



**CITY COUNCIL MEETING**  
**City Hall—Council Chambers, 3989 Central Avenue**  
**Monday, July 24, 2023**  
**6:00 PM**

**Mayor**  
*Amada Márquez Simula*  
**Councilmembers**  
*Connie Buesgens*  
*Kt Jacobs*  
*Rachel James*  
*Justice Spriggs*  
**Interim City Manager**  
*Kevin Hansen*

---

**MINUTES**

The following are the minutes for the Meeting of the City Council held at 6:00 pm on Monday, July 24, 2023, in the City Council Chambers, City Hall, 590 40<sup>th</sup> Avenue NE, Columbia Heights, Minnesota.

**WELCOME/CALL TO ORDER/ROLL CALL**

Mayor Márquez Simula called the meeting to order at 6:00 pm

Present: Mayor Márquez Simula; Councilmember Buesgens; Councilmember Jacobs; Councilmember Spriggs; Councilmember James

Also Present: Lenny Austin, Chief of Police; Aaron Chirpich, Community Development Director/Assistant City Manager; Mitch Forney, Community Development Coordinator; Kevin Hansen, Interim City Manager; Jim Hoeft, City Attorney; Sara Ion, City Clerk; Erik Johnston, Police Captain; Joe Kloiber, Finance Director; Kathy Bennett, City resident; Paul Edner, City resident; Cathy Gomez, City resident; Jack Israelson, City resident; Rebecca Petersen, CPA Director from Redpath and Company; Rodney Seifert, City resident; Teresa Strike, City resident; Deb Veencamp, City resident; Mark Veronikas, City resident

**MISSION STATEMENT**

*Columbia Heights is a vibrant, healthy and connected City. We are here to actively support the community, deliver equitable services, build and strengthen connections, improve upon our past, and uphold our successes. We strive to be better and ensure Columbia Heights is a great place for everyone, today and in the future.*

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

*Motion by Councilmember Buesgens, seconded by Councilmember Jacobs, to approve the Agenda as presented. All Ayes, Motion Carried 5-0.*

**PROCLAMATIONS, PRESENTATIONS, RECOGNITION, ANNOUNCEMENTS, GUESTS**

**A. International Day of Friendship Proclamation.**

Mayor Márquez Simula proclaimed July 30, 2023 as International Day of Friendship and read the City's proclamation.

**B. National Night Out Proclamation.**

Mayor Márquez Simula proclaimed August 1, 2023 as National Night Out Day and read the City's proclamation.

Police Captain Johnston accepted the proclamation. Captain Johnston thanked the Council and encouraged residents to participate in National Night Out. Those who are interested in participating can contact the Police Department.

**C. Gould Avenue Parking Enforcement Update.**

Captain Johnston provided an update about the Gould Avenue parking. He noted the Police Department is working with the City and the Community Development Department in order to address the parking complaints. He added they did a flyer campaign to increase awareness about parking compliance. The following week, the Police Department enforced citations. The neighbors have been reporting that the issue is getting better.

**D. Presentation on 2022 Financial Audit Report by Redpath and Company.**

Finance Director Kloiber introduced Rebecca Petersen from Redpath and Company.

Ms. Petersen stated the first report that is issued with the audit is an opinion on the financial statements. During the course of the audit, Redpath and Company samples transactions the City enters into and focus on areas that are more susceptible to fraud or errors. An unmodified or "clean" opinion was issued on the 2022 financial statements. It is anticipated that the City will receive the GFOA Award of Excellence in Financial Reporting.

Ms. Petersen explained the second report that is issued with the audit is a report on internal controls in order to understand what internal controls are currently in place. There was one internal control identified related to audit adjustments. If a material change in numbers is identified, they are required to report it as a finding. One significant adjustment was found that was related to an accrual for a construction project and was simply a financial statement number error.

