

TAYLORS FALLS CITY COUNCIL MEETING MINUTES
City Hall, Council Chambers
Monday, November 13, 2023

The Agenda for this Meeting was posted November 09, 2023, at City Hall, the Post Office, and Copies were emailed to residents requesting such.

CALL TO ORDER

The Meeting was called to order at 7:00 pm by Mayor Brandon Weiberg.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the United States flag was recited.

ROLL CALL

Members Present: Mayor Brandon Weiberg, Lee Samuelson, Tim Grote, Larry Julik-Heine, Troy Aanonsen
Also present: Michelle Hansen, Elizabeth Haas, Attorney F. Knaak, Nancy Hoffman, Cory Couillard, Annete Bethke, Anne Ofstead, Becky Caneday, Buck Duncan, Gary Swanson, Carol Schumann, Kevin Schumann, Mike Brady, David Aine, Taylor Long, Larry Long, Rich Smith, Sheryl Grote, Molly Irish, Sarah Hoppe, Jason Hahn

ADOPTION OF AGENDA

Julik-Heine moved, Aanonsen seconded, to adopt the agenda with moving Old Business #4 Set Special Meeting Date for Mary Tomnitz Severance Agreement to New Business #21. Motion passed unanimously

APPROVAL OF CONSENT AGENDA

Aanonsen asked about the Expenditure Budget Report from page 13 of the packet, there were some items that did not total correctly, specifically under administrative section. Michelle Hansen was asked to consult with Mary and/or Brad from Abdo about the totals and send email to Council clarifying the numbers.

Aanonsen also brought up and asked why 8-14-23 Council meeting minutes were available before any of the previous months' minutes.

Grote moved, Julik-Heine seconded, to approve the consent agenda per getting the information from page 13. Motion passed unanimously.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Minutes from the August 14, 2023 council meeting.

OLD BUSINESS

1. Mike Brady and Elizabeth Haas - Business Park Update

Mr. Brady introduced architect David Aine, who outlined a vision of diverse uses of the park: retail, residential and a gardening concept.

Julik-Heine expressed concern about the housing element, as the waste water ponds can smell quite badly in the spring. He said originally the city was looking for light industrial usage of the park. He said there are 10 acres on the north set aside for more ponds should the city population grow. Brady stated the issue with the ponds would be included in their literature.

Aanonsen asked how Brady and Aine conceptualize the tiny house village idea.

Aine replied the tiny house concept provides affordability to many people. The buildings would be there ahead of time for people to buy; owners don't build their own house. They would rent-to-own.

Aanonsen asked if a study had been completed on how a tiny house village would affect other property values. (Answer: No study has been done.)

Weiberg would like to see a study on the effect of a tiny house village on nearby property values.

Haas recommended against setting a time line until the city has defined their vision of the park and other issues have been resolved. Currently Brady's vision does not fit with what the ordinance allows, and would require an amendment. She explained other issues that need to be considered. One is the three outlots which are not allowed to be built on, while Brady's plan includes building on them. She asked if anyone had any idea why the outlots cannot be built on; was it for pond expansion? Also we have to figure out the setback from the sewer ponds. Also, how far does a person need to be from the ponds when they smell, so the odor cannot be detected?

Julik-Heine thought two of the outlots were designated as storm water ponds and one for expansion of the sewer ponds.

Brady commented water and sewer have been brought to two of the outlots, suggesting planning for future building. Haas explained usually outlots refers to a remnant of land that doesn't meet the subdivision standards.

Grote asked if the senior housing was intended to be a not-for-profit arrangement. (Brady said it would be for-profit.) From a tax perspective, it would add value to the city.

Grote asked Haas how long it would take her to put together a time line for the different steps that need to be taken. She responded the Council needs to give feedback on a planned unit development, or stay within the existing zoning ordinance.

