



City Council Meeting

May 22, 2023

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Mayor Lund called the City Council Meeting of May 22, 2023, to order at 7:00 p.m.

Present

Mayor Scott Lund
Councilmember Dave Ostwald
Councilmember Tom Tillberry
Councilmember Ryan Evanson
Councilmember Ann Bolcom

Absent None.

Others Present

Walter Wysopal, City Manager
Ryan George, Deputy Director - Police
Joe Starks, Finance Director
Sarah Sonsalla, City Attorney

Pledge Of Allegiance

Approval of Proposed Consent Agenda

Motion made by Councilmember Evanson to adopt the proposed Consent Agenda. Seconded by Councilmember Bolcom.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously.

Approval/Receipt of Minutes

1. Approve the Minutes from the City Council Meeting of May 8, 2023.
2. Receive the Minutes from the City Council Conference Meeting of May 8, 2023.
3. Receive the Minutes from the Environmental Quality and Energy Commission (EQEC) Meeting of April 11, 2023.
4. Receive the Minutes from the Housing and Redevelopment Authority Meeting of April 6, 2023.

New Business

5. Resolution No. 2023-50, Awarding 2023 Street Rehabilitation Project No. ST2023-01.
6. Resolution No. 2023-51, Requesting No Parking Designation on 53rd Avenue.
7. Resolution No. 2023-52, Changes to Roadway Major Maintenance Financing Policy.
8. Resolution No. 2023-53, Approving Gifts, Donations and Sponsorships Received Between April 15, 2023, and May 12, 2023.
9. Resolution No. 2023-56, Approving Purchasing Agent Agreement with Bredemus Hardware Co., Inc. for Moore Lake Community Building and Site Improvements Project.
10. Resolution No. 2023-57, Approving an Anoka County SHIP Grant for a Gardening Education Program.

Claims

11. Resolution No. 2023-58 Approving Claims for the Period Ending May 17, 2023.

Adoption of Regular Agenda

Motion made by Councilmember Tillberry to adopt the regular agenda. Seconded by Councilmember Ostwald.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously.

Open Forum, Visitors: (Consideration of Items not on Agenda – 15 minutes.)

No one from the audience spoke.

Regular Agenda**New Business**

12. Interim Ordinance No. 1408 Authorizing a Study and Imposing a Moratorium on the Sale of Cannabinoid Products

Police Deputy Director Ryan George provided background information noting that the legalization of cannabinoid products has significant support in the legislature, but the current versions of the bills do not allow for local regulation or control. He reviewed cannabinoid considerations and a summary of the proposed ordinance. He indicated the next step would be to approve the first reading of the ordinance.

The Council asked if the bills considered by the legislature provide the ability for cities to impose a moratorium. Mr. George confirmed that a moratorium would be allowed and provides the ability for local jurisdictions to study the impacts and the local control that would be allowed. It was confirmed that many other cities are implementing moratoriums on THC products.

The Council noted that even though marijuana would become legalized, the State has said that it would be 12 to 18 months before licensing would be in place for sales. The Council asked about the risks that may be foreseen if the moratorium is not passed. Mr. George replied that without those licensing requirements in place, it would put the City at risk of creating an illicit marketplace.

An attorney spoke in representation of a number of business owners in Fridley and provided details on the regulations that will remain in place under the Department of Health until the new regulations become effective. The Council was asked to reevaluate its course and consider licensing rather than a moratorium. It was stated that under the legal analysis, the businesses currently selling these products could have a legal argument to continue selling as an existing nonconforming use.

The Council acknowledged that it was moving towards licensing but commented that the legislature has taken local control away. A question was also asked as to whether those selling legal low dose hemp products could continue to do so under the moratorium.

City Attorney Sarah Sonsalla provided additional clarification on the City's ability to impose a moratorium and stated that under the moratorium, those businesses would need to cease sales of the low dose hemp products as well. It was noted that the Council could amend the moratorium if it wanted to allow those sales to continue.

The Council noted that it would seem that these questions support the City pausing to conduct a study. It was noted that the Department of Health is already understaffed and therefore it would be questionable as to whether there would be adequate support to handle this additional role. The Council acknowledged that some members of the legislature admitted that they did not read the bill that made low dose hemp products legal last year and therefore the additional study seems warranted. Mr. George recommended that the Council adopt the moratorium as proposed. Ms. Sonsalla commented that the moratorium can only be in place for 12 months and could be lifted at any time if the Council feels comfortable before that time.

A business owner commented that his business exclusively sells CBD products and if this moratorium passes, he will be out of business, noting that he has a ten-year lease for his space. He stated that he followed all City codes and had approval from Mr. George before committing to the lease and opening his business.

Mr. George noted that the .3 percent hemp derived products could still be allowed if desired. A member of the Council suggested that the Council consider amending the allowed percentage to .3 in order to allow these businesses to continue to operate during the moratorium. A question was asked as to the number of businesses that fall into this category. Mr. George replied that there may be other businesses that sell these products as they are nonintoxicating. The Council requested that additional information be gathered before the second reading to consider potentially allowing the

low dose nonintoxicating products to continue to be sold. Mr. George confirmed that there have not been any issues with businesses selling these low dose, nonintoxicating products.

Motion made by Councilmember Bolkcom to approve the first reading of Ordinance No. 1408 Authorizing a Study and Imposing a Moratorium on the Sale of Cannabinoid Products. Seconded by Councilmember Tillberry.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously.

13. Resolution No. 2023-54, Approving an Increase in the Not-to-Exceed Amount of Multifamily Housing Facility Revenue Bonds that may be Issued to Finance a Multifamily Housing Project Pursuant to Minnesota Law and the Amendment of a Public Hearing Notice

Finance Director Joe Starks provided background information on this topic, including what has changed in the development request and City considerations. He stated that staff recommends approval of the draft resolution as proposed.

The Council asked why the bond amount was set at the lower amount originally. Mr. Starks replied that the original assumption was the City would be issuing only the tax-exempt portion of the bonds but has since been requested to issue the taxable bonds as well.

A representative from Roers explained that they always intended to finance with a mix of taxable and tax-exempt bonds. It was explained that the lender believed there was another issuer of the taxable bonds, but it was since determined that those bonds would need to be municipally issued bonds.

Motion made by Councilmember Tillberry to adopt Resolution No. 2023-54 Approving an Increase in the Not-to-Exceed Amount of Multifamily Housing Facility Revenue Bonds that may be Issued to Finance a Multifamily Housing Project Pursuant to Minnesota Law and the Amendment of a Public Hearing Notice. Seconded by Councilmember Bolkcom.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously.

14. Resolution No. 2023-55, Approving and Authorizing Final Budget Reappropriation for Certain Funds for the Fiscal Year Ending December 31, 2022

Mr. Starks presented a request to approve and authorize final budget reappropriation for certain funds for the 2022 fiscal year. He noted that these revisions were identified in preparation of the audit process. He provided a brief overview of the requested changes.

Motion made by Councilmember Evanson to adopt Resolution No. 2023-55 Approving and Authorizing Final Budget Reappropriations for Certain Funds for the Fiscal Year Ending December 31, 2022.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously.

Adjourn

Motion made by Councilmember Ostwald to adjourn. Seconded by Councilmember Evanson.

Upon a voice vote, all voting aye, Mayor Lund declared the motion carried unanimously and the meeting adjourned at 8:04 p.m.

Respectfully Submitted,

Melissa Moore
City Clerk

Scott J. Lund
Mayor