

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 6, 2016

The City Council of Medina, Minnesota met in regular session on December 6, 2016 at 7:00 p.m. in the City Hall Chambers. Mayor Mitchell presided.

I. ROLL CALL

Members present: Anderson, Cousineau, Pederson, Martin, and Mitchell.

Members absent: None.

Also present: City Administrator Scott Johnson, City Attorney Ron Batty, City Engineer Jim Stremel, City Planner Dusty Finke, Finance Director Erin Barnhart, Public Works Director Steve Scherer, and Chief of Police Ed Belland.

II. PLEDGE OF ALLEGIANCE (7:00 p.m.)

III. ADDITIONS TO THE AGENDA (7:00 p.m.)

The agenda was approved as presented.

IV. APPROVAL OF MINUTES (7:01 p.m.)

A. Approval of the November 15, 2016 Special City Council Meeting Minutes

Johnson noted that a revised draft was distributed to the Council at the dais.

*Moved by Anderson, seconded by Cousineau, to approve the November 15, 2016 special City Council meeting minutes as revised. **Motion passed unanimously.***

B. Approval of the November 15, 2016 Regular City Council Meeting Minutes

It was noted on page two, line 13, it should state, "... to conduct." On page three, line 15, it should state, "...discussion regarding the Excelsior Group development matter." On page five, line 25, it should state, "...for its..." On page five, line 25, it should state, "...and that the Steering Committee has..." On page five, line 51, it should state, "...that whether..." On page six, line three, it should state, "...their its..." On page six, line 39, it should state, "...she had requested that those that had..." On page six, line 40, it should state, "...~~rational~~ rationale..."

*Moved by Anderson, seconded by Cousineau, to approve the November 15, 2016 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA (7:03 p.m.)

A. Approve 2017 Tobacco License Renewals

B. Approve 2017 Meeting Calendar

C. Approve 2017 Engineering Rates with WSB

D. Approve 2017 Legal Rates with Kennedy & Graven

E. Approve 2017 Prosecution Legal Rates with Tallen and Baertschi

F. Approve Addendum to the Recording Secretary Service Agreement with TimeSaver Off Site Secretarial, Inc.

G. Approve Agreement with DS Hunz Services for Snow Removal at Hamel Community Building

H. Approve Certificate of Correction for the Enclave at Brockton 6th Addition

- I. **Resolution No. 2016-95 Accepting Public Utilities within the Enclave at Brockton 4th Addition**
- J. **Resolution No. 2016-96 Declaring the Official Intent of the City of Medina to Reimburse Certain Expenditures from the Proceeds of Bonds to be Issued by the City**

Johnson referenced Item B, highlighting the annual goal setting meeting and Board of Appeal and Equalization meeting dates. He referenced Item J, noting that relates to the Deerhill Preserve project.

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

VI. PRESENTATIONS

- A. **Swearing in Ceremony – Medina Police Officer Craig Swalchick (7:06 p.m.)**
Mitchell administered the Oath of Office to new Police Officer Craig Swalchick.

Belland stated that Swalchick was a Reserve Officer with the department for over one year and was placed on the eligibility list for employment after the most recent police officer interviews. He provided background information on Swalchick noting that he previously worked as a Code Enforcement Officer, which will bring a great skill set to the department. He stated that he is excited to bring Swalchick on board.

Mitchell commented that the Police Department does an excellent job and has been able to keep the peace and enforce the law with a great balance.

- B. **Interfaith Outreach and Community Partners**

Deb Lande, Communications and Marketing Director for Interfaith Outreach and Community Partners, stated that she is present to provide an update on the rebranding process. She stated that the organization has been around for about 40 years and is excited to be going through the rebranding process. She thanked the City for the opportunity to talk about some of the things at their non-profit and for the partnership the City provides. She stated that residents of Medina have provided volunteer and financial support, which helps to play a critical role in the support of the families they service. She stated that the rebranding process took place over the past two years and involved community members. She stated that fresh looks and design flexibility are provided through the new logos. She stated that the vision and mission of the organization remain the same as well as the name of the organization. She hoped that the changes to the brand and logo would provide clarity in the intent of the organization. She stated that there are three major campaigns and provided a highlight of each. She stated that a new website was launched as well and highlighted some of the initiatives. She again expressed appreciation for the community partnership that the City and residents of Medina provide.

Martin stated that Interfaith Outreach is an integral part of the community, noting that there are residents of need in every community and this organization makes Medina an even better place to live.

