

ANDOVER CITY COUNCIL WORKSHOP MEETING – AUGUST 23, 2022
MINUTES

The Workshop Meeting of the Andover City Council was called to order by Mayor Sheri Bukkila, August 23, 2022, at 6:00 p.m., at the Andover City Hall, 1685 Crosstown Blvd NW, Andover, Minnesota.

Councilmembers present: Valerie Holthus, Jamie Barthel, Ted Butler, and Randy Nelson
Councilmember absent: None
Also present: City Administrator Jim Dickinson
Public Works Director/City Engineer David Berkowitz
City Attorney Scott Baumgartner
Natural Resources Technician Kameron Kytonen
Others

DISCUSS EDIBLE THC REGULATIONS/TOBACCO LICENSING

The City Council was requested to review THC Regulations and Tobacco Licensing and provide direction to staff on a policy. Mr. Dickinson stated there are businesses currently selling THC and the City has no regulations, deferring to State regulations. He presented three options: do nothing, interim ordinance with a moratorium, or adopt an ordinance without a moratorium. Mr. Baumgartner does not recommend doing nothing. He recommended adopting an ordinance without a moratorium, using the tobacco ordinance as a template, using a moratorium it is double the work, when we could just focus our efforts on deploying an ordinance. The City Council reached consensus to move forward with an ordinance without a moratorium.

The City Council reached consensus on the following:

- Have a licensing process
- Limiting the number of licenses to 3
- Distance of 1000 feet from establishment door to the property line of public and private schools, commercial daycares, and treatment centers
- Restrict sellers to shops that only allow 21 and older
- Person selling product must be 21 or older
- Establishment must close at 10:00 p.m.
- Distance between establishments must be 1000 feet
- No delivery or online sales

- No transient or pop-up sales
- Background checks on owners and managers
- Administrative penalties, revocation options
- Grandfather clause does not apply

Mr. Baumgartner will draft an ordinance for the Council's review. Mr. Baumgartner stated in his opinion this is a test to legalizing marijuana and recommended addressing a manufacturing and distribution ordinance as well.

The Council indicated an interest in reviewing the number of tobacco licenses and the penalties involved with selling to minors at a future workshop.

NATURE PRESERVE PRESENTATION REGARDING ACQUISITION FUNDING

The City Council was requested to hear a presentation from Nature Preserve Commissioner Gwinn on methods of acquiring more land for nature preserves. Mr. Kytonen explained Commissioner Gwinn has researched options and provided a proposal, reviewed and supported by the Nature Preserve Commission.

Commissioner Gwinn provided background on the importance of nature preserves close to home. He stated land in the MUSA is exponentially more expensive than outside the MUSA. Commissioner Gwinn proposed increasing the Park Dedication Fee with a portion going to the Nature Preserve Land Acquisition Funds. He detailed the significance and benefits of preserving open space.

Councilmember Nelson thanked Commissioner Gwinn for a wonderful presentation and thinking outside the box. He stated the reason people move to Andover is the rural feel. He would like to avoid raising taxes to acquire open space. Councilmember Nelson asked if it was legal to raise the Park Dedication Fee and transfer it to Nature Preserve Fund.

Mr. Dickinson stated nature preserves would have to be integrated into the park system and the fee determined, stating a nexus connection needs to be demonstrated. He stated the Council can go out for a referendum vote and suggesting with the next city survey gauge resident interest.

Mayor Bukkila stated the park system is nearly built out and the Park Commission has a plan for completing the park system. She doesn't want to take away from the park system and if the City raises the Park Dedication Fee, it will be passed on to the buyer.

Councilmember Holthus stated Andover is getting low on space and asked where desirable land is. Mayor Bukkila stated MUSA land is much more desirable because it is serviced by sewer and water and has rules placed on it by the Met Council.

Commissioner Gwinn stated the rural reserve is a good location to purchase land. Mayor Bukkila stated the remaining land did not score high enough for purchasing as a nature preserve previously.

Councilmember Butler explained residents are concerned about the loss of nature when developments come in. He would like to have time to think about the proposal. Councilmember Butler likes that nature preserves are linked to the thing that threatens it, development.

Councilmember Barthel is not a fan of a referendum or raising taxes. He is a fan of adding a fee to new developments for nature preserves. Mr. Dickinson cautioned the Council on charging what could be an impact fee, as there needs to be a legal basis or nexus connection for the fee. Councilmember Butler stated the nature preserves would be integrated into the park system and then Park Dedication Fees can be used.

Mayor Bukkila asked if the Council was interested in raising Park Dedication Fees or going out for a referendum. The Council reached consensus that they are not in favor of going out for a referendum. The Council reached consensus to add questions to a community survey regarding nature preserves to see if there is resident support.

Councilmember Holthus stated there are very few Andover residents with land that is worth buying for a nature preserve and would be willing sellers.

Mr. Dickinson stated the City would have to go to a referendum vote to bond to purchase land for a nature preserve.

Councilmember Holthus stated she admires Commissioner Gwinn's work on his proposal and can see he is passionate about open space. She stated there are not willing sellers of nature preserve quality land at this time. Mayor Bukkila stated it was a struggle during the last referendum to find land to purchase.