Aanonsen said he would like to stay within the existing zoning ordinance. Julik-Heine is open to the new concept. Grote is open to the new plan, and would like to see what steps need to be taken and how long they would take. He wondered what value the development would have compared to industrial. Samuelson could support either industrial or the new plan concept. Weiberg wants to keep moving with the latest proposal. He asked Haas for a list of pros and cons of redoing the ordinance. Haas responded the only con would be putting a Planned Unit Development (PUD) under a Business & Industrial (B&I) section of the ordinance that means anywhere that is zoned B&I can apply for that PUD and not all PUDs are going to be as nice as Brady's. If that happened, the city would be put in the position of putting conditions on a PUD, because it would be really hard to deny one even if it was undesirable.

2. Approval of Michelle Hansen for the Treasurer Position

Grote pointed out both hire letters (Hansen and Thomasen) should read their positions are non-exempt, so they qualify for overtime pay.

Motion by Grote, second by Aanonsen, to approve the hiring of Michelle Hansen for the Treasurer position according to the employment agreement that was offered. Motion passed unanimously.

3. Approval of Sherrie Thomasen for the City Clerk Position

Motion by Aanonsen, second by Grote, to approve the hiring of Sherrie Thomasin for the City Clerk position according to the employment agreement that was offered. Motion passed unanimously.

NEW BUSINESS

1. Gerold Swanson - Stormwater Billing

Mr. Swanson sites his 20 acres just outside of town with two dead end streets entering his property. He requested a review on the storm water assessment.

Weiberg said he, Haas and Gruber could go to the property to review it, and include Jake and Bolton and Menk.

Julik-Heine said when water runs off a property into the city sewer system, an assessment is made.

2. Carol Schumann - Lighting Festival Update

Ms. Schumann thanked the city for its support by including the Lighting Festival in the budget. It's the 39th annual festival. The theme is 175 years of Commerce. She highlighted planned activities throughout Thanksgiving weekend.

3. Buck Duncan - Cannabinoid Product Retail License Renewal

Haas reported staff recommend approving the license renewal as the applicant meets the zoning ordinance requirement, there have been no changes to the business, and there are no outstanding violations for the property.

Duncan suggested changing the license renewal process so he can just deal with staff rather than coming to the council for approval. This is after one year of operating without violations. This is the only license that has to go through council for approval; liquor licenses don't need this same level of approval.

Aanonsen stated the liquor license renewal did come before the council.

Motion by Grote, second by Julik-Heine, to approve the Cannabinoid Product Retail License renewal for Buck Duncan. Motion carried unanimously.

4. Sarah Hoppe and Jason Hahn - Conditional Use Permit for a Short-Term Rental - 361 Bench St./former "Chisago House"
- Haas explained there are four one-bedroom apartments on the second story of the building. They are being proposed as short-term rentals, which are allowed as a conditional use in the downtown commercial zoning district. All general and specific requirements have met the zoning ordinance. Haas and the Planning Commission made a recommendation that the proposed conditional use be approved using the findings stated in her memorandum. There are three conditions:
1. The applicant will adhere to applicable requirements for conditional use permits found in Section 1000.08 in the zoning ordinance.
 2. The applicant will adhere to applicable requirements for short-term rentals found in Section 2000.020 in the zoning ordinance with the exception of the conditional use permit will not require the owner to occupy the apartments or buildings to operate the short-term rental.
 3. The applicant shall provide contact information to anyone within 350 feet of the property and the applicant shall have a representative or themselves be within a half an hour of the property who could respond to complaints shall any arise.
- Ms. Hoppe explained their vision for the lower level of the building: a wellness type retail, a restaurant, and a deli meat store. They are considering adding bike rentals. They anticipate having the short-term rentals ready after March.

Motion by Julik-Heine, second by Aanonsen, to approve the Conditional Use Permit for a Short-term Rental at 361 Bench Street. Motion passed unanimously.

5. Cory Couillard - Conditional Use Permit for a Short-Term Rental - 625 Bench Street
- Haas reported the property is zoned downtown commercial and small town, where short-term rentals are allowed. She stated all general and zoning requirements have been met per the zoning ordinance. Haas and the Planning Commission recommend council approve the proposed conditional use permit with the same conditions stated in the previous application (see #4 above).

Motion by Grote, second by Aanonsen, to approve the Conditional Use Permit for a short-term rental at 625 Bench Street. Motion passed unanimously.

