

CITY OF ST. FRANCIS
CITY COUNCIL WORK SESSION AGENDA
St. Francis Area Schools District Office 4115 Ambassador Blvd. NW
October 28, 2024
5:30 p.m.

1. CALL TO ORDER

The City Council Work Session meeting was called to order at 5:30 p.m. by Mayor Joe Muehlbauer.

2. ROLL CALL

Members Present: Mayor Joe Muehlbauer and Councilmembers Kevin Robinson, Crystal Kreklow, and Mark Vogel.

Also present: City Administrator Kate Thunstrom, Finance Director Darcy Mulvihill

3. AGENDA ITEMS

A. Time Capsule Update

City Administrator Thunstrom reviewed the Staff report in regard to a potential time capsule being donated by Stahl. She asked if there were any particular items that the Council would like to see in the time capsule or if there were any particular groups they would like to invite to participate in putting items in the box.

Kreklow suggested putting an item from the school in the capsule.

Robinson asked how this will be opened in 50 years. Thunstrom explained that it will be secured with bolts and will be placed inside of the elevator wall. She noted that the City would likely hold a time capsule opening ceremony.

Thunstrom shared that some seniors from the community are getting together some photos and history of the City to put in the capsule.

Robinson asked if anything will be put inside from churches, the Police Department, or the Fire Department. Thunstrom said they have not asked any of the local churches to participate; however, they can ask. She noted that Staff has not yet sat down to figure out what they would like to put into the capsule.

Thunstrom shared that when the flag poles were being dug at the new City Hall Fire Station, they found a little toy truck that was from the 1950s and they will be placing this in the time capsule.

Vogel suggested putting in a drone or GIS photo of what downtown looks like today.

Steve Kane with the Ambassadors suggested putting in something relating to the car show and Pioneer Days.

Mayor Muehlbauer suggested having the Ambassadors put something in as well.

Thunstrom said they are looking to set this on February 1 so they will need to know what items will be placed there by January.

The consensus of the Council was to direct Staff to reach out to different groups and individuals about more items to be placed in the time capsule.

B. Donation Request - Ambassadors

Thunstrom reviewed the Staff report concerning a donation request from the Ambassadors in the amount of \$1,400.

Mayor Muehlbauer shared his appreciation for the Ambassadors and what they do for the City; however, he does not see this as a function of government. He does not feel right giving someone else's money as a donation. He asked if they made a donation to the Ambassadors last year. Mulvihill said the last time they made a donation was 2022.

Robinson said the Ambassadors do good work and represent St. Francis to other cities. He noted that he would be supportive of this donation using funds from the liquor store.

Vogel agreed with Mayor Muehlbauer that this is not a function of government. He noted that he believes the government has lost its way and funds a lot of things that it should not fund. He added that if they do end up moving forward with this donation, he would like the funds to come from the liquor store.

Jacque Goedel, Program Coordinator for the Ambassadors, shared that she would not be seeking a donation from the City if they had enough funds. She noted that the float got damaged this year and they are having to replace the cover. She added that they take very good care of the float.

Mr. Kane added that the parents of the Ambassadors pay for a lot of the maintenance out of their own pockets. He noted that all the Ambassadors do is support the City everywhere they go. He invited the Council to next year's Anoka Day Parade to see what the Ambassadors do.

A current chaperone for the Ambassadors, and former 2019-2022 Ambassador, shared that she attended the Anoka Day Parade this past weekend and noted that the Ambassadors are well known for and represented the City incredibly well. She noted that one of the reasons they get such a good parade lineup is because the Ambassadors are out there communicating and connecting with other

communities as a representation of the City. She stated they are none as the friendliest City and are always willing to help out other cities.

Ms. Goedel added that Lino Lakes was not able to get into the Anoka Day Parade last weekend and the Ambassadors offered to let them join their float. She shared that she pays over \$2,000 a year out of pocket for things for the Ambassadors.

Robinson asked if Lino Lakes or other cities that they have let join them on their float have offered any stipend in return. Ms. Goedel said no; however, she knows that these cities are very appreciative. She noted that the Ambassadors are her priority first and they are the first seen on the float, the other groups are just able to ride along.

Ms. Goedel noted that the Ambassadors represent the City so if there is a City event, they are there. She said she has been a part of this program for 15 years and she does not want to see it go away.

Mr. Kane added that this program teaches these young ladies a lot. He noted that they get to meet and form relationships with people all over the State while learning to speak in public, interview, write a resume, and other things through the program.

Kreklow said she is in favor of this donation. She noted that this is a great program that teaches a lot of life skills to these girls. She asked if there would be a way that they could do other fundraising initiatives through the liquor store.

Mayor Muehlbauer noted that Udvig is also in support of the Ambassadors.

Vogel asked about the insurance on the float if the City owns and ensures the float but outside people are driving and operating the float. Ms. Goedel stated they also have their own insurance policies, including an umbrella policy. She noted that anyone who operates the float has to be on the umbrella policy. She added that it is a requirement of most parades that they are in to provide their insurance coverage.