Mitchell noted that lots of students volunteer with the organization as well.

VII. COMMENTS (7:23 p.m.)

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer noted that the Park Commission discussed the Concept Plan from the Excelsior Group and the need for a neighborhood park in that area. He stated that a trail connection was also discussed along Chippewa. He stated that he met with the Hamel Baseball Association, that has a new Board in place and he is excited to work with the group. He stated that he also met with the other two baseball associations and is looking forward to a good working relationship.

Mitchell provided information on the Long Lake Water Improvement Association and noted that he would like someone to attend the meetings.

C. Planning Commission

Finke reported that the Planning Commission will meet the following week to hold a public hearing on the draft Comprehensive Plan. He stated that the meeting has been entirely reserved for the Comprehensive Plan public hearing. He stated that staff is tentatively planning to bring the Plan forward to the City Council at the second meeting in January. He stated that the Planning Commission will hold a second meeting on Monday, December 19th to hold two public hearings; a Concept Plan for a senior living community that would include a mix of independent and assisted living and the second for an addition to Woodridge Church and the series of land use applications that go along with the request.

VIII. OLD BUSINESS

A. AutoMotorPlex – PUD General Plan of Development; Plat; Site Plan Review – East of Arrowhead Drive, North of Hamel Road (7:28 p.m.)

Johnson had noted that this item was first tabled in November and the City Attorney was directed to determine if an EAW would be needed.

Batty stated that as indicated there was a concern that came forward at the last meeting regarding whether a mandatory EAW would be required in this case. He stated he reviewed this and has concluded that a mandatory EAW is not needed. He stated that this is a unique use that would be closest to warehousing noting that the threshold would be 300,000 square feet while this use is near 200,000 square feet. He noted that while the Council could request a discretionary EAW but that is not recommended by staff. He stated that staff thoroughly reviewed this request and it was thoroughly discussed for 2.5 hours at the November Council meeting.

Mitchell stated that this use would not have a tremendous amount of waste, use of energy, there is a stormwater plan for the site, there is sanitary sewer and water provided to the site and therefore did not see an environmental threat.

Martin stated that she did not see any reason to request a discretionary EAW and received consensus of the Council.

Finke stated that the land use requests were discussed by the Council at the November meeting and directed staff to make several changes to the proposed conditions. He stated that staff attempted to formalize those comments into the ordinance and resolutions. He stated that the applicant has amended their plan, shifting the parking lot from Arrowhead Drive by five feet to allow for additional landscaping, incorporating the comments of the Council. He referenced the trail along Arrowhead and noted that the details are still in negotiation as the City would need to obtain easements for some options. He stated that at the least the trail can connect from the northern point of this site to the southern point, which will connect the site with the Loram parking lot which is proposed to be used for shared parking. He stated that the applicant is willing to construct 1,600 feet of trail. He noted that staff is attempting to work with the neighboring property owners in an attempt to connect the trail further north. He noted that the primary discussion point at the last meeting was regarding the special events. He stated that in the past month there were several meetings between staff, the applicant and Belland to discuss details of the special events. He stated that the recommendation from the Planning Commission was for 16 events throughout the year with one large event. He stated that the applicant has stated that one of the major reasons for the events is for marketing and sale of the units as this will be new construction. He stated that he and Belland stated that this seems like an opportunity to limit the special events more after construction and sale of the units has occurred. He noted that the amended language states that special events would be limited to once per month, with allowance for additional special events, up to 16, while marketing and construction occurs. He stated that they also discussed the concept of allowing smaller events. He suggested that the marketing events should be pulled out of the PUD and placed into the Development Agreement while just leaving the one per month special events in the PUD for the long-term.

Bruno Silikowski stated that there has been much discussion on this project. He appreciated working with staff but noted that this process has been six months. He hoped that they would be able to move forward and take action tonight as the due diligence period for the purchase of the property is about to expire. He stated that whatever is left on the Development Agreement is minor and could be worked out with staff.

Pederson stated that he likes the separation of the PUD and the special events as that was the major topic of discussion.

Martin noted that the special events would be included in the Development Agreement, which is more easily adjusted than an ordinance.

Mitchell noted that the Development Agreement would go away at some point in the future and therefore the allowance for the marketing events would go away at that time as well.

Martin stated that she trusts the evaluation that staff has made regarding parking and the traffic flow of the site. She noted that there is quite a bit of onsite parking available even upon build out.

Mitchell discussed the plans for the reconstruction of Arrowhead and available trail easements.