6. Annette Bethke - Conditional Use Permit for a Cannabinoid Product Retail Establishment - 406 Bench St./ "With August"
- Haas stated that tonight there are two applications for a Conditional Use Permit for a Cannabinoid Product Retail Establishment. It is her recommendation both be approved because they can hold the CUP and not use it. She said Council can approve both CUPs and then deny one license. The property at 406 Bench Street is zoned Downtown Commercial, which is a requirement. Once the Use Permit for a Cannabinoid Product Retail Establishment CUP is approved, a license to sell is required.
- Haas reported all general and specific requirements have been met per the zoning ordinance. Haas and Planning Condition make a motion to approve this conditional use permit application using the findings of fact and staff report with the following conditions:
1. The applicant will adhere to applicable requirements for Conditional Use Permit found in Section 1000.008 in the Zoning Ordinance.
 2. The applicant shall be required to get a Cannabinoid Product Retail License prior to selling cannabinoid products.
 3. This conditional use permit shall expire upon change of business name, change of business owner, or change of property owner.
 4. Hours of operation are 8:00am - 10:00pm.
 5. The use will be for sale of cannabinoid topical products as represented by the applicant.

Grote asked for clarification of 3.F of the Conditional Use Permit. The sentence seems to read that the Council considered the Planning Commission's recommendation on Nov. 8, 2023. Haas will reword the sentence so it is clear the Planning Commission made the recommendation on Nov. 8, and now Council is considering it on the 13th. Ms. Bethke said the store, With August, sells a homeopathic line of products now, and wants to add the cannabinoid topical products with no THC in them.

Motion by Aanonsen, second by Grote, to approve a Conditional Use Permit for a Use Permit for a Cannabinoid Product Retail Establishment at 406 Bench Street. Motion carried unanimously.

7. Larry Long - Conditional Use Permit for a Cannabinoid Product Retail Establishment - 349 Government St. "Old Jail" Haas introduced the property at 349 Government St. as zoned downtown commercial with historic preservation overlay. The ground floor unit is a Bed & Breakfast, and top two stories are apartments. A Cannabinoid Product Retail Establishment is an allowed conditional use. All general and specific requirements have been met for the zoning ordinance. One of the differences between this property and the business outlined in New Business #6 is the traffic pattern. This property is not located downtown, and there is parking available directly across the street within walking distance and there is no concern with parking hours. Zoning staff recommends the city make a motion to approve the proposed conditional use permit application using the findings of fact and the staff report with the same conditions as previous applicant (see New Business #6) with the exception of #5, and added "The use shall be for the sale of low dose non-intoxicating cannabinoid products."

Ms. Taylor Long spoke about the limitation of only two licenses for a low dose non-intoxicating product. She feels this actively obstructs business owners from gaining experience in the new industry. She requested the limitation of licenses be revisited. She then announced they would be withdrawing their application, for a variety of reasons. They are considering a future food service retail store in the location. She also complimented Elizabeth Haas for her skills and the asset she is to the city.

Haas told the applicants they had already done all the work and paid for the CUP, so there is no harm in holding that and letting it naturally expire.

8. Approve one Cannabinoid Product Retail License of the two following applicants:
 - a. Annette Bethke/With August LLC
 - b. Larry Long/Old Jail LLC

Grote stated he would like to see a revisit the ordinance requiring a license for non-intoxicating cannabinoid products, but only for the edibles.

Motion by Julik-Heine, second by Samuelson, to approve the Cannabinoid Product Retail License for Annette Bethke (With August, LLC) at 406 Bench St. commencing on January 1, 2024 through December 31, 2024. Motion carried unanimously.

9. Adopt a Moratorium on Short Term Rentals
On November 8, 2023, the Planning Commission voted to recommend a moratorium on short-term rentals for 12 months in order for the city to draft a new ordinance language regarding short-term rental requirements. The State of Minnesota allows a moratorium to be in place as long as the city is actively studying the issue. The Planning Commission also advised if the City Council does not adopt the moratorium that Planning Commission would recommend a condition on any new Conditional Use Permit applicants of the expiration after one year of approved issuance. This would allow new applicants to still move forward but make them reapply under the new zoning ordinance language.
Haas strongly agrees the zoning ordinance needs an update regarding use of short-term rentals. She supports the concept of the moratorium, and the concept of any future CUP applications expiring after one year requiring any new applicants to follow the new ordinance regulations. If council wants to stop new applications altogether, she recommends the moratorium included with the packet. She further stated the current ordinance lumps B&Bs with short-term rentals, and they are really two different things.