Ms. Petersen noted the third report that is issued with the audit is a report on Minnesota legal compliance. The auditors take sample transactions to look for compliance with a variety of areas. There were no items of noncompliance noted in 2022. An additional report that is issued with the audit is a communication to those charged with governance which includes a letter as the auditors to the City. She highlighted significant pieces of information from the letter including:

- Accounting policies used and/or changed by the City.
  - Governmental Accounting Standards Board (GASB) 87 made a change to how leases are accounted for.
- Accounting estimates in the financial statements.
  - Lease receivable (\$216,000)
  - Net Other Post-Employment Benefits (OPEB) liability (\$1,126,000)
  - Net Pension Liability (\$20,246,00, up from \$6,138,000 in 2021)
- No disagreements with management.

- No difficulties encounter in performing the audit.
- Other matters
  - More changes in accounting standards are on the way.

Ms. Petersen explained the final report that is issued with the audit is a report on Federal Program Compliance. A sample of transactions is taken to look for compliance with the requirements to the program. The result was there were no question costs. One finding related to the audit adjustment that impacted interim reporting and will not have any significant impacts on the City.

Ms. Petersen gave a summary of the general fund, special revenue funds, debt service funds, and capital projects funds. She noted the funds are typically funded by property taxes, intergovernmental revenues, and similar sources of revenues. The general fund had a reduction in fund balances of roughly \$1.6 million and was planned to spend down capital projects for the new City Hall and other projects.

Ms. Petersen noted property taxes are levied at the end of the year, but the City does not collect on the levy until mid-year. The City needs to have enough resources on hand at the end of the year until the first property tax collection receipt from the County comes through. The City's fund balance policy is a target of 45%. There was a slight variance from the target of 44% of subsequent year expenditures which included the planned spend down.

Ms. Petersen stated during 2022, property taxes accounted for 86% of the general fund revenue. Public safety expenditures account for roughly half of the activity in the general fund and 12% of the general fund expenditures are "transfers out" which includes the capital project funding.

Ms. Petersen reviewed the enterprise funds which are self-supporting funds that are intended for the charges to support the activity in the fund such as water, sewer, and storm sewer. She displayed a graph on liquor operations and noted the revenues are sufficiently supporting the operating expenses and cost of sales.

Councilmember James thanked Ms. Petersen for attending the meeting and added that it was helpful to see the presentation.

### **CONSENT AGENDA**

*Motion by Councilmember Jacobs, seconded by Councilmember James, to approve the Consent Agenda as presented. All Ayes, Motion Carried 5-0.*

- 1. Approve the June 26, 2023 City Council Meeting Minutes.**  
MOTION: Move to approve the June 26, 2023 City Council meeting minutes.
- 2. Approve the July 10, 2023 City Council Meeting Minutes.**  
MOTION: Move to approve the July 10, 2023 City Council meeting minutes.

**3. Approval of Pathways Program for Police Officer Cadet**

MOTION: Move to approve the expenditure of approximately \$30,000 to send two police officer candidates through the Pathways to Policing program and enter into an agreement with Hennepin Technical College to provide the instruction.

**4. License Agenda.**

MOTION: Move to approve the items as listed on the business license agenda for July 24, 2023 as presented.

**5. Rental Occupancy Licenses for Approval**

MOTION: Move to approve the items listed for rental housing license applications for July 24, 2023, in that they have met the requirements of the Property Maintenance Code.

**6. Review of Bills.**

MOTION: Move that in accordance with Minnesota Statute 412.271, subd. 8 the City Council has reviewed the enclosed list to claims paid by check and by electronic funds transfer in the amount of \$1,131,331.34.

**PUBLIC HEARINGS**

**7. Ordinance 1687, Establishing a Moratorium Within the City on New Rental License Applications For Single-Family Homes.**

Community Development Coordinator Forney stated Ordinance 1687 establishes a moratorium on single-family rental licenses in order to afford the City time to conduct public hearings and to adopt a single-family rental density cap. This cap stemmed from studies conducted in accordance with Ordinance 1678. As stated in MN state statute, a city may establish an interim ordinance if they have held or have “scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or official controls as defined in section 462.352, subdivision 15.” The length of this moratorium is set for 6 months after the date of its passage. However, Staff expect the rental density cap to be in place and effective on September 14th. Once the cap is in place, the moratorium will be lifted.

