

Addenda
Minnetonka City Council Meeting
Meeting of August 22, 2022

ITEM 10C – Resolution regarding Minnetonka Firefighters Relief Association bylaws

This item is being pulled from the meeting agenda. A revised agenda is attached.

ITEM 12A – Ordinance amending Chapter 10 of the City Code by adding Section 1045.047, regarding third-party gift card sales

The attached correspondence was received after distribution of the packet.



14600 Minnetonka Blvd. | Minnetonka, MN 55345 | 952-939-8200 | minnetonkamn.gov

TO: City Council
FROM: Darin Nelson, Finance Director
DATE: August 22, 2022
SUBJECT: Change Memo for August 22, 2022

ITEM 10C – Resolution regarding Minnetonka Firefighters Relief Association bylaws

This item is being pulled from the meeting agenda. A revised agenda is attached.



**Agenda
Minnetonka City Council
Regular Meeting
Monday, Aug. 22, 2022
6:30 p.m.
Council Chambers**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call: Schack-Wilburn-Calvert-Schaeppi-Coakley-Kirk-Wiersum
4. Approval of Agenda
5. Approval of Minutes:
 - A. Aug. 1, 2022 regular meeting minutes
6. Special Matters:
 - A. Sustainability Update
7. Reports from City Manager & Council Members
8. Citizens Wishing to Discuss Matters Not on the Agenda
9. Bids and Purchases: None.
10. Consent Agenda - Items Requiring a Majority Vote:
 - A. Ordinance amending City Code 830 relating to lodging establishments
Recommendation: Adopt the ordinance (4 votes)
 - B. Resolutions pertaining to levying the 2022 Special Assessments
Recommendation: Adopt the resolutions (4 votes)
 - C. Resolution for the Carlson and Cheshire Parkway Improvements Project
Recommendation: Adopt the resolution (4 votes)

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For more information, please call 952.939.8200 or visit <https://www.minnetonkamn.gov>

- D. Resolution authorizing participating in a voluntary employee benefits association (VEBA) trust and adopt master services agreement
Recommendation: Adopt the resolution (4 votes)
- E. Memorandum of Understanding with the Friends of Cullen Nature Preserve and Bird Sanctuary
Recommendation: Accept the memorandum (4 votes)
- 11. Consent Agenda - Items Requiring Five Votes:
 - A. Items concerning the construction of a new house at 2507 Bantas Point Lane
Recommendation: Adopt the resolution (5 votes)
- 12. Introduction of Ordinances:
 - A. Ordinance amending Chapter 10 of the City Code by adding Section 1045.047, regarding third-party gift card sales
Recommendation: Introduce the ordinance (4 votes)
 - B. Ordinance regarding storage of deicing materials
Recommendation: Introduce the ordinance (4 votes)
 - C. Ordinance amending the term of the franchise held by Comcast of Minnesota, Inc.
Recommendation: Introduce the ordinance (4 votes)
 - D. Ordinance authorizing the sale of a vacant city-owned property adjacent to Hwy 7
Recommendation: Introduce the ordinance (4 votes)
- 13. Public Hearings:
 - A. Community Development Block Grant Program Consolidated Annual Performance and Evaluation Report for Program Year 2021
Recommendation: Hold the public hearing and adopt the resolution (4 votes)
- 14. Other Business:
 - A. Resolution for the Minnetonka Community Center Project
Recommendation: Adopt the resolution (4 votes)
 - B. Resolution for the Hopkins Crossroad Trail Improvements Project and Agreement with Xcel Energy
Recommendation: Adopt the resolution and approve the agreement (5 votes)
- 15. Appointments and Reappointments: None.

