

MEDINA CITY COUNCIL MEETING MINUTES OF OCTOBER 4, 2011

The City Council of Medina, Minnesota met in regular session on October 4, 2011 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Pederson, Martinson, and Siitari.

Members absent: Weir.

Also present: City Attorney Ron Batty, City Engineer Darren Amundsen, Planner Dusty Finke, Public Works Superintendent Steve Scherer, City Administrator Scott Johnson, Chief of Police Ed Belland, and Recording Secretary Amanda Staple.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

It was requested to add the following items, Schedule a Special Meeting on October 18, 2011 to Discuss in Closed Session the Acquisition of Property, Holy Name Cemetery Development Agreement, and Discussion Letter from the Minnehaha Watershed District Regarding Aquatic Invasive Species.

*Moved by Siitari, seconded by Martinson, to approve the agenda as amended. **Motion passed unanimously.***

IV. APPROVAL OF MINUTES

A. Approval of the September 20, 2011 Special City Council Meeting Minutes

It was noted that the last line should state, "...five ~~ten~~ percent increase in 2012 and 2013. The ten percent increase will be split between 2012 and 2013."

*Moved by Martinson, seconded by Pederson, to approve the September 20, 2011 special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the September 20, 2011 Regular City Council Meeting Minutes

*Moved by Siitari, seconded by Martinson, to approve the September 20, 2011 regular City Council meeting minutes as presented. **Motion passed unanimously.***

V. CONSENT AGENDA

A. Approve Wetland Permit for Mattamy Homes for Fields of Medina Project

B. Approve Contracting with Select Account for HRS, FSA and HAS Claims Administration

C. Approve 2012 Health, Dental and Life Insurance Rates

D. Approve 2012 Legal Rates with Kennedy and Graven

E. Approve Sewer Cleaning and Televising Services Agreement

F. Authorize the Sale and Replacement of Public Works Equipment

G. Change the Time of the November 15, 2011 Special City Council Meeting from 6 p.m. to 4 p.m.

- H. ~~Resolution No. 2011-87 Certifying Delinquent Water and Sewer Charges to the Hennepin County Auditor for Collection in 2012~~
- I. ~~Resolution No. 2011-88 Accepting Donations for Medina Celebration Day~~
- J. ~~Resolution No. 2011-89 Recognizing Volunteers and Contributors to Medina Celebration Day~~
- K. ~~Resolution No. 2011-90 Transferring Control, Authority and Operation of Development District No. 1 and Tax Increment Financing District No. 1-9 to the Medina Economic Development Authority~~

Moved by Siitari, seconded by Pederson, to approve the consent agenda. Motion passed unanimously.

H. Resolution No. 2011-87 Certifying Delinquent Water, Sewer and Stormwater Charges to the Hennepin County Auditor for Collection in 2012

Crosby confirmed that approximately 12 residents had paid their delinquent fees and have been removed from the list in the amended resolution.

Moved by Siitari, seconded by Pederson, to approve Resolution No. 2011-87 Certifying Delinquent Water, Sewer and Stormwater Charges to the Hennepin County Auditor for Collection in 2012 as modified by the exhibit. Motion passed unanimously.

I. Resolution No. 2011-88 Accepting Donations for Medina Celebration Day

Crosby noted that the Council packet included information regarding those who have benefited funds or time towards Medina Celebration Day. He stated that the event has been held for many years. The event began as an ice cream social and has evolved into a larger event. He stated that City staff, in particular Linda Lane, has contributed much time towards the event. He questioned if September is the best time to hold the event.

Johnson believed that September was the right time of year and that the event should continue in the future.

Scherer stated that it is hard to plan for fireworks and those items without obtaining funds in advance. He suggested budgeting for the item and then replacing those funds with donations.

Crosby suggested that City services should receive a more centrally located spot for the event in the future.

Johnson agreed that a line item for fireworks would be included in the budget for 2012.

Belland also commented that budgeting for the event would provide assistance to staff when planning for the event, rather than waiting for donations to come in.

Moved by Martinson, seconded by Siitari, to approve Resolution No. 2011-88 Accepting Donations for Medina Celebration Day. Motion passed unanimously.

VI. PRESENTATIONS

A. Resolution No. 2011-91 Recognizing Greg Leuer for 5 Years of Service to the City of Medina

Crosby read a resolution recognizing Greg Leuer for five years of service to the City of Medina.

Scherer provided examples in which Greg Leuer has interacted with residents and commented that even though residents may have reoccurring problems there is never a complaint from those residents in regard to Leuer. He stated that the Public Works department is better for having Leuer.

*Moved by Pederson, seconded by Siitari, to approve Resolution No. 2011-91 Recognizing Greg Leuer for Five Years of Service to the City of Medina. **Motion passed unanimously.***

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer stated that the Park Commission had not met and noted that the Commission would be discussing a comprehensive park and trail plan at the next meeting, as well as a presentation from students attending Orono High School regarding tobacco free parks. He also provided a brief update on park projects.