Vogel asked if the damage that Ms. Goedel mentioned was covered by insurance. Ms. Goedel said it was cosmetic damage, so it is not covered.

Mayor Muehlbauer noted that the City insuring and owning the float is already a downside to him. He explained that he sees the government's job as providing necessary services at the lowest cost possible. He noted that the Ambassadors do provide a service to the City in a way; however, things like roads and Police are the services that are most needed.

Robinson noted that he likes the idea of doing a fundraiser through the liquor store; however, if they do this there will be other organizations that will want the same thing. Kreklow agreed.

The consensus of the Council was to move forward with a donation to the Ambassadors from the liquor store fund.

C. Tobacco Product License

Thunstrom reviewed the Staff report in regard to tobacco product licenses and proposed ordinance changes.

Kreklow shared that she is in support of changing the ordinance to add the definition of a tobacco retail store. She noted that the City does not seem to have a tobacco retail issue, and she does not see a need to restrict it any further than it is.

Vogel asked how many tobacco-only stores they have in the City. Thunstrom said there are two, one in the building next to Subway off of Bridge Street and one in the St. Francis Mall.

Vogel asked if regular retailers can carry vapes as well or just the tobacco-only stores. Mayor Muehlbauer said that regular retailers can have them.

Vogel said he would not like to see a tobacco shop open up right next to a school. He stated he does not think the number of licenses allowed needs to be restricted but would like to see some distance requirements.

Robinson stated he is content with just the two current tobacco stores. He noted that he would not want to limit the retail licenses for other commercial entities that are not just restricting a tobacco store. He asked if other cities have distance requirements from schools for tobacco stores. Thunstrom shared that she has found cities go as far as a 500-foot distance requirement. She added that some cities require a certain distance between other tobacco shops. She noted that they could put these distance requirements on all tobacco license holders and not just tobacco shops.

Robinson asked about the age requirement being 21 for these stores if tobacco cannot be purchased unless someone is over 21. Thunstrom noted that this confuses her as no one under 21 can purchase tobacco products and anyone under 21 would need to be accompanied by an adult to enter. She said that she was not sure how they would police this.

Robinson asked about smoking being allowed in these stores. Thunstrom explained that some cities have restrictions on smoking in stores in their ordinances. She noted that they can always put this in the ordinance, or they can leave it as is and see if they receive any complaints about smoking from these tobacco retailers.

Vogel suggested if smoking will be allowed in the building, it should only be allowed for standalone stores.

Robinson asked about the concerns that residents have with the tobacco store next to Subway. Thunstrom explained that the biggest concerns they heard about this location were with signage and the proximity to schools.

Mayor Muehlbauer said he does not think there needs to be a limit to how many tobacco stores they can have in the City. He noted his only fear is that there would be dozens of tobacco stores and if they all go out of business, there would be a lot of vacant businesses.

Kreklow agreed that they do not need to limit tobacco stores.

Thunstrom noted that she did not ask the school's opinion on distance requirements for tobacco stores.

Mayor Muehlbauer recommended a 500-foot distance for tobacco stores and a 1000-foot distance for cannabis stores.

Kreklow noted that tobacco shops will be able to sell low-dose THC products and recommended that they have a standardized distance requirement for both tobacco and cannabis retailers. She asked if this could potentially hinder the City in the future from opening up a dispensary of their own. Mayor Muehlbauer noted that they would be at least 500 feet from the nearest daycare.

Thunstrom explained that the State has in place that cannabis stores must be 1000 feet from a school and 500 feet from a daycare, a park or a treatment facility. She noted that the State created these numbers; however, with the tobacco stores, they have the flexibility to set the distance requirements.

Kreklow recommended having the distance requirement from schools to also be 1000 feet from schools as these tobacco shops will also be selling low-dose THC products.

Mayor Muehlbauer asked how far the store in St. Francis Mall is from the high school. Thunstrom said it is 650 feet; however, there is a daycare inside this building which is about 50 feet from the store. She noted that this store will be able to operate as is until they move to a different location when they would need to follow the new ordinance.

Kreklow added that the 1000-foot distance requirement would give the residents the peace of mind that they are looking for.

Robinson asked why some of the gas stations are not selling low-dose THC products. Thunstrom shared that there are likely some personal business

decisions that go along with these gas stations or grocery stores. She noted that KwikTrip has started selling low-dose THC products.

Thunstrom said she can create a first draft of this ordinance, and they can change any language after the first reading if they so choose.

The consensus of the Council was to update the tobacco ordinance to add the definition of a tobacco store, to not limit the number of tobacco stores in the City, and put a 1000-foot distance between tobacco stores and schools and a 500-foot distance from daycares.

D. Cannabis and THC Ordinance

Thunstrom reviewed the Staff report concerning the cannabis and THC ordinance.

Robinson said he would like to explore having a municipal cannabis dispensary. He noted the City already owns a liquor store that is well-received by the public. He added that he would still like to see something done for a Community Center for the residents.

Mayor Muehlbauer agreed with Robinson. He noted that if people are going to want THC and cannabis products, they have to purchase them somewhere so why not be at a municipal store as it can help supplement things within the City.

