlbauer asked how much time they will be spending on enforcement for the possession of marijuana and the limits if the moratorium does not pass. He acknowledged that DUIs are the biggest concern with this. Schwieger explained that until they get further guidance from the County and State level on what the Police Department's role is as far as possession, but the major focus will be the impaired driving part of this.

Bauer stated that he brought this up two years ago that St. Francis should legalize cannabis and allow it to be sold in the City. He shared that he is opposed to the ordinance and that they will need to follow the State statute as presented and do their due diligence as this goes. He reiterated that he will be voting against the ordinance and noted that they need to move forward with this. He shared his goal is to allow businesses to be created in the City that are safe and legal rather than a City that is constantly creating things that are illegal. He added that if the State says it is legal the cities should follow along with that.

Udvig stated that she would like more clarification on this. She shared that it seems like a lot of this has more to do with commercial use and sale rather than personal. Assistant City Attorney Schaps explained that what the Council is being asked this evening has to do with the sale of cannabis, not on the personal use of cannabis. He shared that the personal use of it is a separate law and there has been a lot of confusion on this. He clarified that this is for the sale of cannabis and the more than 0.3% THC. He stated that the new law allows for the cities to enact a moratorium until the Office of Cannabis Management issues guidance and local regulations that cities can adopt. He added that the sale of cannabis is not going to be legal until January 1, 2025 when the Office of Cannabis Management is up and running and able to enforce this.

Mayor Pro Tem Muehlbauer asked if no one can legally open a cannabis shop until after the Office of Cannabis Management is up and running. Schaps said yes and that this ordinance is for a local enforcement tool. He explained that this ordinance is different than what has been previously allowed under State statute which the City has a current moratorium on which is the less than .3% THC.

Robinson shared that he is in agreement with Schwieger on this matter and that the DUI part of this will be a big problem. He stated that from a residential standpoint, the moratorium will have no effect and that residents will still be able to have a certain amount in their possession within the City if they purchased it

elsewhere. Schaps explained that he cannot speak to the transportation side of this but that having a certain amount is allowed for basic personal consumption but explained that this is not the subject of the moratorium.

Robinson asked if residents will still be allowed to have a certain number of plants in their yard as long as they are not selling it. Schaps stated that this ordinance does not apply to personal use. He noted that they can amend the ordinance language to better clarify this if needed.

Robinson shared that he heard that there would be a 10% sales tax on this which would be going directly to the State to pay for the new organization at the State level. He noted that the ordinance should be clarified for commercial versus residential. He added that he feels for the law enforcement aspect of this but as far as impeding on personal rights, the State laws will trump this ordinance.

Mayor Pro Tem Muehlbauer stated that he is on the fence with all of this as the State legalized it and just threw it to the cities. He added that the clarification of language should help solve any issues. He noted that there is a work session scheduled within the next week and asked if Council would like to continue this discussion to the work session.

Bauer asked who is making the determination on distribution of cannabis if the ordinance is changed to only commercial sales and how much cannabis an individual can sell before they are considered commercial. Mayor Pro Tem Muehlbauer stated that individuals cannot sell cannabis and that they would need a license to do so. Bauer said it is difficult for him to understand how someone would have cannabis to smoke that did not buy it. Mayor Pro Tem Muehlbauer explained that this is an issue with the State as well that it is not legal to be bought but not legal to be sold.

Bauer emphasized the importance of having reform on things that are going to become legal and that they need to do things the right way and not hide words in an ordinance to keep everything illegal. He stated that he is not in favor of a commercial moratorium until 2025. Mayor Pro Tem Muehlbauer shared his confusion with the State that it will be legal to possess as of August 1, 2023 but it cannot be sold until 2025.

Mayor Pro Tem Muehlbauer asked if this ordinance is redundant. He mentioned that he is still confused on this as legally it can be possessed as of August 1, but it cannot be sold or bought or transported across state lines. He wondered if the ordinance is even necessary.

Schaps explained that there are inconsistencies in the new law which is 342 pages long. He noted that one thing it does allow is that cities have the authority to put the moratorium in place in regard to the sales. He added that the Office of Cannabis Management will be working with the League of Minnesota Cities to come up with

model ordinances so that cities can adopt them when sales are allowed to happen.

