Regular City Council Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Monday, May 6, 2024

1. **Roll Call**

Mayor Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Etten, Schroeder, Groff, Strahan, and Roe. City Manager Patrick Trudgeon and City Attorneys Siobhan Tolar, Rachel Tierney, and EDA Attorney Gina Fiorini were also present.

2. **Pledge of Allegiance**

3. **Approve Agenda**

Councilmember Strahan requested removal of Item 10C (Approve 2 Massage Therapy Establishment Licenses) from the Consent Agenda for separate consideration.

Etten moved, Strahan seconded, approval of the agenda as amended.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

4. **Public Comment**

Mayor Roe called for public comment by members of the audience on any non-agenda items.

Mr. Roger Hess, Wagener Place, explained in the past the Council Chambers would be filled when there were meetings and he thought it would be nice if the City had a little outreach and invited people to come to the meetings to get involved. He also hoped the City would update its fence ordinance, so the City does not get any more large fences on the street side of the lakeshore property. He was also curious if the auditors audit the fee schedule to make sure the fees are not too high or too low.

Mayor Roe indicated he will make sure Mr. Hess' question gets answered in the presentation.

Ms. Cynthia White, Roseville, thought the Council and staff did a great job.

5. **Recognitions, Donations, and Communications**

   a. **Peace Officers Memorial Day and National Police Week Proclamation**

   Mayor Roe read the Peace Officers Memorial Day and National Police Week Proclamation.

Etten moved, Groff seconded, proclaiming May 15, 2024 Peace Officers Memorial Day and May 12-18, 2024 National Police Week.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

6. Items Removed from Consent Agenda

a. Approve 2 Massage Therapy Establishment Licenses

City Manager Trudgeon briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Councilmember Strahan indicated she asked for this to be removed from the Consent Agenda in order to receive clarification on ownership, given there are different establishments at the same address in the same building. She noted there are three different licensees in Suite 130. She indicated there was the mention of a spouse or partner with the exact same address with a different name of establishment. She wanted to understand better as the City expands its massage therapy licenses, that the City understands how folks are put together and hopefully the City will not see any issues with that establishment moving forward.

Mr. Trudgeon indicated those three separate establishments are actually sole proprietorships.

Mayor Roe asked when the City has those cases, do those individuals need both an establishment license and a therapist license.

Mr. Trudgeon indicated that was correct and this item is for the establishment license.

Strahan moved, Groff seconded, approving the Massage Therapy Establishment License for Clarity Massage & Wellness and Zen Healing.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

7. Business Items

a. Public Hearing to Consider Certifying Unpaid Utility Charges to the Property Tax Roll

City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Mayor Roe reviewed public hearing protocol and opened and closed the public hearing at approximately 6:13 p.m. for the purpose of receiving public input on the above-referenced public hearing to consider certifying unpaid utility charges to the property tax roll; with no one appearing for or against.

Strahan moved, Groff seconded, adoption of Resolution No. 12066 entitled, "Resolution Directing the County Auditor to Levy Unpaid Water, Sewer and Other City Charges for Payable 2010 or Beyond."

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

b. **Receive Annual Comprehensive Financial Report, Auditor Communication Letter, and Reports on Compliance for Fiscal Year Ending December 31, 2023**
Assistant Finance Director Joshua Kent briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Ms. Rebecca Petersen, Redpath and Company, gave a presentation to the Council on the annual financial report.

Councilmember Schroeder thanked Ms. Petersen for the presentation. She wanted to make sure the fee schedule is touched upon. The report is showing the funds and the difference between the expense and the revenue with the stormwater, water, and sewer. She asked if there are any recommendations or look at if the gap is too big or too small.

Ms. Peterson explained if the auditor noticed that the actual results were not in line with policy or not aligned with expectations that is something the auditor would talk to City staff about but making recommendations on the actual fees themselves is not within the scope of the audit.

Councilmember Schroeder explained she actually has a lot of detailed questions which she will submit to the Finance Director and if there are some questions that need to be answered by the auditor, she assumed anyone on the Council could contact Ms. Petersen directly.

Ms. Petersen indicated that is correct.

Mayor Roe asked if staff could talk a little about the process the City goes through when looking at the various fees, the involvement that the Finance Department has, and analysis that is done internally to try to figure out what is appropriate for those fees.

