

CITY OF ST. FRANCIS  
CITY COUNCIL AGENDA

St. Francis Area Schools District Office 4115 Ambassador Blvd. NW

September 3, 2024

6:00 p.m.

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The regular City Council meeting was called to order at 6:00 p.m. by Mayor Joe Muehlbauer.

**2. ROLL CALL**

Members Present: Mayor Joe Muehlbauer, Councilmembers Kevin Robinson, Sarah Udvig, and Mark Vogel.

Also present: City Administrator Kate Thunstrom, Deputy Administrator-City Clerk Jenni Wida, Community Development Director Jessica Rieland, Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), Deputy Administrator-Public Works Director Paul Carpenter, Police Chief Todd Schwieger, Fire Chief Dave Schmidt, Finance Director Darcy Mulvihill, Liquor Store Manager Joe Pfeifer, and City Engineer Craig Jochum (Hakanson Associates, Inc.).

**3. APPROVAL OF AGENDA**

MOTION BY: VOGEL SECOND: ROBINSON APPROVING THE REGULAR CITY COUNCIL AGENDA

Ayes: Udvig, Vogel, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 4-0

**4. CONSENT AGENDA**

- A. City Council Minutes - August 19, 2024
- B. City Council Work Session Minutes - August 12, 2024
- C. Change Orders – City Hall / Fire Station Project
- D. Surplus Property  
*Resolution 2024-31 Declaring surplus property*
- E. Conditional Offer of Employment
- F. Rental License Approvals
- G. Job Description Update
- H. Payment of Claims

MOTION BY: ROBINSON SECOND: UDVIG APPROVING THE REGULAR CITY COUNCIL CONSENT AGENDA.

Further discussion:

Vogel asked if there is any recourse for the contractor missing an item and having to later add it as a change order, as shown in Item C. Assistant City Attorney Schaps explained that this change order has to come back forward to the Council since it was not included in previous plans. He noted that recourse could be a negotiated or litigated process if they want to pursue this.

Vogel asked if they have attempted any negotiations or discussions about this. City Administrator Thunstrom said no.

Vogel shared that it is his opinion that they should try to negotiate this as it is the contractor's mistake that this was not included in the initial plan. Mayor Muehlbauer agreed.

Mayor Muehlbauer asked if they were to challenge this with the contractors, could it delay the process of finishing the project. Thunstrom said that the equipment has already been ordered as they cannot move forward without it.

Vogel said he would like Staff to approach the contractor on this. He asked if there is anything in the contracts that would support them negotiating this. Assistant City Attorney Schaps said they can look into this.

Robinson asked if there will be costs for Schaps' time involved with this. Thunstrom explained that they would be reliant on Barna, Guzy & Steffen for review of the contract.

Robinson said he does not have an issue directing Staff to further look into this.

Thunstrom explained that whether the Council approves paying for this item tonight, or they direct Staff to look further into it for it to be brought back to the Council at their next meeting, the equipment has already been ordered and she does not know if delaying the approval of this would stop or slow down the project.

Udvig added that she agrees this is worth looking into.

Mayor Muehlbauer asked if it would be better for them to accept this item tonight or wait until they look into possible recourse. Thunstrom noted that this would be up to the contractor if this item not being approved would hold them up. She added that there are other pieces to this building that will continue moving forward so it would not halt the entire project.

**MOTION BY: UDVIG SECOND: VOGEL TO AMEND THE MOTION AND ACCEPT THE REGULAR CITY COUNCIL CONSENT AGENDA ITEM A-B AND D-H.**

Ayes: Udvig, Vogel, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 4-0

MOTION BY: UDVIG SECONDED: ROBINSON TO CONTINUE THIS ITEM TO THE NEXT COUNCIL MEETING AND DIRECT STAFF TO WORK WITH THE CONTRACTOR ON AN EXPLANATION AND TO PRESENT THE COUNCIL'S POSITION.

Ayes: Udvig, Vogel, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 4-0

**5. MEETING OPEN TO THE PUBLIC**

Mayor Muehlbauer asked City Clerk Wida if they had anyone wanting to speak. She said they did not.

**6. SPECIAL BUSINESS - NONE**

**7. PUBLIC HEARINGS - NONE**

**8. OLD BUSINESS - NONE**

**9. NEW BUSINESS**

A. Adjust the Tax Levy for Bonded Indebtedness

Resolution 2024-32 adjusting the debt service tax levy for bonded indebtedness

Finance Director Mulvihill reviewed the Staff report in regard to the adjusted tax levy for bonded indebtedness.

Robinson asked if this is a housekeeping measure to consolidate things. Mulvihill explained that the bonds go up and down every year and the City is constantly trying to equalize it over the life of the bond.