MOTION BY: ROBINSON SECOND: UDVIG TO CONTINUE THIS DISCUSSION TO THE NEXT MEETING.

Ayes: Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: Bauer
Motion carried 3-1

8. **OLD BUSINESS**

- A. Code Amendment Request for Section 10-67-02 Parking Facility – 2nd Reading Ordinance 316 - modifying section 10-67-02 parking facility in the zoning code
Resolution 2023-29 - authorizing summary publication of ordinance 316

City Planner Richmond reviewed the Staff report concerning the parking lot for a dental clinic.

Robinson said this ordinance is great for the dental office.

Bauer asked if this could just approve this portion and not modify the code for all of the B-1 district. Richmond explained that Staff discussed this to be an ordinance amendment as it does not need the variance requirements. She added that she does not believe that this will create a threat for this to move into other parcels where it would not fit as the City Code has standards. She stated that the Council would have the discretion in the future to approve or deny this at other parcels.

Mayor Pro Tem Muehlbauer added that most businesses will not just add a parking lot to add one as it does not generate revenue.

MOTION BY: UDVIG SECOND: ROBINSON APPROVING ORDINANCE 316 - MODIFYING SECTION 10-67-02 PARKING FACILITY IN THE ZONING CODE.

A roll call vote was performed:

Mayor Pro Tem Muehlbauer	aye
Councilmember Robinson	aye
Councilmember Udvig	aye
Councilmember Bauer	aye

Motion carried 4-0

MOTION BY: BAUER SECOND: ROBINSON ADOPTING RESOLUTION 2023-29 - AUTHORIZING SUMMARY OF PUBLICATION OF ORDINANCE 316.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

- B. Code Revisions – B-1 Uses and Design Standards; Signage – 2nd Reading

Ordinance 317 - approving amendments to Section 10-44-00 Business and Industrial Districts of the Zoning Code as presented by Staff

Resolution 2023-30 - authorizing the summary publication of ordinance 317, modifying section 10-44-00 Business and Industrial Districts in the zoning code

Ordinance 318 - approving amendments to Section 10-61-04 Dwelling,

Apartment Mixed Use of the Zoning Code as presented by Staff

Resolution 2023-31 - authorizing the summary publication of ordinance 318, modifying section 10-61-04 dwelling, apartment mixed use in the zoning code

Ordinance 319 - approving amendments to Section 10-91-00 Signs of the Zoning Code as presented by Staff

Resolution 2023-32 - authorizing the summary publication of ordinance 319, modifying section 10-91-00 signs in the zoning code

Richmond reviewed the Staff report in regard to the revisions to the zoning Code in the B-1 district, starting with amendments to the business and industrial district section of the zoning code.

Mayor Pro Tem Muehlbauer stated that with this being a second reading, the Council heard most of the information at the first reading.

MOTION BY: BAUER SECOND: UDVIG TO APPROVE ORDINANCE 317 - APPROVING AMENDMENTS TO SECTION 10-44-00 BUSINESS AND INDUSTRIAL DISTRICTS OF THE ZONING CODE AS PRESENTED BY STAFF.

A roll call vote was performed:

Mayor Pro Tem Muehlbauer	aye
Councilmember Robinson	aye
Councilmember Udvig	aye
Councilmember Bauer	aye

Motion carried 4-0

MOTION BY: ROBINSON SECOND: BAUER TO ADOPT RESOLUTION 2023-30 - AUTHORIZING THE SUMMARY OF PUBLICATION OF ORDINANCE 317 MODIFYING SECTION 10-44-00 BUSINESS AND INDUSTRIAL DISTRICTS OF THE ZONING CODE.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

Richmond reviewed the Staff report in regard to the requested zoning code updates to the dwelling and apartment mixed use section of the zoning code.

MOTION BY: BAUER SECOND: ROBINSON TO APPROVE ORDINANCE 318 - APPROVING AMENDMENTS TO SECTION 10-61-04 DWELLING, APARTMENT MIXED USE OF THE ZONING CODE.

