



# CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

## City Council Work Session

### February 28, 2023

**CALL TO ORDER**

Mayor Supple called the work session to order at 5:30 p.m. in the Bartholomew Room.

*Council Members Present:* Mary Supple, Mayor; Sharon Christensen; Ben Whalen: and Sean Hayford Oleary

*Council Members Absent:* Simon Trautmann

*Staff Present:* Katie Rodriguez, City Manager; Sack Thongvanh, Assistant City Manager; Jay Henthorne, Public Safety Director/Police Chief; Jennifer Anderson, Health Administrator; Chris Fierst, Liquor Operations Manager; Mary Tietjen, City Attorney; and Chris Swanson, Management Analyst

<b>ITEM #1</b>	<b>BRIEF RECAP PRESENTATION AND STAFF POLICY RECOMMENDATIONS RELATED TO PROHIBITING FLAVORED TOBACCO PRODUCTS, CAPPING THE NUMBER OF TOBACCO LICENSES ISSUED BY THE CITY AND THE IMPACT OF REMOVING ALL TOBACCO PRODUCTS FROM MUNICIPAL LIQUOR STORES. AN UPDATE ON THE ADULT CANNABIS BILL IN THE LEGISLATURE WILL ALSO BE PROVIDED.</b>
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Assistant City Manager Thongvanh introduced the topic and discussed the current sales level for flavored vs. non flavored tobacco in the municipal liquor stores. He spoke about how cigarette sales are more for convenience and not the main purpose of the liquor stores. He provided a summary of the current sales figures and talked about the impact removing tobacco products will have on sales for the liquor stores and the city finances, specifically the reduction in taxes from the sales. He discussed about how some of the funding goes to support recreation programs. He spoke about some of the recommendations from staff and is interested in doing a phased approach at the liquor stores so they can sell all the product by the time the ban is in place. City Manager Rodriguez said they are not going to see a big increase in sales going forward.

Council Member Whalen asked about the money going to the parks project. He asked if that was just a part of the total amount that went to the parks program. Assistant City Manager Thongvanh said that was correct. He noted the city uses this money for a number of programs and would need to be aware of the reduction in income if this is to proceed.

Council Member Hayford Oleary noted this is a higher sales volume then he expected. He still felt like there is an obligation to lead by example. He believed the city should move forward with phasing the products out.

Mayor Supple believed that, at a minimum, the city needs to mirror the standards set for other business, specifically around the standards for flavored tobacco.

Council Member Hayford Oleary agreed with reducing the number of licenses. He felt it would reduce tobacco sales in Richfield. Council Member Whalen agreed and said the cap does greatly limit the sales of tobacco.

Council Member Christensen agreed as well and stated she has heard flavored tobacco is targeted at young people and that should be a reduction goal. She stated she was also interested in the phased approach mentioned by staff.

Mayor Supple said there appeared to be consensus on the flavored tobacco.

Health Administrator Anderson provided a recap of the prior discussion, specifically about banning all tobacco sales in Richfield. She noted from the prior discussion, there seemed to be more support for setting a cap on the number of licenses for the community. She introduced the rest of the proposal. She talked about the proposed regulations for the tobacco cap and discussed the next steps in the process, including going from 25 licenses to 4.

Council Member Whalen asked if the Advisory Board of Health (ABH) had reviewed this proposal. Administrator Anderson said they had and were in support.

Administrator Anderson presented the proposed ordinance and outlined the specific work that would need to be done when drafting the ordinance. She talked about potential impacts and mentioned a possible implementation of a moratorium in the meantime. She talked about the decision process and the next steps along with other cities that have gone through this process.

Council Member Christensen asked about the inventory at the liquor stores. Manager Fierst believed the stores would be able to liquidate some of the stock if need be. Mayor Supple noted Bloomington allowed 6 months for inventory liquidation. Director Henthorne mentioned that some of the convenience stores have in excess of six figures of inventory in stock. He recommended at least 6 months to get rid of this stock.

Council Member Whalen supported the phase out option. He asked about the process in going from 25 to 4 licenses. He wanted to know how long this would take. He wondered what would happen if 5 to 10 years pass and there are still a large number of stores selling these products. Administrator Anderson said the policy could be revisited anytime. She also talked about some of the work currently being done at the state level and additional ordinance changes that could be put in place in the future.

Council Member Whalen asked if there had been any talk about if we would want to include something regarding compliance check failures in a certain period in which the license would be revoked. Administrator Anderson noted many cities have similar codes in place and that is an option.

Council Member Whalen asked about the opposition faced by other cities. Administrator Anderson said it was both small businesses and big tobacco and the city should plan to hear from both. Mayor Supple asked if the city has heard from customers. Administrator Anderson said it has been big tobacco lobbyists and retailers.

