



City Council Meeting

June 12, 2023

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Mayor Lund called the City Council Meeting of June 12, 2023, to order at 7:00 p.m.

Present

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

Others Present

Walter Wysopal, City Manager
Scott Hickok, Community Development Director
Joe Sathe, City Attorney
Ryan George, Deputy Director of Police
Joe Starks, Finance Director
Melissa Moore, City Clerk
Stacy Stromberg, Planning Manager

Pledge Of Allegiance

Proclamations/Presentations

1. Proclamation: Women of Today Founder's Day – July 1, 2023

Mayor Lund presented the proclamation declaring July 1, 2023 as Women of Today Founder's Day.

Kathy Rodel-Mezzenga, President of Fridley Women of Today, thanked the City for the proclamation. She provided information on the organization and highlighted upcoming events.

2. Proclamation Congratulating Al-Amal School and Certificate of Achievement to Muminah N. Mohammed

Mayor Lund presented the proclamation congratulating the Al-Amal School.

Ishrat Islam, Vice Principal of Al-Amal School, stated that the school is proud to be the only K-12 Islamic school in Minnesota. She provided additional information on the school and its near perfect graduation rate. She thanked the City for supporting the school and embracing their values.

Mayor Lund presented the Certificate of Achievement to Muminah Mohammed.

Muminah Mohammed introduced herself and expressed gratitude to the City staff and Council for their support. She shared some of the achievements and awards of the students of Al-Amal School in the areas of science and history.

Approval of Proposed Consent Agenda

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

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

Approval/Receipt of Minutes

3. Approve the Minutes from the Local Board of Appeals and Equalization Meeting of April 10, 2023.
4. Approve the Minutes from the City Council Meeting of May 22, 2023.
5. Receive the Minutes from the Parks and Recreation Commission Meeting of April 3, 2023.
6. Receive the Minutes from the City Council Conference Meeting of May 22, 2023.
7. Receive the Minutes from the Housing and Redevelopment Authority Meeting of May 4, 2023.

New Business

8. Resolution No. 2023-60, Authorizing Participation of the City of Fridley in the Minnesota Local Performance Measurement Program.
9. Resolution No. 2023-62, Approving and Authorizing Signing an Agreement with Certain Employees Represented by Local No. 514 for the City of Fridley Public Safety Department for the Years 2023 and 2024.
10. Resolution No. 2023-65, Approving Special Legislation to Provide Funding for the Fridley Housing and Redevelopment Authority's Housing Programs.

Licenses

11. Resolution No. 2023-59, Approving Temporary Intoxicating Liquor Permit and Temporary Lawful Gambling Permit for Fridley Lions Club for Events to be Held During Fridley 49er Days on June 17, 2023 at Commons Park and Community Park.

Claims

12. Resolution No. 2023-64 Approving Claims for the Period Ending June 7, 2023.

Adoption of Regular Agenda

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

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.)

Tom Matousek, who lives off Lucia Lane, expressed his concerns with the speed of vehicles and unsafe behavior of vehicles on the roadway.

Mayor Lund confirmed that they are aware of the issue and continue to work on that.

Ryan George, Deputy Director of Public Safety, confirmed that they have been working on slowing the speed of traffic for many years and while things have gotten better, it is something they continue to work on. He reviewed some of the methods the department in collaboration with the Islamic University have has used in an attempt to manage the traffic.

Dan Christianson, who used to live on Lucia Lane, provided some additional things that could be considered to assist in managing traffic.

Regular Agenda**Public Hearing**

13. Resolution No. 2023-63, Approving the Issuance and Sale of Multifamily Housing Revenue Bonds (Moon Plaza Apartments Project), Series 2023, and Approving a Housing Program Pursuant to Minnesota Statutes, Chapter 462C.

Motion made by Councilmember Tillberry to open the public hearing. Seconded by Councilmember Evanson.

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

Joe Starks, Finance Director, provided background information on this development project and the actions taken thus far. He noted that at the last meeting, Council adopted a resolution increasing the not to exceed amount from \$27,000,000 to \$50,000,000. He reviewed the logistics of the financing noting that the City is merely a conduit and the money and obligations flow only between the Trustee and the Borrower.

There were no public comments.

Motion made by Councilmember Tillberry to close the public hearing. Seconded by Councilmember Ostwald.