Mr. Trudgeon explained for the most part the fee schedule is organized through the Administration Department. Each year, every department looks at their fees to make sure the fees being charged cover the City's costs. If there are fees that are not needed anymore or are too high the staff will adjust them. Often times there are new fees created due to having to meet regulations. He noted this is an annual review that all department heads go through and look at and bring forth to the Council review and approval.

Finance Director Pietrick explained with regard to the utility funds, those are analyzed separate from the fee schedule and are not contained in the direct annual fee schedule. The City has an outside firm assist staff with establishing the rates and charges. There are updates done every two years and staff is in the process of examining what the rates should be. Operating costs and capital costs are looked at as well as the current CIP (Capital Improvement Plan). Inflation factors are also utilized in the process. Staff will be presenting recommendations this fall with regard to the water, sewer and stormwater funds. Staff also factors in the reserve policies that the City currently has specifically for operations but then industry standards with regard to capital reserves.

Mayor Roe thanked Ms. Pietrick for the clarification, noting it was good to know that there is a process for utility fees and then a process for other types of fees.

Groff moved, Schroeder seconded, accepting the 2023 Annual Finance Reports.

Council Discussion

Councilmember Groff thanked Ms. Peterson for the thorough report and notes that explained this in a simple way.

Councilmember Schroeder thought the main thing is to have that clean opinion and is the key thing with an audit.

Public Comment

Mayor Roe offered an opportunity for public comment.

Ms. Cynthia White, Roseville
Ms. White asked if Councilmember Schroeder's questions to the auditor would be made public.

Mayor Roe thought as communication of the City, these would be requestable by members of the public as data requests, but it was up to the asker and answerer of the questions if they want to proactively make them public.

Councilmember Schroeder indicated she would be happy to provide Ms. White with her questions and answers.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

c. **Receive First Quarter Budget Amendment and Financial Report**
Finance Director Michelle Pietrick briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Groff moved, Schroeder seconded, adoption of Resolution No. 12027 entitled, "Resolution Amending the 2024 Budget for the Fiscal Year of 2024."

Council Discussion

Councilmember Groff indicated he appreciated the notes Ms. Pietrick put into the packet.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

d. **Consider Approval of Rosedale Center Commercial Police Officer Agreement for 2024-2027**
Police Chief Erica Scheider and Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Mayor Roe thanked Chief Schieder and Deputy Chief Adams for bringing this forward, all the work it took to get to this point, and being thoughtful on how it works with the staffing levels, which have been a challenge.

Councilmember Strahan noted she often sees police cars on the movie theater side, and asked if that is someone who normally patrols that area and would that presence be maintained even with the two officers affiliated with Rosedale.

Chief Scheider explained there may be some days where it is the officer assigned to that district that Councilmember Strahan is seeing. Roseville Police Department also allows for a person that is working the exterior perimeter that Rosedale pays for to have use of a squad because there is a need for the equipment in the vehicle, such as a defibrillator and computers. There is typically a squad that is present at the mall that is paid for by Rosedale Center. This proposed contract would replace those off-duty police officers that are there now. She does envision there will still be some off-duty work. For instance, the Apple Store does hire off-duty police officers. Those will continue but the off-duty police that Rosedale has been paying, that funding will go towards two dedicated officers.

Councilmember Strahan asked Chief Scheider to talk about the rebounding staffing and what it is attributed to. Obviously, it is a big change compared to other agencies in the area.

Deputy Chief Adams explained the Roseville police department has been extremely fortunate in staffing. It has been direct support and trying some innovative things within the police department that a lot of people are catching on to do now. He explained the police department was early recognizers of the fact that the candidate pool, in the general realm, was dwindling and knew they needed to do something different and get on the front end of it. At that time, the police department worked with the City Council on increasing the police budget and staffing in the Community Service Officers (CSOs) and started to pay interns. Roseville was innovative in that, recognizing that previous internships if working for free, not everyone can do that. The police department wanted to try to diversify the police department, that was a huge piece of it. When the police department gets the interns, those interns want to become CSOs and the CSOs then want to become police officers. The City's police department is growing its own and that is finally coming to fruition now. He did not think the candidate pool had gotten better, it had actually gotten worse, but the police department has found a way to develop its own employees.