MOTION BY: VOGEL SECONDED: ROBINSON TO ADOPT RESOLUTION 2024-32 ADJUSTING THE TAX LEVY FOR BONDED INDEBTEDNESS.

Ayes: Udvig, Vogel, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 4-0

B. Preliminary Approval of a Proposed 2025 Tax Levy and Setting the Budget Public Hearing Date

Resolution 2024-33 preliminary approval of a proposed 2025 tax levy and setting budget public hearing date

Mulvihill reviewed the Staff report concerning the preliminary 2025 tax levy and setting of the budget Public Hearing date for December 2, 2024.

Robinson asked if there is a forecast on where Anoka County will be with tax statements. Thunstrom shared that Anoka County is struggling for 2025 and they

were looking at up to a 25% increase; however, they are working towards getting it closer to a 15% increase. She added that a lot of cities in the County are looking at double-digit increases.

Robinson noted that there are some placeholders in the budget that are to account for the increase in police officer wages. He stated these discussions will continue to happen throughout the rest of the year.

Robinson asked if they remove money for the parks entirely for this year and what kind of difference this would make on the preliminary increase. Thunstrom explained that parks is one of the items that was not being included in the annual budget for years, which left them with a lot of grasslands that have not been developed and parks that need to be replaced. She noted that when developments come in, they have to either provide the City with parkland, or cash in lieu of this. She shared that they have developments where they have accepted parkland, yet it has never been developed as they have not been setting aside funds to develop these parks. She added that they have historically only set aside a small amount per year for maintenance. She said the \$200,000 in the budget for parks this year will help them slowly build up what was never set aside for parks in the past few decades.

Robinson said he is just trying to look for low-hanging fruit in the budget that would be the lowest impact to remove. He asked if they removed the money for parks from the budget if they would have any more funding for projects. Mulvihill explained that they did levy some funds for the parks. She added that the park dedication fund is very regulated and has to be used for new equipment and not used to repair or replace old equipment. She noted that they cannot sell bonds to help support the parks.

Mayor Muehlbauer stated they need feedback from the residents on what they are willing to give up in order for their taxes to be kept down. He noted that the levy that is set tonight can always go lower, but it cannot go higher.

Mulvihill shared that with removing the parks funding from the budget, a median-value home would see a tax decrease of \$10 for the year. She added that if they take this out this year, they will have a harder time getting it back in the budget next year. She explained that if they put levy limits in place, this could cause problems in the future.

Robinson said he would not mind having another Work Session to continue to discuss this.

Mayor Muehlbauer asked when the preliminary levy needs to be set. Mulvihill said the end of September.

Vogel shared his concern that they are passing all of their bills onto the taxpayers

and making them take the sacrifice. He said he does not think this is right. He noted that this should be a shared sacrifice where the City has to give things up. He stated there has to be a way that the City can share the sacrifices, whether that be cutting some of the park funding, or something else. He added that the argument is the same at the State and Federal levels where they have large increases, but they do not want to make any cuts. He noted that he is not upset with any Staff for coming up with this budget as it is their job to do so.

Mayor Muehlbauer noted that it is the right mentality to give people the services they want at the lowest cost possible; however, when they look at what they can cut, everything is attached to those services the City provides. He stated that there are a lot of things that they have to catch up on as they were not funded in the past. He added that they can set the preliminary levy tonight knowing that it could go down based off of further Council discussions. He shared that he hopes the residents will voice their opinions on what they would like to cut if they would like the levy to be reduced. He said it is hard to represent the residents when they do not share their concerns with the Council during this time before they officially set the levy.

Vogel shared his frustrations with using language around 'cutting' items from the budget as there would still be an overall increase. He said he does not mind moving forward with this tonight as it can be decreased; however, he would like to see the Council and Staff share in this sacrifice.

Udvig stated that the community has been asking for parks and now that they are finally committing to funding parks, she does not want to see them taken away from the residents. She said she does not see anything that they could clearly cut without affecting the services they provide to the residents. She explained that the Council and Staff have worked long and hard to reduce the budget as much as possible; however, she is not sure what else they can cut without having a major impact on the residents.

Vogel noted that it is small things in the budget that add up, such as artwork and new appliances for the City Hall Fire Station, that do not add value to the services that the City provides to the residents.

Udvig added that parks are one thing that brings people into their community and can help build the community up. She said it has taken the City a long time to even get to this point with park maintenance and it would be a disservice to remove this.

**MOTION BY: UDVIG SECONDED: MAYOR MUEHLBAUER TO ADOPT RESOLUTION 2024-33 PROVIDING THE PRELIMINARY APPROVAL OF A PROPOSED 2025 TAX LEVY AND SETTING BUDGET PUBLIC HEARING DATE FOR DECEMBER 2.**

Ayes: Udvig, Vogel, and Mayor Muehlbauer.