RECESS AND RECONVENE

The City Council recessed at 7:30 p.m. The City Council reconvened at 7:45 p.m.

2023-2027 DRAFT CIP DISTRIBUTION/DISCUSSION

The City Council is requested to receive a brief presentation on the draft CIP and provide direction to staff. Mr. Dickinson stated a public hearing will be held on October 18th or earlier if possible. Mr. Dickinson indicated lead times on certain projects has extended significantly. He stated utilities and streets are the big-ticket items for the CIP. Mr. Dickinson highlighted several budget items, including a drone that can perform land surveys.

Mayor Bukkila requested a policy be written about drone use and change the name in the CIP to UAV. She stated through her job she has spent hours searching for lost drones that are not chipped or labeled. She asked if this was an item that could be shared with another city, through charges for services. Mr. Berkowitz responded, only if the UAV is accompanied with a City of Andover operator.

Mayor Bukkila asked about the building at Prairie Knoll Park and wanted more information. Mr. Berkowitz stated they are waiting on a commitment from the Andover Football Association. He indicated the Park Commission is interested in the project and would like to start the design process. Mayor Bukkila would like the information to go to Council regarding a building and not build it because Andover Football wanted it then backed out. She would like to push it out to 2024. The Council agreed.

Mayor Bukkila asked what can be done on the front side of the season for trails instead of on the back side of the season. She is concerned about cracks on the trails and safety of bikers and pedestrians. Mr. Berkowitz stated they will do research on repairing cracks on trails, and it is a difficult situation to address.

Mr. Dickinson stated the Dahslke boardwalk proposal will come before the Council at a future meeting to accept a grant award for the project. The boardwalk as currently proposed to be funded by the grant is not supported by the Nature Preserve Commission.

Mr. Dickinson explained the State has not yet funded the Red Oaks Manor water main improvements. Mr. Berkowitz stated the City will redo 17 miles of streets between mill and overlay, street reconstruction, and State Aid Routes.

Mr. Dickinson noted the Park Improvement Fund had a big influx of funds from Andover Crossings. Mr. Dickinson reviewed the Park Dedication Fund and the Trail Fund. He stated there will be small increases in utility rate fees.

Councilmember Holthus asked why the cost of a trail on Vernon increased dramatically. Mr. Berkowitz a boardwalk is needed and is expensive. She stated it is unsafe and there are many close calls with kids on bikes and cars.

2023 BUDGET DEVELOPMENT UPDATE

a. Preview Proposed 2023 Preliminary Tax Levy

The Council received an update on the 2023 Budget. Mr. Dickinson stated there is a 23.44% increase in the taxable market value. He indicated there will be a \$400,000 transfer of fund balance from the General Fund to the Trail Fund to facilitate 2023 trail projects. Mr. Dickinson reviewed the Council's budget goals and how those goals were being achieved.

Mr. Dickinson stated the Assistant Fire Chief has been hired. The City is implementing an enhanced duty crew model within the Fire Department. He noted the pay differential for weekends did not appear to clear up the vacant weekend shifts. He will provide a more detailed update at the next workshop meeting. He stated the City is approved for 55 firefighters and current numbers are in the 40s. Mayor Bukkila asked Mr. Dickinson to meet with firefighters to inform them of the situation and the need for change regarding the duty crew. Mr. Dickinson stated he plans to participate in an upcoming meeting. Mr. Dickinson indicate, while not currently budgeted, he would like to provide a 2022 contribution to the Fire Relief Association. The Council agreed. Mr. Dickinson indicate he would make it budget neutral.

Mr. Dickinson reviewed personnel costs, pay scales, and health insurance. Mr. Dickinson stated he is concerned about retaining staff and planning for succession. Mr. Dickinson discussed certain positions are being asked to do more and take on additional responsibilities that warrants pay adjustments, such as working out of pay class, he will make those adjustments budget neutral and integrate into the 2023 budget. Mr. Dickinson reviewed the City Attorney's contract and said there would be a minimal increase. Mr. Dickinson requested starting the 72 hours per day of patrol services outlined in the 2023 law enforcement contract now instead of waiting until the first of the year. The Council agreed.

Mr. Dickinson stated staff is targeting a 6% increase in the gross tax levy for the 2023 preliminary property tax levy. He will bring that forward at the September 6th Council meeting. He stated the City is getting \$200,000 less in fiscal disparities than last year. Mayor Bukkila requested that Mr. Dickinson provide residential tax impact examples as part of his presentation.

JULY 2022 COMMUNITY CENTER UPDATE

Mr. Dickinson provided an update on the Community Center as written in the staff report. He provided a report on the cost to take out ice, put down turf, and then turn it over to ice again. He reported a cost of \$7400 for this process. Mr. Dickinson stated staff are looking at turf rentals and fine tuning when to put it in and take it out in order to capture revenue opportunities.

OTHER BUSINESS

None

ADJOURNMENT

Motion by Butler, Seconded by Nelson, to adjourn. Motion carried unanimously. The meeting adjourned at 8:45 p.m.

Respectfully submitted,

Shari Kunza, Recording Secretary