A roll call vote was performed:

Mayor Pro Tem Muehlbauer	aye
Councilmember Robinson	aye
Councilmember Udvig	aye
Councilmember Bauer	aye

Motion carried 4-0

MOTION BY: ROBINSON SECOND: UDVIG TO ADOPT RESOLUTION 2023-31 APPROVING THE SUMMARY OF PUBLICATION OF ORDINANCE 318 MODIFYING SECTION 10-61-04 DWELLING, APARTMENT MIXED USE OF THE ZONING CODE.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

Richmond reviewed the Staff report in regards to the requested zoning code updates for the signage section of the zoning code.

Robinson asked about signage for buildings on a corner lot. Richmond explained that they would be allowed to have one wall sign on each side of the business that is on a corner. Robinson asked if the size or exposure makes a difference. Richmond said no. Robinson asked if the signs can be lit. Richmond stated she would need to look at the Code but she believes only one electronic sign is allowed per parcel. Robinson asked if it makes a difference if it is a solid lit sign or if the message on the sign is moving. Richmond explained that it does make a difference.

Robinson asked if there needs to be clarifications to the ordinance before approval. Richmond stated she did not believe so as this amendment does not adjusting the section of the code that deals with these signs. Richmond stated that this item can be moved to the next meeting so she can gather more information for clarification.

Mayor Pro Tem Muehlbauer shared that he is not sure how much of a difference it would make if they continued this discussion to another meeting.

Thunstrom explained that within the ordinance they do spell out that electronic signs are a separate ordinance so right now only one electronic sign is allowed per street frontage but one sign with electronic scrolling is allowed. She stated that this ordinance only addresses the number of signs allowed.

MOTION BY: ROBINSON SECOND: BAUER TO APPROVE ORDINANCE 319 APPROVING AMENDMENTS TO SECTION 10-91-00 SIGNS OF THE ZONING CODE AS PRESENTED BY STAFF.

A roll call vote was performed:

Mayor Pro Tem Muehlbauer	aye
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Councilmember Robinson	aye
Councilmember Udvig	aye
Councilmember Bauer	aye

Motion carried 4-0

MOTION BY: BAUER SECOND: UDVIG TO ADOPT RESOLUTION 2023-32 AUTHORIZING THE SUMMARY OF PUBLICATION OF ORDINANCE 319 APPROVING AMENDMENTS TO SECTION 10-91-00 SIGNS OF THE ZONING CODE.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

9. **NEW BUSINESS**

A. General Obligation Capital Improvement Bonds, Series 2023A

Resolution 2023-34 Authorizing the issuance and sale of general obligation capital improvement bonds, series 2023A, in the proposed aggregate principal amount of \$13,000,000

Finance Director Mulvihill reviewed the Staff report in regard to the sale of bonds for the construction of the new City Hall Fire Station. She announced that Dan Tienter with Elhers was present.

Mr. Tienter reviewed the pre-sale report for the authorization of the sale of a not-to-exceed amount of \$13,000,000 in bonds. He noted that these will be tax exempt, fixed rate bonds.

Mayor Pro Tem Muehlbauer shared that he had some concerns that Thunstrom was able to clear up earlier. He stated one of his main concerns was not creating debt before they even knew what the bids would be and before they knew if they could move forward with the project.

MOTION BY: BAUER SECOND: UDVIG TO ADOPT REOLSUTION 2023-34 AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS, SERIES 2023A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$13,000,000.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

B. Demolition of Existing Fire Station

Thunstrom reviewed the Staff report for the plans and cost of the demolition of the existing fire station. She shared that they will be working with Stahl on this project. She shared that demolition could start as soon as August 8.

Bauer asked if the bids come in too high and they have already approved the old

fire station to be demolished, how they would be able to back out of this contract. Thunstrom stated that they would be entering into a contract with DW, and this is the first step to accept and approve those bids and then they would start a contract. She added that the bids for the general project are due on July 13, which is long before they would be starting any demolition. She noted that if all of this does not move forward they would also not move forward with the demolition.