Community Development Coordinator Forney noted the Council can remove the moratorium once the ordinance is in place and the public hearing process has been completed.

Mayor Márquez Simula opened the public hearing.

There were no public comments.

*Motion by Councilmember James, seconded by Councilmember Jacobs, to close the public hearing. All Ayes, Motion Carried 5-0.*

*Motion by Councilmember Buesgens, seconded by Councilmember Spriggs, to waive the reading of Ordinance No. 1687, there being ample copies available to the public. All Ayes, Motion Carried 5-0.*

*Motion by Councilmember Buesgens, seconded by Councilmember Jacobs, to approve Ordinance No. 1687, being an interim ordinance establishing a moratorium within the city on new rental license applications for single-family homes. All Ayes, Motion Carried 5-0.*

**8. First Reading of Ordinance 1685, Establishing a Detached Single-Family Dwelling Rental Density Cap.**

Community Development Director/Assistant City Manager Chirpich noted there are two public hearings for Ordinance 1685 with the second public hearing occurring during the next regular City Council meeting. The rental density cap has been a discussion of the City and City Council for over four years. The City began to look at ways to combat corporate ownership of single family homes within the City, while also promoting home ownership opportunities for the residents of Columbia Heights. A strategy that came out of the research was the rental density cap which currently approximately 10%. This density cap would preserve the rights of existing rental properties, but stop rental licenses from being issued for blocks in the City where they're already over the 10% threshold.

Community Development Director/Assistant City Manager Chirpich stated the City was divided into geographic blocks that are natural within the City form. There is a certain ratio outlined in the ordinance itself that lays out how many rental properties are allowed in each block. The City would use the map to monitor rental properties moving forward.

Community Development Director/Assistant City Manager Chirpich explained existing detached single family licenses may be renewed; however, shall a rental license not be renewed and terminated due to the sale of a property by the current license holder, transfer of property ownership or the license is revoked. If it is in a cap area where it is over the 10%, then it would not be reinstated. There is a way for homeowners to make an appeal to the Council and the Council can use their discretion to grant a temporary license under the ordinance. Temporary licenses would last one year and be subject to a maximum of two years.

Community Development Director/Assistant City Manager Chirpich explained that Staff would like to know if the Council would like the transfer of ownership lifted from the ordinance. Ordinance 1685 states if the home is in an area that is over the 10% threshold and is sold, the license would not be transferred to the new owner.

Councilmember Jacobs stated she would like it to remain at the established parameter because it would be constructive moving forward.

Councilmember Buesgens asked if the Council was able to decide if a rental license could be transferred to a new owner. Community Development Director/ Assistant City Manager

Chirpich answered in the affirmative. Councilmember Buesgens noted she would prefer that it does not transfer.

Councilmember James thanked the Staff for their work on the ordinance and added she was encouraged during the work session because it is one step working toward home ownership and are looking into additional incentives and programs that can increase home ownership. She stated she is happy to vote on the item but will continue to look for more opportunities. Councilmember Spriggs agreed and added that the Council should not allow the transfer between owners and supports how the ordinance is written.

Mayor Márquez Simula noted there has been many discussions on the item. She agreed with Councilmember James' comments and added that there is a crisis of corporate landlords.

Mayor Márquez Simula opened the public hearing.

There were no public comments.