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

Motion made by Councilmember Tillberry to adopt Resolution No. 2023-63, Approving the Issuance and Sale of Multifamily Housing Revenue Bonds (Moon Plaza Apartments Project), Series 2023, and Approving a Housing Program Pursuant to Minnesota Statutes, Chapter 462C. Seconded by Councilmember Bolkcom.

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

Old Business

14. Interim Ordinance No. 1408, Authorizing a Study and Imposing a Moratorium on the Sale of Cannabinoid Products (Second Reading).

Ryan George, Deputy Director of Public Safety, noted that following the discussion at the first reading of the ordinance, the percentage allowed was changed from .1 to .3 percent. He provided additional background information on the actions of the State legislature since the first reading of the ordinance. He explained that the ordinance would allow the City to authorize a study and impose a moratorium. He reviewed the changes to the draft ordinance following the first reading and the next steps.

Steban Kabalan, CBD RS, 8094 University Avenue N.E., owner explained that his products are hemp-derived, not marijuana derived, and are even legal on a Federal level. He stated that he opened his business in April of 2022 and received the approval from Mr. George prior to opening, including confirmation that his business would be grandfathered in if the City were to change its regulations. He noted that his store only sells CBD and hemp-derived products and does not sell tobacco or any illegal products. He stated that if the City agrees to pay his rent during the moratorium, he would agree to it, but otherwise he needs to operate his business. He asked for clarification on whether both CBD and hemp-derived products could be sold under the moratorium.

Mr. George stated the moratorium would allow the business to sell hemp derived CBD products at or below .3 percent. He commented that the Delta-9 and other THC derived products would not be allowed under the moratorium.

Mr. Kabalan stated he has complied with all regulations and many of his clientele have shifted to the Delta-9 products which have been legal since 2018. He volunteered to meet with City staff to share his knowledge of these products.

Mayor Lund said they need more background, noting that many other cities are following the path of a moratorium.

Mr. George confirmed that many other cities, over 80 at this time, are issuing moratoriums, and staff worked with the City Attorney to draft a similar moratorium. He confirmed that the moratorium would

allow the business to sell the hemp derived CBD products that are .3 percent or less, but he would not be able to sell Delta-9 or HHC products. He explained that the moratorium would allow the City to study the issue and also allow the State to provide more guidance on this issue. He stated that while the moratorium would be valid for one year, it could be lifted sooner.

The Mayor acknowledged that the business is selling products that are federally legal.

Mr. George stated that THC products were not previously allowed for sale until April, only the sale of hemp derived CBD products were allowed. He confirmed that the products are currently legal for sale under City Code as the intent of the City was to follow the path of licensing. He stated that because of the change made by the legislature, the City would not have the ability to license.

Mr. Kabalon said his business could not survive with the moratorium.

Joe Sathe, City Attorney, explained that the interim ordinance is unique in the sense that it addresses three categories of products under the cannabinoid umbrella and provided further explanation.

Wally Wysopal, City Manager, commented that the Council should consider its compelling interest in why the products that have been allowed to be sold should now not be allowed for sale. Mr. George stated that the new law does bring about concerns but acknowledged that these products can be sold in any gas station at this time where minors would be exposed, and the City would prefer the products to be sold in establishments only serving those 21 and up.

Councilmember Ostwald asked if the businesses that have authorization to sell these products could be grandfathered in to allow them to sell those products during the moratorium.

Mr. Sathe did not recommend exempting certain businesses but believed the interim ordinance could be drafted in a manner that would state an existing or new business could not begin the sale of these products.

Mr. Wysopal asked if the business is currently licensed. Mr. George replied that it is not because he does not sell tobacco. He noted that there are currently five tobacco license holders, so a total of six businesses that could potentially be grandfathered in.

Councilmember Bolkcom asked if they can do a moratorium and exempt certain businesses.

Mr. Sathe stated that licensing could still be implemented on the 151 products by the City until the time a State license process is enacted for those products.

Mr. George clarified that the tobacco product shops are only allowed to sell tobacco/nicotine products and are not allowed to sell these products, although the concept was to eventually allow those stores to sell those products.