Pederson stated that he received a call from a resident regarding lighting not working at the Hamel Community Building.

C. Planning Commission

Finke stated that the Planning Commission would be meeting the following week to discuss the sign ordinance.

VIII. OLD BUSINESS

A. Public Works Facility Discussion

Crosby stated that this item would be discussed under another agenda item, the adoption of a five-year Capital Improvement Plan.

IX. NEW BUSINESS

A. Elm Creek Culvert

Scherer displayed a picture of the existing Elm Creek culvert and briefly described the conditions. He stated there was an article in the newsletter this summer that the culvert would be replaced and advised that residents had called to determine if the size of the culvert could be increased. He believed that this project would occur in 2012, as additional funds would need to be obtained.

Crosby stated that the staff recommendation is to replace the culvert with the same size pipe, due to the additional burden as described below.

Amundsen noted that if the culvert size were to be increased additional permits would need to be obtained, other than simply the watershed permit. He stated that the modeling that would be required, for the FEMA permit, to increase the culvert size would be approximately \$20,000 and that would simply advise the City what would need to be done. He further discussed the process and additional items that could be required in order to increase the size of the culvert.

Dale Thies, 3465 Elm Creek Drive, stated that he built his home in 1985 and provided background information regarding development since that time and the impact on the culvert. He stated that when development increased the culvert was replaced with a smaller size and that has caused repeated flooding to occur on his property. He stated that the flooding remained for two thirds of the summer in his backyard because of the culvert.

Crosby stated that his inclination would be to agree with the staff recommendation for the reasoning provided. He asked that staff investigate the possibility of lowering the road.

*Moved by Pederson, seconded by Siitari, to direct staff to replace the culvert with the same size pipe and investigate road adjustments and efficient passage of water as appropriate. **Motion passed unanimously.***

B. Adoption of a Five-Year Capital Improvement Plan – Public Hearing

Crosby explained the process that he would like to follow for this item.

Batty provided information regarding Capital Improvement Plans (CIP) and the ability to sell bonds for items in the CIP, such as a public works facility. He stated that the CIP had been adjusted with comments made from the Council at the September 6th meeting and explained the process for bond sales, should the CIP be adopted tonight. He outlined the procedure whereby Medina residents, following certain procedures, could require a referendum for the issuance of bonds upon filing of a petition within 30 days after the Council's adoption of the plan.

Crosby stated that the Financial Management Plan was originally adopted in June 2010 and now reflects the changes discussed regarding the public works facility. He noted that the item regarding construction of a new City Hall had been removed from the Plan.

Scherer stated that the Elm Creek culvert was not included in the Financial Management Plan, and noted that a dollar amount would need to be added.

Amundsen provided a very raw estimate of \$40,000 to \$60,000 for replacement of the culvert. He noted that the possibility of obtaining funding from the watershed would be very minimal as there is just not that type of funding available.

Scherer stated that figures for the Uptown Hamel road construction project had been adjusted, as well as delaying and reducing improvements to Tamarack Road. He discussed other road construction projects which had been adjusted.

Crosby confirmed that City costs were listed separately from assessments paid by adjacent landowners in the Plan, which is a change from the previously adopted version.

Scherer advised that maintenance items were also removed and reviewed other changes which were made to the CIP including the delay in replacement of equipment.

Belland confirmed that replacement of police cars has remained the same at this time but noted that the department would attempt to extend the life of vehicles in an attempt to delay the replacement.

Crosby explained that bonds for equipment was commenced to provide flexibility to acquire equipment and to deal with levy limitations. He noted that after the current bonds are paid it may be appropriate to take equipment costs back into the regular budget.

Johnson stated that \$6,500,000 is still included for a public works building.

Scherer stated that the public works staff has tracked time for the past two years in an attempt to determine which functions staff is spending their time on and explained how the proposed debt payment would be divided between those funds.

Johnson reviewed the \$62,000 in items which had been removed from the 2012 general fund.

Dave Calister, Ehlers and Associates, referenced the Financial Plan he provided and explained that this Plan would take into account the CIP and would allow the Council to prioritize items and determine the impact of those items. He explained how the rate of development had been factored into the Plan at 2% and noted that the projections are conservative to reflect the current market. He stated that because interest rates cannot be known for 2015, the rate had been estimated at five percent. He explained that currently the City could most likely obtain an interest rate of 3.5 percent to 4.25 percent for a twenty year bond. He explained that the Financial Management Plan can be changed and amended to reflect the impacts moving forward on any project. He stated that the Financial Management Plan helps the City to maintain stability and spread costs over time and budget for items rather than having unexpected items arise.

Crosby stated that he was surprised that although items had been lowered there was not a larger decrease in the Plan, but understood that was due to the reallocation of the bonds for the public works facility. He was also surprised by the small difference between bonding for \$4,500,000 and bonding for \$6,500,000.