Councilmember Groff indicated he wanted to be clear on a couple of things. Rosedale Center is committed to constructing the police substation that will be used by the City's officers as well as a vehicle will be covered by Rosedale. He thought everything else was self-explanatory.

Councilmember Schroeder thanked Chief Scheider and Deputy Chief Adams for the presentation. She indicated she talked to the management at Rosedale and has actually been impressed on what partners they are, working with the City and the police department, and she is pleased that Rosedale Center is willing to do this. She thought it was nice that Rosedale Center is willing to pay for the squad car as well. She supports this idea, which is a wonderful thing.

Councilmember Schroeder asked Chief Scheider if there will be updates given to the City Council on how this is working out.

Chief Scheider indicated the police department can give updates.

Councilmember Etten asked if the two officers will be rotating their shifts or will they be there at the same time.

Deputy Chief Adams indicated that is a good question and they have been speaking with not only Rosedale but their police officers because they want to make sure that it is an attractive place for the officers to be too. This will be a variable shift where the two police officers will work together sometimes but not other times. There are some foot patrols and other things that can be done with two officers that cannot be done with only one. That specific schedule has not been laid out yet.

Councilmember Etten wanted to be sure that Rosedale is going to maintain their security team at the same level and that team is not changing.

Chief Scheider explained that is correct. She added that Rosedale Center, over the last couple of years, has invested in their security and are committed to making sure Rosedale stays a safe place for people to visit and shop. She attributed that to Lisa Crain's leadership there.

Councilmember Etten pointed out a few things in the contract that he appreciated.

Mayor Roe asked if there are other shopping centers within Roseville that are currently or looking at similar types of arrangements, either to what the police department has been doing with Rosedale prior to this or like this.

Chief Scheider explained the police department has seen more off-duty requests coming in, more than can be staffed. She thought a lot of stores are struggling and have seen an increase in violence. The police department is trying to partner with these shops on steps they can take to improve their business so they do not need to hire an officer. She explained the police department is trying to be a resource to these businesses and give them the tools needed. She noted the police department is happy to collaborate with any retailer that wants to improve the safety of their store.

Mayor Roe thought perhaps with this arrangement with Rosedale also frees up resources to do those types of things elsewhere in the community and certainly the need is there.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Schroeder moved, Etten seconded, authorizing the Roseville Police Department to enter into a three-year partnership with Rosedale Center as provided under the agreement.

Council Discussion

Councilmember Schroeder thought this is a great thing and was happy the City is doing this.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

Groff moved, Strahan seconded, authorizing a budget amendment reflecting the expenditures and revenue as provided for in the agreement.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

e. **Discuss Kids in Need Foundation State Bonding Request**
City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Mayor Roe noted one thing that was asked at the last meeting was about other cities' experiences in similar arrangements. He knew Mr. Trudgeon attempted to do some outreach at the recent city managers meeting but did not have a lot of new information to provide in that regard.

Mr. Trudgeon indicated that was correct. There was not much that anyone could explain to him during his conversations. He did know the City Attorney's law firm represents a lot of these other communities and can probably speak to that a little better.

City Attorney Tierney indicated she did check with several colleagues and one of the differences in the city attorneys she spoke with, is that a lot of times it had been a cooperative effort to solve a problem between a non-profit and a city. It is just a unique situation where the City has been proposed an idea as opposed to being involved at the front end of an idea. With that said, most of the cities were willing participants and did not have as many of the concerns as this Council has. The other cities did not examine as much as this Council has about the full implications. Other cities did not look at the front end about what the requirements are, the State Law, and did not do the full examination until later in the process. Many of the cities did ultimately agree to continue with the process.

Mayor Roe noted of the things that Mr. Trudgeon brought up was the staff work that needs to be done, regardless whether attorneys are used for agreements or consultants to help with construction management. Some of the requirements do require City staff time to make sure things are submitted properly and the City has an annual requirement to approve a budget for the project, which would be Council time as well. He did not know to what extent those communities have expressed anything about their experience as to the burden on staff.

City Attorney Fiorini thought many of the projects she has been involved in or the firm has been involved in had been a real partnership. The staff time or the budget time might have been more of a cooperative type of project to begin with where the City and non-profit are doing something together, so she did not have any feedback about how much staff time it took specifically.