*Motion by Councilmember Jacobs, seconded by Councilmember Spriggs, to close the public hearing. All Ayes, Motion Carried 5-0.*

*Motion by Councilmember Jacobs, seconded by Councilmember Buesgens, to waive the reading of Ordinance No. 1685, there being ample copies available to the public. All Ayes, Motion Carried 5-0.*

*Motion by Councilmember Jacobs, seconded by Councilmember Spriggs, to set the second reading of Ordinance No. 1685, being an ordinance amending chapter 5a article iv of the Columbia Heights City code to regulate rental density for detached single-family rental dwellings, for August 14, 2023. All Ayes, Motion Carried 5-0.*

## ITEMS FOR CONSIDERATION

### **9. Approve Resolution 2023-43, Setting a Special Election for February 13, 2024.**

Interim City Manager Hansen stated on June 28, 2023 the City received a petition for a recall, and that petition was reviewed. It was found to be deficient in terms of the number of voters that signed the petition and was returned to the committee that put the petition together. The committee was given 10 days to resubmit the petition, and that was completed. The petition was reviewed again and found to be sufficient in terms of the number of signatures on the petition.

Interim City Manager Hansen explained there is an election in November, but due to a timing sequence of candidates being able to file, it is not possible to be met on time. The special election carries to the next election established by the State which would be February 13, 2024.

*Motion by Councilmember James, seconded by Councilmember Spriggs, to accept the petition. A roll call vote was taken. 4 Ayes, 1 Nay, Motion Carried 4-1. Ayes: Márquez Simula, James, Spriggs, Buesgens. Nay: Jacobs.*

*Motion by Councilmember James to waive the reading of Resolution 2023-43, there being ample copies available to the public. Motion failed for lack of a second.*

Councilmember James read aloud Resolution 2023-43.

*Motion by Councilmember Buesgens, seconded by Councilmember Spriggs, to adopt Resolution 2023-43, a resolution setting a special election for February 13, 2024. A roll call vote was taken. 4 Ayes, 1 Nay, Motion Carried 4-1. Ayes: Márquez Simula, James, Spriggs, Buesgens. Nay: Jacobs.*

## **New Business and Reports**

### **10. THC Moratorium Update.**

Community Development Coordinator Forney explained during the last work session, the Council received an update about extending the current THC moratorium, which is on hemp derived THC edibles which began on August 22, 2022 and goes until August 22, 2023. After receiving the League of Minnesota Cities Policy update and going over the law with the City Attorney, Community Development Staff have come to the conclusion that the new law that legalizes marijuana does not allow cities to regulate hemp derived THC items any further past the current moratorium. Due to State law, the current moratorium cannot be extended. The City will not be able to put the same zoning restrictions on THC or low potency business as they will on high potency THC or marijuana retailers, distributors, manufacturers, etc. It is expected to see low potency THC to become more like a tobacco type product where a license is easier to obtain. Staff are noting there is no reason to put a moratorium in place. The City has an opportunity to place a moratorium on high potency THC items on January 1, 2025.

Councilmember Jacobs asked if there was any action needed for the current moratorium to expire. Community Development Coordinator Forney replied it will expire on its own.

## **CITY COUNCIL AND ADMINISTRATIVE REPORTS**

### **Report of the City Council**

Councilmember Buesgens thanked the people who were involved in building the new City Hall. She noted the City did not bond for the building and money was saved for years in order for the City to own it. She thanked all of the past and current Staff and Councilmembers who were involved. She also thanked the taxpayers for supporting the new building. She expressed her condolences to the family and friends of Carrie Lynn Rivero who was killed on Thursday. She noted she attended the MWO Board meeting, Blooming Sunshine Garden, the Council Corner, Fire Department awards night, Meet and

Greet at Keyes Park, the open house for the Missions at 47<sup>th</sup> and Central Avenue, Jim Haas' good-bye party, the tenant meeting, and the neighborhood water Zoom meeting.

Councilmember James thanked everyone who was involved in the new City Hall building and noted the Council desires the space to be a place where people can be heard. She expressed her condolences to the family of Carrie Lynn Rivero and added that she reached out to MnDOT through a letter. There are plans in place to update Central Avenue and University Avenue. She explained her request is to have temporary safety measures installed instead of waiting until 2027. She mentioned she attended the Council Corner and the tenant meeting. She noted she is looking forward to National Night Out.