Finke provided additional details of the trail easements and grading of the site.

Mitchell encouraged the use of a berm and quality landscaping as that will provide a buffer from the adjacent land use.

Silikowski stated that they will do everything they can to address the concern of the Council.

Richard Copy, Project Engineer, acknowledged that the roadway is at a grade which would somewhat diminish the berm. He explained that once landscaping is placed on a berm that provides a significant growth from the beginning as it increases the height.

Pederson stated that he likes the proposed mix of trees.

Anderson stated that there was a lot of discussion regarding parking and asked if written parking agreements have been provided for the Loram and Hennepin County sites.

Finke stated that staff has always had a draft of the Loram shared parking that will be formalized with the plan and noted that he also received an email from Hennepin County that they are supportive of shared parking as well. He stated that the parking will be governed under the special events permit, noting that appropriate parking would need to be provided or the event would not be allowed.

Mitchell asked for details on the storm sewer taxing.

Finke stated that the storm water taxing district is a tool that the City uses in order to conduct maintenance and collect the costs, if the development does not complete the necessary maintenance. He noted that item will come forward at the next City Council meeting for action.

Mitchell asked if the WSB comments have been addressed by the applicant.

Stremel stated that the engineering department provided a letter with the questions and comments and is tracking the items that still need response from the applicant. He stated that overall the remaining comments are not significant and will be agreed upon in future amendment to the plan.

Cousineau asked if the special events are delineating between the number of attendees in regard to the once per month events.

Finke provided additional details on the language as proposed noting that the events would be permitted under a special use permit and would be limited to once per month and further governed by the amount of parking available.

Anderson asked if the language regarding the large events has changed.

Martin stated that the language has not changed and provided additional details.

Finke stated that there have been no changes to the limit of once per month for events.

Anderson stated that at the last meeting there was discussion of a traffic study and asked if anything came of that discussion.

Finke stated that he did not believe that there was a recommendation that a traffic study occur.

Stremel stated that most of the events will be at off peak times, which will then not occur with the regular daily flow of traffic. He did not see a reason for a traffic study or what results that would have.

Anderson stated that his concern was potentially adding a substantial amount of traffic from the large events to the small-town roadways in Medina on Saturday mornings from 7:00 a.m. to 11:00 a.m.

Finke stated that the study would attempt to make assumptions on what traffic would do for an unregulated event. He noted that the special events planning would control that aspect and a traffic study would not provide the feedback desired, noting that it is just a manner of managing the event.

Anderson stated that managing the event would not govern how people would access the site.

Finke stated that there are things you can do to limit the access and egress for the site.

Mitchell stated that it was agreed upon at the last meeting that the event would be publicized with the desired route for traffic.

Pederson noted that the traffic would not have much of an impact because the events will be on Saturday morning, at a time when Loram and Hennepin County are not fully staffed.

Batty stated that one of the appeals of dealing with the events under special events permit is that it is a flexible tool that could be adapted over time rather than trying to guess what will happen. He stated that the process can be evaluated over time and factors that need to be adjusted can be adjusted on a case by case basis.

Martin asked, from an engineering standpoint, if some of the drainage issues raised by the adjacent neighbor and her legal counsel at the last meeting have been addressed.

Stremel stated that the engineering staff has reviewed the plan from engineer and storm water guidelines and noted that the plans have also been submitted to the Watershed District. He stated that the comments are similar to any development that would discharge water onto an adjacent property, with volume and rate limitations. He stated that the modeling is meeting the requirements of the City.

Finke noted that one of the pipes will bypass the neighboring property to alleviate some of the concerns from that neighbor.

Martin provided, and received confirmation, of language that would need to be amended from the proposed ordinance \ to move the language regarding events from the ordinance to the Development Agreement. She provided additional suggestions for language changes.

Anderson stated that the Council has been provided with a letter from a Medina resident which references language used in the marketing stating that the units are used for vehicles and weekend getaways. He asked for clarification that people will not be allowed to live/sleep at the facility.

Silikowski confirmed that tenants are not allowed to sleep at the facility, with the exception of an on-site caretaker.

Anderson referenced language regarding a special events permit and asked if the City would ever deny a request for a special events permit, and if so would there be a liability to the City.

Batty replied that the intent is to use the permit in a rational manner to address the potential impacts to the neighboring properties and City as a whole. He stated that the goal is to use the tool reasonably to regulate special events within the City. He stated that if the City got to a point where they severely limited or denied events the rationale would have to be that the events impact the safety of the City. He stated that this use is going to generate traffic and noted that any use of the site would generate traffic. He explained that while this is a different use, there would be traffic generated from any type of development on the site and therefore not all traffic can be regulated out of the site. He stated that the special events which require outside parking would be governed under the special use permit.