Councilmember Etten explained that thinking about the long-term implications may be more than the yearly implications. Part of the request for Council action (RCA) and City Attorney Tierney's letter talks about the ability to sell the property if the Kids in Need Foundation ceases to exist or cannot meet the obligations set out by the State. The property can be sold and the first part of the money goes back to the State but the next paragraph states "to make sure that potential future buyers or lenders of the facility are aware of the limitations imposed". This seems to suggest that if the City is twenty years in and supposed to go thirty to forty years, and the property is sold at twenty years, whoever buys it next still has to use it for the project even though the State has been paid back.

City Attorney Fiorini thought if the non-profit ever goes out of business, there was still a long-term lease and a long-term declaration recorded against the property that it has to be used for these purposes for one hundred twenty-five percent of the useful life, which would be somewhere between forty to fifty years. She thought at that point, it is important to remember that the City's interest is a ground lease so what is talked about being sold is a ground lease interest, long-term. She thought if the non-profit goes away there would be a number of things the City would need to do. The first thing is to find someone else to operate that governmental program. What the City received the money for, and she did not know if that was going to be possible at that point, it was probably going to take some conversations with the State. Then the City would need to make a finding that the property would no longer be able to be used for the governmental program. Again, with the State support. At that point, the City would be going through the process with the State of potentially selling the property and the State would potentially be willing to remove that declaration as well. She thought there would be some uncertainty with multiple parties, such as a lender, that would need to be satisfied at that point. She thought MMB (Minnesota Management & Budget) would be heavily involved and have their own requirements and process they want to go through when a project is sold. She thought there might be some complexity, but she did think the option would be there that the property could be sold for a different use if there is no way forward. She noted if the property were to be sold, the City would not be getting any money, it would be going back to MMB and potentially some of the money will go back to the lender if there is one.

Councilmember Etten thought the greater concern than the City getting any money was if the City would end up with a building that could not be sold. He asked if the City could be on the hook for anything to give back to the State.

City Attorney Fiorini thought it was probably unlikely that the State would ask the City itself to repay that full five million dollars, even though the City would be in the middle here. She thinks the State understands this is a sub-grant type of situation where the City is the middle person and would want the building to be sold for fair market value.

Councilmember Strahan noted that right now, the City is looking at the fair market value of the building and the land. That is what the City is financing, the purchase of the building and the land.

Mr. Trudgeon thought the five million in bonding dollars from the State and an additional five million dollars raised by Kids in Need would cover the purchase of the property, remodeling, as well as the improvements needed. It would be the whole project from the land to the building improvements as well to conduct the mission.

Councilmember Strahan stated this spoke to her concern about what the physical life of that particular building is. She did not know about the adjacent building but the one that has been the Department of Education seemed to have a propensity to have its windows pop out in the last few years. She did not want to have the expectation that the life of this project is forty years when the remaining life of that particular building might now be without substantial remodeling and upkeep. She echoed Councilmember Etten's concern of this possibility of loss in that sale and if the City is purchasing a building on the piece of land, obviously it has more value than if they are just purchasing a piece of land. So, if the building is no longer operable, of course over time, it might be a more valuable spot, but she did not know.

Councilmember Strahan asked what the city attorney's saw as the expectations of the Council to other non-profits that office in Roseville. If the City were to take on one entity who has asked the City in this situation, when the City has many others who headquarter in Roseville, does this set a precedent that the Council might feel obligated to maintain for other non-profits moving forward.

Mayor Roe thought that was probably a policy question for the Council to decide as opposed to the city attorney advice because City Attorney Tierney would probably state that there is no legal obligation if the City makes a commitment to one entity that the City has to make a commitment to other entities in this regard.

City Attorney Tierney concurred and did not think there was any legal obligation to extend the same offer to any other entity for any other project. The City may feel an obligation or have political pressure but legally, there is no obligation that needs to be taken.

Councilmember Groff indicated it seemed like each situation would be a different situation and ask for different amounts of money so he thought the City could analyze each of them separately. He was wondering if there were any incidents in the State where the non-profit has gone under and the City has had to repay the State bond or other monies.