Councilmember Jacobs stated she attended a four-day labor conference, the Project Opioid USA seminar online, the Fire Department awards, Jim Haas' going away party, the tenant meeting, and the Council Corner. She noted she helped eight residents with their reach outs.

Councilmember Spriggs noted he was unable to attend the tenants meeting but was able to talk to tenants at the Legends about ways the City can support them by keeping their housing affordable and safe. He added he spoke with councilmembers from surrounding communities regarding initiatives and projects that they can work on. He attended the open house for Mission Heights and is looking forward to Music in the Park and National Night Out. He mentioned he reached out to MnDOT about the unsafe nature of the main street and the urgent need to take action.

Mayor Márquez Simula explained that she has also reached out to MnDOT to make temporary changes. She mentioned she met with local youth about their issues and concerns they have with the City. She attended the youth book club at the library, the La Bestia art show at the library, the Fire Department award night, the police meet and greet at Keyes Park, the Mission Heights open house, the tenant meeting, and the rotary golf outing. She mentioned the Parks and Recreation meeting is cancelled. She noted she attended the Metro City transportation and general government's Zoom meeting and the Anoka County Fair starts this week.

### **Report of the City Manager**

Interim City Manager Hansen stated it has been challenging to get into the new City Hall building but it is exciting. He noted the entire City Staff is now in the same building together. He highlighted Community Development Director/Assistant City Manager Chirpich for his work on the construction side of things. He also highlighted the I.T. Director Hauf for all of his work behind the scenes.

Interim City Manager Hansen mentioned the grand opening for the City Hall building would be on August 17, 2023 from 5:00-7:30 pm. Art will be displayed at the event. The City website includes a "call out" for artists in order to include more artists. In addition, the City is looking for musicians to play live music at the event and can fill out an application on the City website.

Interim City Manager Hansen noted one of the largest construction projects is happening on 37<sup>th</sup> Avenue. The contractor is on schedule for the project. City Staff has a meeting with the contractor for the reconstruction of 53<sup>rd</sup> Avenue in order to obtain the schedule. Once the schedule is set, Staff will meet with residents to go over the schedule and address any questions.



Interim City Manager Hansen stated Music in the Park is cancelled on Wednesday due to the heat and will be rescheduled. The next Music in the Park will occur on July 31, 2023 at Huset Park East from 6:30-8:00 pm.

Mayor Márquez Simula added that there is a Friends of Kordiak Park meeting on Wednesday, August 16, 2023 from 5:30-6:30 pm. There will be a potluck and an update from Anoka County regarding park and water quality and volunteer opportunities.

## COMMUNITY FORUM

Jack Israelson, City resident, commented on how “amazing” the building looked. He explained he wanted to discuss having bike racks installed at City Hall but heard Councilmember James mention it already and asked if they could get installed soon.

Deb Veencamp, City resident, stated she would like to discuss the commercial property, 535 40<sup>th</sup> Avenue, which abuts her property. The property owner has allowed the property to deteriorate including overgrown weeds, grass, gardens, and no snow removal on the sidewalk. There is a bus stop on the southwest corner of the property and there are two sidewalk blocks that are heaved up due to a water line the owner installed for the sprinkler system. In the winter, the snow covers the upheaved sidewalk sections and in the summer, people trip and fall on the sections. The owner has not contracted for yard waste or garbage pick-up so there is garbage on the property. She noted during the first year of ownership, the contractors doing the repairs in the building were living in it even though it is zoned commercial and she has noticed over the past year and a half that one to two men are sleeping in the building. She was informed by a contractor working inside the building that the owner’s sister was opening an adult daycare center on the site and there was a stack of unopened letters from the City including citations and a warning not to have people living in the building. She expressed her concerns of the building ever being restored and kept up. She requested the City to inspect the property and confer with residents before a business license is granted.