Council Member Hayford Oleary said he was happy about the balance within the ordinance. He stated he was interested in Council Member Whalen's idea about pulling licenses from retailers that fail compliance checks. He asked how staff came up with that 10,000 population cap. Administrator Anderson talked a bit more about that process and the strategy for how the city set that cap.

Council Member Hayford Oleary shared he thought the city should do a moratorium immediately but felt the city should wait to make the final tobacco sales determination until after the TCH question is resolved as he does not want to hit businesses twice.

Mayor Supple supported the phase out plan and felt that a complete prohibition may not be successful and setting the limit at 4 licenses is a good compromise. She noted she was in support of compliance checks penalty as well as in support of waiting until there is a final call on the cannabis work at the state level.

Council Member Whalen thought it would make sense to phase things out completely at the liquor stores. Council Member Hayford Oleary agreed.

Council Member Christensen asked about when licenses are renewed. Administrator Anderson said they are all renewed at the end of the year.

Mayor Supple said she didn't have strong feelings about restrictions on the sale of regular tobacco in municipal stores but would like to move forward with removing flavored tobacco products from the liquor stores.

Administrator Anderson discussed next steps and said she would work on pulling together the new ordinance.

Director Henthorne provided an introduction to adult use cannabis and what is currently being discussed at the legislature. Specifically, he has discussed what is in some of the current legislation in regards to THC edibles and adult use cannabis. He talked broadly on some of the work that would need to go into effect for enforcement of the new regulations. He said these are big items for emergency responders, zoning, and public health. He also talked about some of the time of sale standards they are proposing. He stated these amendments are encouraging and could provide more local control.

Administrator Anderson spoke about the public health aspects of the proposed legislation as there is not currently a public health professional on the advisory board and is one of the many policy proposals as the state works through this item. She spoke of some of the work Hennepin county is doing around this item and the impact it may have on the community.

Director Henthorne talked about when the legislation may be approved and it could be done this session but if it doesn't, the city's moratorium will expire.

Council Member Hayford Oleary asked about the items the city has in code now. Specifically if the language currently in the zoning code would go into effect if the moratorium were to expire. Director Henthorne said it would. Council Member Hayford Oleary asked if this would apply to all products. Director Henthorne said the way the bill is currently written, it would apply to everything.

Council Member Hayford Oleary asked about why the state's response time is such a big deal. Director Henthorne stated they want to be able to respond quickly to ensure the problem does not become bigger. Director Henthorne spoke about an experience they had with the Minnesota Department of Agriculture and how slow response created a public health matter.

Council Member Hayford Oleary asked if there was anything about identifying impaired drivers. Director Henthorne talked about some of the work being done on this matter. Council Member Christensen asked about a cap on the number businesses that sell cannabis or THC products. Director Henthorne said the bill, as currently written, doesn't allow a cap. City Manager Rodriguez stated she wanted to get a consensus if council would support putting a cap in place and seeing if the city could get more revenue for the enforcement work. Council Members Hayford Oleary and Christensen both expressed support.

Council Member Whalen applauded the work being done at the legislature. He noted most of the updated language seemed to be in the house bills. Director Henthorne said work is being done in both the house and the senate.

Council Member Whalen asked if there was conversation about products being taxed and if that would go towards helping cities. Director Henthorne said this would go to the state and discussions were being had with the legislatures. Council Member Whalen also said he was interested in talking about expungement and wanted to know if the bill included talk of expungement. Director Henthorne said the bill does talk about expungement. Administrator Anderson said that is part of the process but will take some time.

Council Member Whalen asked if we could offer staff (prosecutor) to help move anything along. City manager said she will reach out to the league and see if they have anyone working on this.

Mayor Supple asked what the \$200 registration fee included in the current legislation would cover. Director Henthorne said the \$200 is an "offering" to the cities that register the adult use cannabis businesses and staff is working to determine the actual cost for this work.

Mayor Supple also asked there are parts of the regulation that would require it to be behind some barrier so as to not be accessible to kids. Administrator Anderson said they would need to be behind the counter.

Manager Fierst asked about THC seltzer and if that would be something sold in city liquor stores. Director Henthorne said there has been talk in the work group about allowing sales in the municipal liquor store. He noted that, at this time, THC would not be allowed to be sold in liquor stores. Council Member Whalen asked if it would have to say its allowed to be allowed. Director Henthorne believed that is the case. Administrator Anderson talked about State Statue 340 and the statute is explicit about what it allowed in municipal liquor stores. She talked about what would need to updated for cities to sell THC products.

City Manager Rodriguez gave a summary of the conversation and the next steps.

Director Henthorne asked City Attorney Tietjen if the city should want to look at doing a moratorium so the tobacco licenses don't jump. City Attorney Tietjen said that may be a prudent move to make.

**ADJOURNMENT**

Mayor Supple adjourned the work session at 6:44 pm

Date Approved: March 14, 2023



Chris Swanson  
Management Analyst



Mary Supple  
Mayor



Katie Rodriguez  
City Manager