City Attorney Fiorini indicated she was not aware of any. She is aware of one project where the non-profit went out of business, but it happened before the project actually got built so the grant funds were never expended. One thing to note about how the grants work and the way the legislation is drafted here is that it does require the non-profit to fundraise their own amounts first. So, theoretically, the goal and the way the State drafts these is so the State knows the project is ready to go and the non-profit has enough funds to complete the project before the State will start to disburse their own State funds. That is what happened in the situation she was aware of so there was no loss to that city, other than time.

Councilmember Schroeder asked what size were the cities that have done things like this.

City Attorney Fiorini stated Minneapolis and St. Paul regularly do projects like this. She noted she has been involved in mixed public/private projects in large suburban communities and out-state communities as well.

Councilmember Schroeder asked if this could be amended to have Ramsey County take the place of the City of Roseville. She asked if this is an option, could Ramsey County step in, and what would it take to have someone other than Roseville step in.

City Attorney Tierney indicated Ramsey County could potentially be an option if the County wanted to get involved.

Councilmember Schroeder indicated in City Attorney Tierney's letter, it states that the City has to report to MMB annually in a statement sworn in front of a notary public, the real property required to annually review projected budgets and to verify the projected revenues. Basically, it says the City has an obligation to reject inaccurate or unbalanced budgets and then the City has to certify it. She wondered if the City has to have an auditor verify that and what is the consequence if the City certifies and then it turns out there is a statement in it that is incorrect or it ends up not being a correct audit.

City Attorney Tierney explained as a practical matter, the way the City would handle that, is the City would require Kids in Need Foundation to hire an outside auditor to would go through all of the paperwork and certify that for the City. The Council would look at it but would be more of a rubber stamp of their auditor's work. She did not know what MMB would do if an error was found in what had been approved or what level of scrutiny MMB applies to what is city certified.

Councilmember Schroeder indicated she was not sure how many non-profits would want to do this but if the City does this, then what about other non-profits coming to them indicating they did not get the opportunity to even compete for that? She noted that is a concern she has.

Mayor Roe explained this is not a competitive situation where a non-profit is not getting this because Kids in Need is getting it. In this case, Kids in Need made the request to the State and the State is considering that request. The issue would be a policy question and if the City wants to do these, how many does the City want to do, is there criteria for making a choice, and is a criteria needed. He thought there would need to be a discussion on that.

Mayor Roe stated to help understand the process, first the grant agreement needs to be done with MMB, then there is the lease agreement with Kids in Need Foundation to establish that ownership interest, the ground lease, and the City cannot charge rent on that. It is essentially a paper transaction and then there is the lease back in the management agreement. He was not one hundred percent sure if there is a financial transaction part of that where Kids in Need Foundation would be paying something to the City as a part of that lease and management agreement, other than the management costs or consultant. He asked for clarification on what the financial aspect of that agreement would be.

City Attorney Fiorini explained the lease and management agreement is what the State usually calls the Use Agreement. The City cannot charge any fees for its services under that agreement. She indicated the way the State's written requirements are, if looking at the use checklists, for what can be in these contracts. Only operations and maintenance expenses can be charged. She thought the City could charge some sort of separate administrative fee at the beginning to try to cover some of the staff's time. The City needs to make sure the MMB is comfortable with that. She did not know of any other city that does that but thought the City would charge a fee at the beginning rather than an on-going fee.

Mayor Roe stated specific to the construction management part of it, he wondered if that would be part of this agreement or is that yet another agreement where those costs would be covered.

City Attorney Fiorini explained Kids in Need Foundation would be required to hire a construction management consultant and provisions would be put into the agreement stating Kids in Need Foundation would have to have an auditor review or budget information so the City is comfortable relying on any financial information received and with any sort of technical requirements the City would want Kids in Need Foundation to comply with.

Mayor Roe asked if anyone knew if this was an end grant or a construction grant.

City Attorney Fiorini indicated she was not sure about that. She did know that the States preference is to do these as end grants.

Councilmember Etten asked how long this legal/financial option has been available in Minnesota. He wondered what the history of this is.

City Attorney Fiorini explained this has been around for a long time, at least for thirteen years but probably longer. She reviewed the State requirements with the Council.