Ms. Veencamp added that she and her husband are suffering from petition fatigue and noted attorney Gregory Joseph addressed the numerous deficiencies in the petition. She noted her belief that attorney Joseph will prevail. She asked the Council to consider if they should put the residents through a special election and a civil lawsuit.

Teresa Strike, City resident, expressed her concern regarding limited parking at City Hall particularly in times of bad weather. She asked the Council to raise additional concerns to MnDOT for the crosswalk signs to work.

Rodney Seifert, City resident, stated there are no cars parked on Gould Avenue and wondered if it was due to people being afraid to park on the street because they could get a ticket. He noted the parking lot on Central Avenue was completely full and asked if people coming to City Hall are parking in the lot instead of the street, noting the businesses will not like that. He asked if there was a way for the owner of the complex to include parking with the rent. He added there is no place to put the snow removal in his alley. He asked if there was a way to periodically get a frontend loader to come down and take all of the built up snow.

Kathy Bennett, City resident, added to Mr. Seifert's comments and noted there are ruts in the alleys that make it difficult to drive through. She expressed her concerns over the six-hour parking and did not understand why there was no overnight parking. She added many people do not know that there is a six-hour parking limit. She stated she has two cars with only one parking space. She requested a speed monitor on her block. She asked for more safety at gas stations and explained her grandson was working at a gas station and was the only employee and was beat up by two guys. While her grandson went to the hospital, someone who watched the store was also beat up. She added people are trying to steal cars in the alleys and it has been dangerous.

Mayor Márquez Simula reminded residents to call the police if they see something suspicious in order to keep the community a safe place.

Cathy Gomez, City resident, noted she lives by City Hall and all of the apartments. She encouraged the Police Department to continue to issue tickets since there are a lot of cars parked on the street during the weekend. She noted her alley is a temporary alley but nothing has been done to complete it. During the winter, the alley does not get plowed. She asked if the silver link fence between the City Hall building and her property would be taken down. She noted people walk on her property due to the fence being there and she does not want to get sued if someone gets hurt. She stated her garbage was not picked up three times due to cars parked by her house. She added there used to be no parking signs on Gould Avenue but they were taken away after construction so she asked to bring the signs back.

Paul Edner, City resident, thanked the Police Department for issuing more tickets and hanging out flyers for people parking on Gould Avenue. He noted it is still dangerous to turn in and out of Gould Avenue due to cars parked on the corner. He expressed his concern of residents at Ratio Apartments getting too many parking permits and having the same issue that they are currently in. He mentioned he has no issues with the legalization of marijuana but would like to see all of it kept in dispensary type situations.

Mark Veronikas, City resident, noted the work of the Police Department regarding parking on Gould Avenue has made a huge difference. He asked if the efforts would continue or if it was a one-time action and added that new residents will come in each month.

Mayor Márquez Simula replied that she did not have an answer but would continue to discuss the item.

Mr. Veronikas explained the residents were assured that residents from Ratio Apartments would not be parking on the street and that the only parking on the street would be for guest parking. He asked the Council if they were doing anything to make rent more affordable for residents in the apartments. He also asked if the same issue of parking would occur with the Rainbow units. He noted a studio apartment at Ratio Apartment is \$1,600 and does not include mandatory internet and parking. He requested to the Council to find a solution to make parking more reasonable for the people living there.

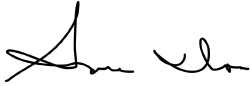
Councilmember Jacobs thanked all of the Staff who played a part in the new City Hall building.

**ADJOURNMENT**

*Motion by Councilmember Buesgens, seconded by Councilmember James, to adjourn. All Ayes, Motion Carried 5-0.*

Meeting adjourned at 7:35 pm.

Respectfully Submitted,



---

Sara Ion, City Clerk/Council Secretary