16. Adjournment



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To: City Council
From: Julie Wischnack, AICP, Community Development Director
Date: Aug. 22, 2022
Subject: Change Memo for the Aug. 22, City Council Agenda

ITEM 12A – Ordinance Amending Chapter 10 of the City Code by adding Section 1045.047, regarding third-party gift card sales

The attached comments were received after the packet was distributed:

Mayor Wiersum and Members of the City Council:

Julie Wischnack and Captain Jason Tait have been gracious with their time and conversation on the third-party gift card ordinance scheduled for introduction this evening, and I have no doubt they will effectively share feedback received on the proposed ordinance. Attached is a reiteration of perspectives from the Minnesota Retailers Association, the Minneapolis Regional Chamber, and the Minnesota Grocers Association.

We look forward to further dialogue with the City on this important issue and welcome future conversations.

Wishing you a productive Council meeting this evening,

Bruce Nustad

Bruce Nustad, President
Minnesota Retailers Association
380 St. Peter Street, Suite 1050
St. Paul, Minnesota 55102





SENT VIA E-MAIL ONLY

August 22, 2022

Mayor Wiersum and Members of the City Council:

Thank you for an opportunity to provide feedback on the third-party gift card ordinance scheduled for introduction at your August 22 meeting.

We appreciate the time Julie Wischnack and Captain Jason Tait took last week to discuss the proposed ordinance, and we understand the City's goal of addressing credit card fraud and desire to reduce the use of law enforcement resources attributed to investigating these crimes.

Our main concern with this proposed approach to addressing fraud surrounds its unintended impact on consumers, retailers and employees, while allowing criminals with fraudulent credit cards to purchase other high value items or take their criminal activity to another city. While it is important to address fraud, we feel this proposed ordinance impacts Minnetonka consumers and retailers, instead of the criminal.

Additionally, we oppose this approach for many of the same reasons we opposed similar language taken up and passed in Shakopee a couple of years ago and based on consumer impacts we have seen there and Medina. Those additional concerns are:

- **Clerk misdemeanor:** While we understand it is not the intention to issue misdemeanor citations, the consequence included in the proposed ordinance contains a misdemeanor citation. Even the possibility that a store clerk could be cited is concerning to retailers and, as it did in Shakopee and Medina, will lead to retailers pulling cards and not selling them. Retailers will simply not run the risk of a young clerk who is gaining their first work experience and failing to properly check an ID, getting a misdemeanor.
- **Existing agreement with issuer conflict:** The requirement that a consumer present an ID will be in direct conflict with the rules that retailers agree to with Visa and Mastercard. The rules do not allow the retailer to require an ID as a condition of purchase. Because of this, retailers are put in a position where they must pull cards from their sales floor in order to remain in compliance with the agreements.
- **Impact on the unbanked and underbanked consumer:** According to Sunrise Banks, nearly four out of every ten Minnesota households of color are unbanked or underbanked. The City should consider the impact on any families who may not have identification as defined in the proposal and who use gift cards to pay their day-to-day bills.
- **Identification standards:** We are concerned that IDs such as tribal IDs are not named in the ordinance as possible options for consumers, thus limiting some consumer access.

- **Mobile payments and future payment innovations:** While the proposed ordinance is limited to the purchase of gift cards when using a physical card, more and more consumers are using alternative payment methods. This ordinance fails to address mobile payments that would be attached to a device such as phone or a virtual wallet. Retailers have no insight into the original source of tender before it is transferred to a virtual wallet.

We know many retailers are taking innovative steps in this area to prevent credit card fraud. We also know fraud is a problem and we ask that instead of pursuing this ordinance—which only inconveniences a criminal and does not get to the root of the problem—that you take a pause to engage with your retailers, card issuers and law enforcement on how you might collaboratively work together on a solution.

Thank you for the opportunity to provide input on your proposed ordinance and we look forward to further conversations.

Sincerely,

Bruce Nustad
President
Minnesota Retailers Association

Jonathan Weinhagen
President & CEO
Minneapolis Regional Chamber

Jamie Pfuhl
President
Minnesota Grocers Association

cc: Julie Wischnack
Captain Jason Tait