Ms. Melissa Reed and Mr. Corey Gordon, Kids in Need Foundation, were at the meeting and explained this is new to their Foundation so they appreciated the fact that the Council wanted more detailed information before making a decision. Mr. Gordon reviewed the steps the Foundation has made in the process.

Councilmember Schroeder stated since Ramsey County has had experience in doing these types of projects in the past, she wondered if Kids in Need Foundation had discussed the possibility of a partnership with Ramsey County.

Mr. Gordon explained they have but to be frank, that goes back to the question that Mayor Roe asked the last time, which was what their contingency plans are. He indicated his Foundation is talking to the City about this particular property. Their backup plans are still in Ramsey County but not within the City of Roseville.

Ms. Reed explained why she thought these types of plans do not fail. She explained these types of dollars are reserved for high priority projects such as the Dorothy Day Center and Second Harvest Heartland. She indicated there is acknowledgment of cities stepping up in this space where there is a significant economic development benefit, a significant communal impact to recognize that this is a ten-million-dollar investment in the community.

Councilmember Groff indicated he was a little concerned with when the building was built because there could be asbestos and lead paint that would need to be mitigated, which could cost a lot. He asked how long the Kids in Need Foundation has been in Roseville and its history.

Mr. Gordon reviewed the background and history of Kids in Need Foundation.

Councilmember Strahan asked what happens at the end of the thirty-to-forty-year term. She wondered about what changes, if anything, with the ownership of the building and the relationship between the City and the non-profit.

City Attorney Fiorini explained once the 125 percent of the economic life goes away, essentially the ground lease that the City has would automatically expire. Then, at that point, the declaration that is recorded against the property would go away as well and the non-profit would be free to do with the property what it wants.

Mayor Roe thanked the representatives from Kids in Need Foundation for appearing before the Council and answering questions.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Mayor Roe asked if the School District is eligible to be the local piece of this on the GO Bonding funds.

City Attorney Fiorini did not think it was common for school districts to get these grants but did not see any reason why it could not be.

Mayor Roe asked the Council how they wanted to proceed with this. He thought one approach could be to say the City needs to have a policy discussion about this first before any decisions are made in this particular case. Another approach is to be supportive or in opposition to this item.

Councilmember Groff explained he is not as concerned about the policy because he thought each one of these will be individual when it comes to the City. He did not think setting a policy if any other group comes before the Council will follow these same steps since each case would need to be considered separately. He explained his main concern is that this does not increase risk for the City or incur a lot of costs or taxes. But, on the other hand, this non-profit has a long history in Roseville and he would like to see the organization stay in Roseville. He was leaning towards supporting it with the information he received tonight.

Mayor Roe noted he was in a similar place as Councilmember Groff. He thought a lot of the questions about the risk to the City had been fairly well addressed. Certainly there is the cost to the City in terms of staff time and nuisance accounting that has to go back to MMB because of their requirements. In the case of construction management, the City can recover those costs through the Kids in

Need Foundation and can use some of the grant funds to do that. He explained that is where he is at right now.

Councilmember Etten explained he had some questions about the building and some things concern him about that. He would tend to agree that it would be quite difficult to create a policy around this because there are so many unique circumstances. He did feel better about the City's potential liabilities and he was leaning towards a gentle "sure".

Councilmember Schroeder explained she was actually leaning more towards not supporting it. She noted the Council talks about strategic long-term planning and budgeting and the City was not involved in this from the beginning. This was not put into the plan regarding staff time and legal part. She did not like the timing of this and having someone else's timeline be the one to make it the City's issue, which is a hard one for her. She thought the organization did incredible work and that has nothing to do with it. For her, it is more about this entire process and there are still some unknowns that she was not comfortable with. She was tending to go with not supporting this.

Councilmember Strahan indicated she has also been on a roller coaster regarding this. She agreed that, while it would be great to have a policy, she thought each situation would be unique. She did know that right now, the Council is in a time crunch, and this is the time when it needs to be decided. As a licensed teacher, she sees the future work force development as extremely important and she did think that peaks an interest to talk about the importance of that aspect of things. She thought other cities have the Urban League and other things like that where they have those kind of baked into their system. Roseville does not have that so it is a unique opportunity to allow them to be able to expand and provide something that is more than what the School District has been expected or has the capacity to bring on at that level. She still has a lot of concerns about liability and being on the hook but at the same time, there has to be the assumption of positive intent where the City looks at what the aspirations are. The timing is never going to be up to what the Council wants. She would be more inclined to support this, at this point, knowing that there are pieces to it that would bring unique aspects of benefit to the City.