Martin stated that this development goes well with the mission statement, that the Steering Committee worked so hard to create, that the City create places for people in the community to gather, noting that this seems like a nice venue for family events.

Batty provided details on the progression of the Development Agreement which is still underway as staff and the applicant are still working out the details. He noted that further amendment would be made per the discussion tonight.

Mitchell stated that he would prefer for the changes to be made prior to approval of the other items, as he would like the Development Agreement to be included with the total package.

Martin noted that the other items can have action taken tonight.

Johnson noted that the items can come back on the Consent Agenda.

Martin asked when the due diligence period expires for the applicant.

Silikowski stated that the period expires at the end of the month and therefore he would like the items to be separated.

Mitchell stated that he would prefer to take action on all items at once via the Consent Agenda at the meeting on the 20th.

Silikowski stated that would work with his timeframe.

Moved by Martin, seconded by Pederson, to direct staff to:

- (a) *prepare the draft Ordinance Establishing a Planned Unit Development District for “AutoMotorPlex of Medina” and Amending the Official Zoning Map, removing section 5B therefrom and moving that section into the Development Agreement and replacing Section 5B therein with a directional statement to the Development Agreement, correcting as necessary the various plan dates therein to ensure that the plans referenced were those presented to the Council, and amending section 7B2 therein to state that garage doors shall be decorative in nature, shall be wooden appearance and shall include windows and other architectural elements consistent with the architectural renderings presented to the Council;*
- (b) *prepare the draft the Resolution Authorizing Publication of the Ordinance by Title and Summary consistent with that presented to the Council;*
- (c) *prepared the draft the Resolution Granting Preliminary and Final Plat Approval for Loram First Addition consistent with that presented to the Council; and*
- (d) *draft the Resolution Granting Site Plan Review Approval for AutoMotorPlex of Medina, ensuring that the correct plan dates are referenced in Condition Two, providing additional clarification on the condition regarding the on-site caretaker’s unit to require that the City’s public safety staff is notified of such dwelling and amending the language regarding the wood and window garage doors as will be done in the draft Ordinance establishing the PUD. **Motion passed unanimously.***

Johnson confirmed the consensus of the Council for the item to come back on the Consent Agenda at the meeting on December 20th.

Mitchell briefly recessed the meeting for a few minutes.

Martin left the meeting.

Mitchell reconvened the meeting.

XI. NEW BUSINESS

A. 2017 Budget (8:36 p.m.)

1. Budget and Tax Levy Presentation – Public Comment

Barnhart stated that in September the Council set the preliminary numbers for the budget, which were recorded with the County. She provided an overview of the funds, at the request of Mitchell, noting that a surplus will be expected again for 2016. She stated that debt levies have a threshold of three percent of the market value rates which would be \$47,000,000 and noted that the City is proposing around \$15,000,000. She provided information on health insurance rates and the proposed budget. She stated that the tax rate levy will be decreased to 22.22 percent, which is due to the continued increase in market values. She noted that the major change moving into the next year is that the City will start phasing the antenna rental revenue from the general fund to the environmental fund. She explained that the general fund should not rely on that revenue as it could eventually go away. She continued to provide information on the changes to expenditures as proposed. She stated that while consulting services are used for all

departments, the finance department has decreased the use of consultants which results in a decrease in the line item. She highlighted the changes for the staffing portion of the budget. She stated that the proposed levy is \$3,808,978, which is a levy rate decrease of 4.4 percent. She provided comparison information for the surrounding communities and noted that Medina continues to be the second lowest community in the area. She reviewed the long-term needs for public works and highlighted upcoming projects.

Johnson noted that staff would still attempt to gain MSA funds for the CR 116/Highway 55 project.

Barnhart stated that the public works department have been very responsible and flexible with the replacement dates for equipment. She noted that the police vehicles are also replaced with vehicles that have a higher resale value which has also helped the long-term costs for vehicles. She noted the long-term planning documents which are in place to help guide the City in anticipating costs for the future.

Johnson noted that once the new Comprehensive Plan is in place the City will have the opportunity to review the utility rates.

Pederson asked if Hennepin County has raised their levy rates.

Barnhart replied that the levy increase for Hennepin County is completely separate from the City and School District. She stated that the market values of the all the properties within the County are considered as a whole for the County.