Kreklow stated they can look at how well the low-dose products are doing at the liquor store. She noted the sales have been through the roof and consistently increase by around 30% every time they receive a report. She said that this could be very profitable for the City.

Thunstrom shared that there is a potential property that is connected to one of the parks that may be a good fit for a Community Center. She said there are a lot of moving pieces with this, and they will discuss more at the next Work Session.

Vogel said he is opposed to having a municipal THC and cannabis store. He stated he is opposed due to principle, the money it would cost to get the store up and running, and how long it would take for the store to start being profitable.

Mayor Muehlbauer said that he thinks a municipal location would benefit the taxpayers and the products will already be for sale within the City so why not use it as a benefit to the residents.

Vogel stated there would be a lot of money spent in the short term just to get this store up and running.

Mayor Muehlbauer noted they would need to see the estimated costs for a store before they were able to make an informed decision.

Thunstrom asked if they wanted to limit the total number of THC and cannabis stores within the City.

Mayor Muehlbauer said he would like to limit it to one store within the City outside of a municipal store as this would not count as the one required location. Robinson, Kreklow, and Vogel agreed.

Thunstrom asked about distance requirements. She noted that parks, daycares, and treatment centers can be up to 500 feet away. She added that parks currently have no smoking signs and State law prohibits smoking these products in public. She noted that Anoka County has zero tolerance for smoking these products in facilities and parks. She shared that schools also have zero tolerance for these products and have requested that they honor the full 1000-foot distance requirement from the schools.

Mayor Muehlbauer said he would like to match the distance requirements for these stores to what they set for tobacco stores for consistency.

Robinson asked how many cannabis plants residents can grow in their homes. Kreklow said they can grow eight plants with only four mature and can carry up to two pounds.

Mayor Muehlbauer asked where the retailers would be getting the products if no one is a licensed grower for the City. Thunstrom explained that there is currently a lottery system with cultivators. She added that they do not have cultivators currently cultivating the product to be able to sell at the beginning of 2025. She noted that the State will not be able to issue a retail license until they have final rules.

Thunstrom asked if they wanted to put a distance requirement between different cannabis retail stores. Mayor Muehlbauer asked if they were to only have one non-municipal retailer if they would need a distance requirement between locations as there would only be one. Kreklow agreed.

Kreklow suggested that they may want locations to be closer together, so they are in a more concentrated area rather than being spread throughout the City.

Thunstrom shared that they are looking at proposing the same hours of operation that the liquor store currently carries. She added that the Police Department has requested this for consistency purposes.

Kreklow asked about the liquor store hours. Thunstrom said they are open until 10:00 p.m. throughout the week and until 6:00 p.m. on Sundays.

Kreklow suggested sticking with liquor store hours.

Thunstrom shared that since this ordinance has to do with zoning, there will need to be a Public Hearing at the December Planning Commission meeting for review. She said this process will continue over the next several months.

Robinson asked if the State will be pushing back their timeline on this as it does not seem as though they will be ready to go by January 2025. Thunstrom explained that the State has not put anything in writing about this and since some of it was written into statute, there is not much that can be done.

Vogel asked if the zoning changes are only for the retailer locations or if it also has to go with the growing and cultivating of cannabis. Thunstrom said the zoning code will have to address both retail and cultivation.

Mayor Muehlbauer asked if they are able to restrict the sale of the low potency products at bars or just liquor stores. Thunstrom shared that this is language from the State and in most of the zoning changes they are removing this as the low-potency products are everywhere.

Kreklow shared that she heard that money made from selling cannabis products cannot be put into banks as the sale of cannabis is still Federally illegal. Mulvihill explained that she was told originally that the purchase of these products would have to be done with cash; however, credit card purchases are now allowed.

The consensus of the Council was to move forward with the discussed changes to the THC and cannabis ordinance.

4. **ADDITIONAL TOPICS**

Robinson asked if there was an update on the Rum River Inn. Thunstrom shared that it is now in the hands of the bank, and they received a lot of calls at the beginning of this process and those calls have now gone silent and the property continues to worsen. She stated there was some local interest that was creative but not realistic. She added that this is a historical building and there would be a lot of work that would go into tearing the building down. She noted that the State does not see value in this building either.

Kreklow shared that she received an email from a resident about Rum River Park and the playground equipment there. She asked if this had been handled. Mayor Muehlbauer said Public Works Director Carpenter was working with this resident directly. Thunstrom added that this park is already on the repair schedule.

Robinson asked when they would be discussing the LELS contracts. Thunstrom said they are looking to go into a Closed Meeting at the next Council Meeting to discuss this.

Robinson asked how things were going with the new building. Thunstrom shared that they have all of the movers scheduled and they are continuing to work through

the small details to get things over the finish line. She added that they are doing very well with what was budgeted for this building.

5. ADJOURNMENT

There being no further business, Mayor Muehlbauer adjourned the City Council Work Session at 7:06 p.m.

Jennifer Wida, City Clerk

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