Crosby opened the public hearing at 8:24 p.m.

Moved by Siitari, seconded by Martinson, to close the public hearing at 8:25 p.m.

Motion passed unanimously.

1. Resolution No. 2011-92 Adopting a Capital Improvement Plan and Providing Preliminary Approval for the Issuance of Bonds There Under

*Moved by Martinson, seconded by Siitari, to approve Resolution No. 2011-92 Adopting a Capital Improvement Plan and Providing Preliminary Approval for the Issuance of Bonds There Under with the draft October 4, 2011 attachment. **Motion passed unanimously.***

C. Finance Director Consulting Services Agreement

Johnson stated that two bids were received for Finance Director consulting services. He stated that the bid from KDV was much lower than the other received bid and

recommended approval of that agreement. He stated that three candidates had been interviewed but were not found to be a good fit for the Finance Director position which is why staff has recommended outsourcing for those services.

Crosby confirmed that former Finance Director Jeanne Day works for the company which submitted the higher bid.

Siitari questioned the downside of outsourcing for the services, as it appears the City would save in funds and the cost of benefits.

Johnson stated that a representative would only be present one day per week but noted that the representative would be available by telephone or email at any time. He confirmed that some cities are turning to these types of arrangements with the current budget crunches.

*Moved by Pederson, seconded by Siitari, to approve an agreement with KDV for Finance Director Services. **Motion passed unanimously.***

D. Resolution 2011-93 Supporting a Request for Matching Funds for the Hennepin County Housing and Redevelopment Authority for the “Open to Business” Initiative

Finke presented a resolution to authorize city staff to apply for matching funds for an economic development opportunity which has arisen. He provided background information regarding the “Open to Business” initiative. He stated that Hennepin County is offering to pay for half of the fees for a city to participate in that initiative in 2012, and confirmed that Medina would work on a smaller scale because of the size of the City. He stated that additional information could be brought back before the Council if the grant funds are obtained, in order to decide whether to participate in the initiative. He confirmed that staff has reached out to neighboring communities to determine if those cities would be interested in partnering with the City.

*Moved by Siitari, seconded by Pederson, to approve Resolution No. 2011-93 Supporting a Request for Matching Funds for the Hennepin County Housing and Redevelopment Authority for the “Open to Business” Initiative. **Motion passed unanimously.***

E. Fiber Optic Internet Options

Martinson stated that the LMCC voted against budgeting for the study of a fiber optic network in the LMCC area. She stated that project is essentially dead and would like to discuss the possibility of bringing a fiber optic network to businesses in Medina with providers.

Crosby questioned if there is a need for the service.

Pederson confirmed that businesses have a need for the service.

Martinson confirmed that there are no objections to her discussing the possibility of fiber optic internet with providers.

F. Schedule a Special Meeting for October 18, 2011 to Discuss in Closed Session the Acquisition of Property

Moved by Martinson, seconded by Siitari, to schedule a special Council meeting for October 18, 2011 at 5:30 p.m. to discuss in closed session the acquisition of property. Motion passed unanimously.

G. Holy Name Cemetery Development Agreement

Johnson stated that the proposed Holy Name Cemetery development agreement is before the Council and reflects the items discussed previously.

Batty confirmed that he drafted the agreement.

Moved by Siitari, seconded by Pederson, to approve the Holy Name Cemetery Development Agreement and direct the Mayor and City Administrator to execute the agreement. Motion passed unanimously.

H. Discuss Letter from the Minnehaha Creek Watershed District Regarding Aquatic Invasive Species

Crosby reviewed a letter he received from the Minnehaha Creek Watershed District regarding aquatic invasive species and requested that Johnson review the item and respond.

X. CITY ADMINISTRATOR REPORT

Johnson discussed a request from the City of Independence for the YMCA Camp and Vinland National Center in their city to join the sewer and water system of Medina.

Scherer confirmed that staff believes there could be capacity issues should that occur, especially with future development in the City of Medina.

Crosby confirmed that he would not be in favor of that request, as capacity issues could arise, and he felt that if the City allowed this connection there could be pressure in the future from Independence for the City of Medina to solve other sewer issues in Independence.

XI. MAYOR & CITY COUNCIL REPORTS

There were none.

XII. APPROVAL TO PAY THE BILLS

Moved by Siitari, seconded by Pederson, to approve the bills, EFT 001323E-001335E for \$35,314.42 and order check numbers 037401-037480 for \$429,753.54, and payroll EFT 503791-503816 for \$43,046.53. Motion passed unanimously.

XIII. ADJOURN

Moved by Siitari, seconded by Pederson, to adjourn the meeting at 8:47 p.m. Motion passed unanimously.

T.M. Crosby, Jr., Mayor

Attest:

Scott Johnson, City Administrator