Julik-Heine asked what kinds of things other cities are including with their ordinances. Haas responded with: a) clearly marking property lines to avoid renters trespassing, 2) giving short-term renters a map of the property, and 3) controlled proximity of two or more short-term rentals. She said short-term rentals are hard to enforce when there are violations.

Grote would like to see an ordinance revision come to council by April, 2024.

Weiberg added that Planning Commission should provide a revised ordinance with short-term rental recommendations to Council by their first meeting in April 2024.

Motion by Aanonsen, second by Grote, to approve Resolution 2023-11-00, an Ordinance Providing a Moratorium on New Conditional Use Permits for Short-term Rentals in Taylors Falls, where Planning Commission shall provide an ordinance proposal to City Council by the first City Council meeting in April, 2024. Motion carried unanimously.

10. Consideration on Pursuing State Reimbursement for Emergency Response Calls to Interstate Park

Aanonsen reported this subject came up at a budget meeting. He contacted the Fire Chief, via email, with questions about the State of Minnesota paying for emergency response calls. The Chief responded: 1) the City is not reimbursed. Bills have been sent to individuals for reimbursement, but don't always receive payment. He stated that by city ordinance the fire department can request reimbursement from individuals. 2) "On average, about 10-20% of our call volumes annually are responses to the park property. These types of rescues and medical responses are 50% of what we train on given their technical nature... We spend about 20% of our annual budget on new equipment and equipment replacement due to damage on calls and trainings. This type of equipment does have a shelf life and must be replaced regularly to keep in compliance with NFPA 1983 Standard on Life Safety Rope and Equipment for Emergency Service." 3) "I have heard in the past the city/fire department have received compensation from the State. As to how and why this is no longer the case, I cannot answer."

Aanonsen also contact Sergeant Jones of Chisago County Sheriff's Department, who said the county has never been financially reimbursed for calls to the park.

Julik-Heine stated that at one time the city did receive funds from the State for calls to the park. It was called PILT (payment in lieu of taxes) money. Because the park didn't pay taxes, the city was compensated in lieu of taxes, and that money went towards rescues. Asked why the reimbursements stopped, Julik-Heine said it was part of Gov. Pawlente's budget cutting to balance the budget. He recommended contacting Senator Mark Koran to get the ball rolling again.

Aanonsen responded he would contact the Senator.

Grote said the DNR does have some information on payment and low taxes.

Attorney Knaak will investigate what other cities are doing.

11. Approve Certification to the County for Unpaid Water Bills

Weiberg gave a quick update on Mary's efforts to collect these delinquent water bills, and thanked her for her hard work. Her goal was to collect \$20,000.00 and she has collected just over that. He then explained that Council needs to vote to send it to the County, and that the owners still have until the end of the year to pay us, but if not, their balance will go to their 2024 property taxes.

Grote moved, Julik-Heine seconded, that we certify these delinquencies to the county. Motion passed unanimously.

12. Voter Account Fund Allocation Agreement - Approve Agreement

The agreement allocates \$62.69 from the State to the County from the Voter Account Fund, to be spent on expenditures directly related to election administration. The monies don't actually come to the City, but City transfers the monies to the County.

Motion by Julik-Heine, second by Aanonsen, to approve the Voter Account Fund Allocation Agreement. Motion passed unanimously.