Groff moved, Strahan seconded, supporting receiving State bonding funds for Kids in Need Foundation new headquarters and facility.

Roll Call

Ayes: Etten, Groff, Strahan, and Roe.
Nays: Schroeder

Recess

Mayor Roe recessed the meeting at approximately 8:05 p.m., and reconvened at approximately 8:13 p.m.

f. Consider Presumptive Penalty Approval – 2024 Alcohol Compliance Check for Red Lobster

Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Councilmember Strahan asked what happens if there is a fourth violation.

Deputy Chief Adams reviewed the policy on a fourth violation with the Council.

Mr. Hiram Hollamon, General Manager of Red Lobster, explained the situation to the City Council on the day of the violation and the training and programs the company is involved with. He noted in the future, everyone will be carded under the age of thirty and there is zero tolerance with the employee who had the violation was terminated. There will be a secondary validation if needed and signage all over the restaurant. He noted that he and his manager are new to the restaurant.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Etten moved, Strahan seconded, approval to issue and administer the presumptive penalty pursuant to City Code Section 302.15, for on-sale license holders for the third violation within thirty-six (36) months and a mandatory minimum penalty of two thousand dollars ($2,000.00) fine and a fifteen (15) day suspension.

Council Discussion

Councilmember Etten appreciated Mr. Hollamon for coming in and outlining the different steps that will be taken going forward and understanding that he is new helps him to understand better.

Councilmember Strahan added she appreciates the long list of things the restaurant is adding to eliminate non-compliance going forward.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

g. Consider Presumptive Penalty Approval – 2024 Alcohol Compliance Check for Portillos

Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

There was no representative from Portillos at the meeting.

Councilmember Groff indicated the person involved in this violation was originally from Taiwan, and he wondered if there was any possibility of a language barrier that Deputy Chief Adams knows of.

Deputy Chief Adams indicated he did not think so. He did feel like there would be a note in the case of an interpreter if one had been needed.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Groff moved, Schroeder seconded, approval to issue and administer the presumptive penalty pursuant to City Code Section 302.15, for on-sale license holders for the second violation within thirty-six (36) months and a mandatory minimum penalty of two thousand dollars ($2,000.00) fine and a five (5) day suspension.

Council Discussion

Councilmember Schroeder explained this is only four months between the two violations, which was a little disturbing. She would hope that the training would still be there.

Councilmember Etten appreciated Councilmember Groff bringing up the question regarding a possible language barrier, which is always something they should be aware of. Also, the training should address which way the license is situated and something that should be thought about.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

h. Consider Presumptive Penalty Approval – 2024 Alcohol Compliance Check for Shake Shack

Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

There was no representative from Shake Shack at the meeting.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Strahan moved, Etten seconded, approval to issue and administer the presumptive penalty pursuant to City Code Section 302.15, for on-sale license holders for the second violation within thirty-six (36) months and a mandatory minimum penalty of two thousand dollars ($2,000.00) fine and a five (5) day suspension.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

i. **Consider Presumptive Penalty Approval – 2024 Alcohol Compliance Check for La Tapatia**
Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

There was no representative from La Tapatia at the meeting.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Schroeder moved, Groff seconded, approval to issue and administer the presumptive penalty pursuant to City Code Section 302.15, for on-sale license holders for the first violation within thirty-six (36) months and a mandatory minimum penalty of two thousand dollars ($2,000.00) fine and a one (1) day suspension.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

j. **Consider Presumptive Penalty Approval – 2024 Alcohol Compliance Check for Bonchon**
Deputy Chief Joe Adams briefly highlighted this item as detailed in the Request for Council Action and related attachments dated May 6, 2024.

Councilmember Strahan wondered if it would be appropriate to assess the same fine if they also are not in compliance with the training records, as expected.

Deputy Chief Adams thought the two thousand dollars was set so he did not want to speak to exact policy on this. He believed the suspension was adjustable, but the fine was within a parameter.