Bauer asked if these bids would still be good if they needed to delay the project a few years. Thunstrom explained that these bids are for the construction of the project to start in September and if this is not approved in August they would start over completely.

Udvig asked about the drastic difference in the bid prices from the three companies that submitted bids. Thunstrom stated that a great deal of this has to do with DW being familiar with the soils in the area as well as the utilities connections as they would work Public Works quite often. She added that the other two companies have not done work in St. Francis and do not have an existing relationship with the City.

Robinson stated that he was present at the building meeting when this was first discussed and that he thinks DW will be a good choice as they already have a relationship with the City.

Mayor Pro Tem Muehlbauer shared that his only concern was with being able to get out of a contract with DW if the new City Hall Fire Station comes in over budget. He stated that he also asked this at the building meeting. He noted that the price for DW is a great price and that they should not have anything to worry about when working with them.

MOTION BY: ROBINSON SECOND: BAUER TO ACCEPT THE BID FROM DW FOR THE DEMOLITION OF THE EXISTING FIRE STATION.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

10. MEETING OPEN TO THE PUBLIC

Hunter Carlson, 2612 230th Court NW, came forward and ask that the City push a little bit more on the knowledge that this is going to happen to the Fire Station as a lot of residents do not even know that this is happening. He added that these capital bonds will end up costing a lot later on.

11. REPORTS - NONE

12. COUNCIL MEMBER REPORTS

Udvig shared that she attended the Farmer's Market on Wednesday and that it was well attended and they were able to expand the event. She thanked Community

Development Director Baumgardner and Jodi for their work. She shared that she has heard lots of great things about the event and know that people are enjoying it.

Bauer shared that he attended the first Farmer's Market and that it was well attended and he hopes it will continue to grow. He encouraged everyone to share the City of St. Francis Facebook page on their own pages to create awareness. He noted that if there is anything that anyone would like to see on the Facebook page to just call the City. He added that finance meetings will be starting soon and stated that if people want to know where their tax dollars are going residents should start attending the Council meetings to understand what is happening with taxes.

Robinson mentioned that he attended the building meeting last week with Stahl Construction and reiterated that they have been working on this project for approximately 18 months and have numerous open houses and publications in newsletters sharing about the project. He stated that he hopes this project goes through and that he does not take this project lightly. He noted that they have worked very hard on this project and reiterated that if they get to this project and the cost comes in too high they will not move forward with it. He stated that the fire station is the most important part of this project as public safety is a huge leading factor for this project. He added that they are close to entering into an agreement with Nowthen to partner with them to provide administrative help for their Fire Department, as well as entering into an agreement with the city of Bethel. He shared that everyone is welcome to call the City if they ever have any questions. He noted that if people see their taxes increase then they should come to the Council meetings to be educated on why their taxes are increasing. He noted that this building will be a 75 year building that everyone should be proud of if they are able to move forward with the project.

Mayor Pro Tem Muehlbauer shared that he attended the building meeting. He stated that he hopes the 13% tax increase scares people as he would like to hear more from them. He added that everything that is on the wish list is achieved, that is what the tax increase could be but stated that he does not think all items will be achieved. He noted that he takes it to heart when he hears residents say that they are not being transparent about things. He explained that one of the reasons he is on the Council is because of what happened with the wastewater treatment facility in the past. He stated that the Council has been working on this project for over two years and they have been trying to get the community engaged.

13. UPCOMING EVENTS

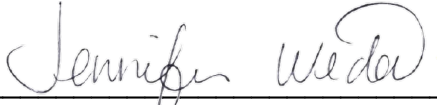
June 21 - Farmer's Market 3:00 pm - 7:00 pm at Community Park
June 21 - Planning Commission Meeting - 7:00 pm
June 27 - City Council Work Session - 6:00 pm

14. ADJOURNMENT

MOTION BY: UDVIG SECOND: BAUER TO ADJOURN THE MEETING.

Ayes: Bauer, Udvig, Robinson, and Mayor Pro Tem Muehlbauer. Nays: None
Motion carried 4-0

There being no further business, Mayor Pro Tem Muehlbauer adjourned the regular City Council at 6:57 p.m.



Jennifer Wida, City Clerk