13. Electric Service Repair - South Lion's Park - Approve Proposal
Grote explained a large tree branch fell in the park and damaged the electrical service. Samuelson and members of the Lions Club agree the proposal is an excellent price. In January 2024 the Lions will be coordinating with Public Works and Excel Energy to remove the tree, at no cost to the City.
- Motion by Julik-Heine, second by Aanonsen, to approve the proposal form Andrie Electric for the sum of \$1,664.00 for the mast repair at South Lion's Park. Motion passed unanimously.***
14. Annual Maintenance Contract for Municipal Building Roof-Top HVAC Units - Approve Contract
Grote said Public Works recommends accepting the Aerotek proposal for an annual maintenance contract. The company won the bid for installation of a new rooftop unit, and did come in less expensive on that. Public Works will be replacing the filters, so Grote recommends not accepting that part of the agreement.
- Motion by Grote, second by Julik-Heine, to accept the annual maintenance proposal from Aerotek for the sum of \$1,355.00. Motion passed unanimously.***
15. Furnace Replacement at Community Center - Approve Proposal
There are two furnaces at the community center. The one that failed services the main floor. There is a different unit that services the lower level. Top Tier's proposal was for \$5,950.00 and Aerotek's was \$5,775.00.
- Motion by Grote, second by Julik-Heine, to approve the bid from Top Tier Heating & Air Conditioning for the replacement of one of the two furnaces at the community center. Motion passed unanimously.***
16. Casual Employee for as Needed Assistance for Snow Removal - Authorize Hire
Like there is seasonal help during summer months, Public Works requested additional help for snow removal as the situation demands.
- Motion by Grote , second by Weiberg , to approve hiring a casual employee for snow removal. Motion passed unanimously.***
17. Kevin Gruber Passed the Water License Test - Discussion Only
Kevin Gruber has passed both of his licenses, and has met conditions of his employment agreement.
Congratulations to Kevin.
18. Kevin Grube's 6-month Review - Determine Process and Date
The Personnel Policy manual states that an employee, who's a new employee, and not through promotion, has their performance evaluated at least twice during their probationary period, which is a year. Gruber's employment agreement states that after six months and he has satisfactorily met all the requirements, that he would get a \$1.00 increase per hour. This should be retroactive to his six month anniversary. His second review would be within that first 12 month period. His date of hire was March 14, 2023.
Grote said the Personnel Policy does not say how the reviews are to be done. Grote gave these options: 1) full council hold an open meeting and do his performance review; 2) allow the two Public Works liaisons conduct the review; 3) Samuelson and Grote conduct the review with input from other council members.
Attorney Knaak said employee reviews are closed meetings unless the employee requests otherwise.
- Motion by Grote, second by Samuelson, to set a date for Kevin Gruber's six month performance review on Dec. 14, 2023 at 4:30pm. Motion passed unanimously.***
19. Xpress Bill Pay - Resident Credit Card Usage per Month
Between 6/1/2023 and 11/8/2023 a total of 75 transactions totaling \$9,763.62 was charged by residents to pay for bills owed to the city.

20. Discuss Moving December 11th Council Meeting to December 14, 2023

Weiberg reported he would not be able to attend the December 11 council meeting when the budget would be approved. He would like all the council members to be in attendance.

Motion by Grote, second by Julik-Heine, to approve moving the December 11, 2023 Council meeting to December 14, 2023. Motion passed unanimously.

21. Set Special Meeting Date for Mary Tomnitz Severance Agreement

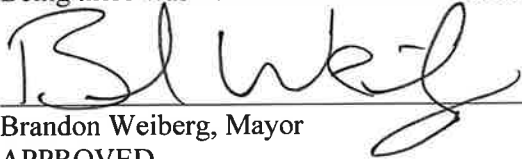
City's lawyer and Tomnitz' lawyer met and came up with a severance agreement. Council now needs to set a date to review that agreement.

Motion by Weiberg, second by Grote, to approve setting a Special Meeting date of November 28 at 8:00am to discuss and approve the severance agreement for Mary Tomnitz. Motion passed unanimously.

ADJOURNMENT

Moved by Julik-Heine, second by Grote, to adjourn the meeting of the Taylors Falls City Council held this Monday, November 13, 2023. Motion passed unanimously.

Being there was no further business to come before the Council, the meeting adjourned at 9:15 pm.



Brandon Weiberg, Mayor

APPROVED

February 12, 2024



Michelle Hansen (started)

Fay Caneday (finished)