Mayor Roe explained he helped draft some of the original language that is in City Code regarding this and as he understands it, the two-thousand-dollar fine is actually the limit of State Statute. He thought that conceivably the training violation is a separate violation so conceivably, a fine could be assessed up to two thousand dollars for that specific instance, as opposed to the compliance check violation, which is a separate matter.

City Attorney Tolar explained it would be listed as 'other' in the fee schedule. For this particular violation, it would be a fine of one hundred dollars, not two thousand dollars. What the City could do is make this an aggravating factor and deviate from the suspension time, under this particular violation, but it should be an either-or proposition or nothing and proceed as before.

Councilmember Strahan thought the owner of Bonchon was also owner of another property in the same strip mall and asked if the City knew if there were training records for that business or not.

Deputy Chief Adams explained he did not recall so could not answer that question.

Mr. Kevin Chen, representing Bonchon, indicated there is no excuse for this violation and it is his fault. He indicated he has briefed his wait staff on checking ID's. He noted the servers are new and do have a language barrier but that is not an excuse. He explained he signed up his employees for training courses and will do the course and train his staff so there is not a language barrier excuse in the future.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Groff moved, Etten seconded, approval to issue and administer the presumptive penalty pursuant to City Code Section 302.15, for on-sale license holders for the first violation within thirty-six (36) months and a mandatory minimum penalty of two thousand dollars ($2,000.00) fine and a one (1) day suspension.

Council Discussion

Councilmember Groff thanked the manager for coming in and explaining what happened as well as the remedy that will be taken.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None

8. Council Direction on Councilmember Initiated Agenda Items

9. Approve Minutes

Comments and corrections to draft minutes had been submitted by the City Council prior to tonight's meeting and those revisions were incorporated into the draft presented in the Council packet.

a. Approve April 8, 2024 City Council Meeting Minutes

Groff moved, Schroeder seconded, approval of the April 8, 2024 City Council Meeting Minutes as presented.

Roll Call

Ayes: Etten, Schroeder, Groff, and Roe.
Nays: None.
Abstain: Strahan

b. Approve April 15, 2024 City Council Meeting Minutes

Strahan moved, Schroeder seconded, approval of the April 15, 2024 City Council Meeting Minutes as presented.

Roll Call

Ayes: Schroeder, Groff, Strahan, and Roe.
Nays: None.
Abstain: Etten

c. Approve April 22, 2024 City Council Meeting Minutes

Schroeder moved, Etten seconded, approval of the April 22, 2024 City Council Meeting Minutes as presented.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

10. Approve Consent Agenda

At the request of Mayor Roe, City Manager Trudgeon briefly reviewed those items being considered under the Consent Agenda; and as detailed in specific Requests for Council Action dated May 6, 2024 and related attachments.

Strahan moved, Etten seconded, approval of the Consent Agenda including claims and payments as presented and detailed.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

a. **Approve Payments**

ACH Payments	$127,113.34
109292 - 109382	319,259.37
TOTAL	**$446,372.71**

b. **Approve General Purchases or Sale of Surplus Items Exceeding $10,000**
c. **Item was removed from consent agenda for separate consideration.**
d. **Approve Professional Services Agreement for 2024 Construction Projects Materials Testing**
e. **Approve 1415 County Road B West Revised Pathway Easement Agreement**
f. **Approve Acceptance of OJP Community Crime Intervention and Prevention Grant**
g. **Approve Acceptance of Minnesota Office of Justice Programs 2024 Firearms Storage Grant**

11. Future Agenda Review, Communications, Reports, and Announcements – Council and City Manager

City Manager Patrick Trudgeon reviewed the May 13, 2024 EDA and City Council Work Session meetings, May 20, 2024 City Council meeting, and the June 3, 2024 City Council meeting.

Councilmember Groff updated the City Council on the NYFS luncheon.

Mayor Roe updated the Council on the Rice and Larpenteur Alliance event.

12. Adjourn

Strahan moved, Etten seconded, adjournment of the meeting at approximately 8:55 p.m.

Roll Call
Ayes: Etten, Schroeder, Groff, Strahan, and Roe.
Nays: None.

Daniel J. Roe, Mayor

ATTEST:

Patrick J. Trudgeon, City Manager