Mr. Sathe stated that if any business could provide proof that they were selling after it was deemed allowed in April, until the interim ordinance, those businesses should be treated the same. He noted that 151 products can be sold at any retailer, and it is not limited to these types of businesses. He

recommended that the City use licensing to limit the sale of those products, noting that could occur in conjunction with the moratorium. He noted that he has experience in drafting licensing and could do so within a few days, but that would need to be reviewed to cater to the desires of Fridley.

Councilmember Tillberry recognized that the moratorium casts a wide net that includes products that have been able to be sold legally.

Mayor Lund expressed that licensing seems to provide the City better control over the sale of the legal products and would also allow this business to continue selling their products legally.

Mr. George commented that this shop would be unique enough to have a carve-out, as it is the only dedicated CBD store in the City, and he does not sell tobacco.

Mr. Sathe stated that he has seen that done through a licensing framework and provided more details.

Mr. Wysopal stated that the Council could move forward with the moratorium as drafted and then staff can be directed to create the licensing process.

Mr. Sathe commented that could be done but they would need to consider what the licensing would allow a business to sell. He provided additional details on anticipated timelines.

Mr. Wysopal asked if the interim ordinance could be adopted with a carve-out for a business that exclusively sells the CBD/hemp-derived products.

Mayor Lund suggested adopting the interim ordinance, which would become effective on June 30. It was noted that would allow time for staff to create the framework for limited licensing that could be considered at the June 22 meeting.

Mr. Sathe noted that a second reading would be required, therefore the licensing would take effect mid-July.

Melissa Moore, City Clerk, commented that if a public hearing were desired that would add time as well but confirmed that it is discretionary. It was noted that the second meeting in June is June 26, not June 22.

Mr. Kabalon expressed appreciation to the Council for its consideration and commented that he would be happy to be part of the licensing. He felt the licensing was the best way to go.

Councilmember Evenson reviewed what was discussed.

Pam Reynolds, 1241 Norton Avenue N.E., asked that the ordinance be read before being adopted as allowed by the City Charter and expressed concern that this draft ordinance is meant for edibles and not marijuana.

Melissa Moore, City Clerk, read Interim Ordinance No. 1408.

Motion made by Councilmember Bolkcom to adopt the second reading and Interim 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.

New Business

15. Ordinance No. 1409, Amending the Fridley City Code to Add Chapter 35, Mobile Food Units, Amend Chapter 209, Fees and Repeal Chapter 216, Street Vending.

Melissa Moore, City Clerk, provided background information noting that the City currently does not have an ordinance regulating food trucks and relies on Chapter 216, street vending. She reviewed the proposed requirements of the food truck license and allowed operations. She also reviewed the ice cream truck license requirements and allowed operations as proposed. She provided an overview of the related fees as proposed and next steps.

Councilmember Bolkcom asked for clarification on the allowed time a food truck could be operating in Fridley under the City license and County permit.

Stacy Stromberg, Planning Manager, replied that the County allows a permit for 21 days in one location. She stated that because of that limit, the City would follow the same limit at one location. She noted that a food truck could go to another location after that time period and stated that property owner permission must be provided as well.

Motion made by Councilmember Evanson to approve the first reading of Ordinance No. 1409 Amending the Fridley City Code to add Chapter 35, Mobile Food Units, Amend Chapter 209, Fees and Repeal Chapter 216, Street Vending. Seconded by Councilmember Ostwald.

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

16. Resolution No. 2023-61, Approving and Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending December 31, 2022.

Rebecca Petersen, Redpath and Company, presented the results of the 2022 audit noting a clean or unmodified opinion. She stated that the City has received the GFOA Award for excellence in financial reporting every year since 2011 and the 2022 reports will be submitted as well. She stated that there was one internal control finding related to audit adjustments which is an extremely common finding. She noted that there were no findings of legal noncompliance and reviewed the communication to those charged with governance. She also provided a brief review of the different City funds.

Joe Starks, Finance Director, thanked Ms. Peterson and her team along with the finance staff for their hard work.

Motion made by Councilmember Ostwald to adopt Resolution No. 2023-61, Approving and Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending December 31, 2022. Seconded by Councilmember Bolkcom.

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

Informal Status Reports

The Council reminded the public about '49er Days and all the related events that will take place this weekend.

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 9:40 p.m.

Respectfully Submitted,

Melissa Moore
City Clerk

Scott J. Lund
Mayor