Nays: Robinson  
Motion carries: 3-1

### C. CBD/THC Moratorium Discussion

Thunstrom reviewed the Staff report in regard to a CBD and THC moratorium.

Mayor Muehlbauer commended Staff for trying to get ahead of this months ago. He shared that he was against this at the time as it would put an ordinance on top of a State law. He apologized for not trusting Staff with this originally. He noted that he is now in favor of the moratorium so they can get ordinances in place for this.

Vogel shared that he is also in favor of the moratorium. He asked if they have other adult-use ordinances for other businesses. Thunstrom said yes and explained that these ordinances would likely be similar to those of liquor stores.

Udvig noted that she was also against the moratorium when Staff originally brought it to the Council; however, she now knows that Staff has better insight on this and would support a moratorium to work through this.

Robinson shared he is also in support of the moratorium. He asked if the City had a limit on the number of smoke shops allowed in the City. Thunstrom explained that with the higher potency products, they can make a decision on how many shops they allow. She added that State law requires them to have one. She said they currently do not have any limits in place for standard smoke shops.

Robinson asked if they are allowed to limit the number of standard smoke shops. Schaps said this is something that they can discuss. He noted that other cities have limits on these licenses.

The Council scheduled a Work Session for Monday, October 28 at 5:30 p.m. to discuss this further.

## **10. MEETING OPEN TO THE PUBLIC - NONE**

## **11. REPORTS**

### A. Fire Department Monthly Report - July

Fire Chief Schmidt reviewed the Fire Department report for July. He shared that they are continuing to see a positive response in their response times with an average response time of eight minutes and 31 seconds. He added that there were a total of 66 calls for service for the month, with 20 fire calls and 46 EMS calls. He shared the average number of firefighters per response is also up to 6.8 firefighters per call. He explained that there were five ambulance response times over 20 minutes over the course of July. He shared that there were six initial fire inspections and four reinspections for the month. He thanked the Fire Department, Police Department, Public Works, the City Clerk, and all other Staff who stepped up to

help out with last week's multiple storm event.

Robinson asked about the situation with Nowthen. Schmidt shared that they held a second round of Fire Chief interviews last week and they were able to identify two candidates that they are sending off for a leadership assessment. He noted that both were outside candidates.

Robinson asked how many firefighters Nowthen has. Schmidt said they are up to 15.

Robinson asked about the situation with Bethel. Schmidt shared that they are continuing to move the needle with Bethel and they should have a community survey up and ready to go for both communities. He added that they hope to have more robust discussions towards the end of the year on how they make this more long-term.

Vogel asked how this survey will be sent. Schmidt said they are trying to create a QR code while also having person-to-person contact at farmer's markets or the Bottle Shop. He added that they have other resources in Bethel that they can tap into as well. He explained that they are working on a strategy of how they can get this survey into the most hands as possible.

Robinson suggested having some volunteer firefighters set up a booth outside of County Market or other establishments to reach people. Schmidt said they are not opposed to any outreach ideas.

Mayor Muehlbauer reiterated that the Council can only help better represent its residents if they participate and share their feedback. He thanked all Staff for their work responding to the storms last week.

The Council thanked Schmidt for a great report and the continued hard work from him and his Staff.

## **12. COUNCIL MEMBER REPORTS**

The Council shared the meetings and events they attended in the past few weeks, as well as highlighting upcoming events.

Vogel shared that it was very reassuring to see how Staff responded to last week's storm. He gave a shout out to Connexus Energy for how quickly they were able to get people's power back on. He thanked Staff for the Off-Week Memo that they sent out. He said he would like to make this more public if possible as it is full of good information.

Mayor Muehlbauer considered residents to reach out to the City via email, phone, or social media to provide feedback or opinions on anything that Council and Staff has discussed this evening.

**13. UPCOMING EVENTS**

- September 5-8 - City Wide Garage Sale
- September 16 - City Council Meeting - 6:00 pm
- September 18 - Planning Commission Meeting - 7:00 pm
- September 21 - Recycling Event 8:00 am - 12:00 pm
- September 24 - Eddie Eagle Class - 5:30 pm
- September 25 - Bark Park Leash Cutting Ceremony - 5:30 pm

**14. ADJOURNMENT**

MOTION BY: VOGEL SECOND: ROBINSON TO ADJOURN THE MEETING.

Ayes: Udvig, Vogel, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 4-0

There being no further business, Mayor Muehlbauer adjourned the regular City Council at 7:02 p.m.

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Jennifer Wida, City Clerk