Anderson thanked Barnhart for her presentation which summarizes much of the work she did over the past six months.

Mitchell referenced the charts with the school district mapping and asked why the rate does not appear the same across the districts.

Barnhart explained that each school district would have different costs because of the referendums that may have been passed. She explained that the County and Medina rates would remain the same throughout the different school districts in the City.

Anderson stated that staff has done a good job in keeping costs low to assist the City in maintaining a low tax rate.

Barnhart stated that there are expenditure increases proposed to 2017 which are on par with the costs of 2016 and commended the department heads for their efforts in keeping costs to a minimum. She provided clarification on specific terms and figures used in the staff report.

Mitchell referenced the annual report which is sent out in spring and asked if additional statements should be made to advise residents of the specific information and financial health of the City. He stated that the City is very healthy and residents should know that. He referenced the reduced projections from the Metropolitan Council and asked if the anticipated needs would be greater or less because the decrease in building permits.

Barnhart replied that this has been budgeted and factored in a very conservative level so that the City will not see the "bottom fall out" when that decrease occurs. She provided

an explanation of how the City functions and background regarding the differences between how things were planned for the recession and the recent years.

Mitchell stated that the staff and Council are doing a great job and are fortunate to be in this situation.

2. Resolution No. 2016-97 Approving 2017 Final Tax Levy

*Moved by Anderson, seconded by Pederson, to Adopt Resolution No. 2016-97 Approving the 2017 Final Tax Levy. **Motion passed unanimously.***

3. Resolution No. 2016-98 Approving 2017 Final Budget

*Moved by Anderson, seconded by Pederson, to Adopt Resolution No. 2016-98 Approving the 2017 Final Budget. **Motion passed unanimously.***

B. Ordinance No. 604 Amending Fee Schedule – Public Comment

Mitchel opened the public hearing.

No comments made.

Mitchel closed the public hearing.

*Moved by Anderson, seconded by Pederson, to Adopt Ordinance No. 604 Adopting an Amended Fee Schedule. **Motion passed unanimously.***

1. Resolution No. 2016-99 Authorizing Publication of Ordinance No. 604 by Title and Summary

*Moved by Anderson, seconded by Pederson, to adopt Resolution No. 2016-99 Authorizing Publication of Ordinance No. 604 by Title and Summary. **Motion passed unanimously.***

X. CITY ADMINISTRATOR REPORT (9:09 p.m.)

A. Clean-Up Day Trees

Johnson stated that the trees for last year's event were subsidized by tree preservation fees from developers which were put into the environment fund. He asked if the Council would like to support that continued action.

Pederson stated that he would support that continued effort and would actually double the amount.

Anderson agreed.

Scherer provided background information on how the tree sales are done. He cautioned against going too large to ensure that the trees are taken care of. He stated that he will look into the possibility of adding a few more trees.

Anderson stated that it is a wonderful program that Scherer runs well.

Stremel provided an update on Deerhill Preserve, noting that there is not much construction occurring. He noted that the City's contractor will finalize the last of the aggregate and then will be done for the winter season. He stated the amount of sand needed in the change order was within five percent of the estimate, noting that the

estimate was a bit high to include contingency. He noted that there were difficult weather conditions for the aggregate when the season ending date occurred.

Scherer stated that the City would develop a plan should the developer construct a home under the current road conditions.

Stremel stated that the builders want to prepare their sites for the spring build. He stated that the change order does state that the contractor agrees to honor the paving price estimated for this year.

XI. MAYOR & CITY COUNCIL REPORTS (9:15 p.m.)

Mitchell stated that the City of Oakland is in a tough situation because of the recent fire that involved people living inside a warehouse. He reminded the Council that there are problems out there and thanked the Council for their good work.

XII. APPROVAL TO PAY THE BILLS (9:16 p.m.)

*Moved by Anderson, seconded by Martin, to approve the bills, EFT 003911E-003937E for \$88,848.16, order check numbers 045116-045239 for \$639,679.17, and payroll EFT 507540-507594 for \$96,637.64. **Motion passed unanimously.***

XIII. CLOSED SESSION: POLICE UNION CONTRACT (Minn. Statute 13D.03)

*The Council adjourned the meeting to closed session at 9:18 p.m. for the purpose of discussing the police union contract negotiations. **Motion passed unanimously.***

XIV. ADJOURN

*Moved by Anderson, seconded by Cousineau, to adjourn the meeting at 9:43 p.m. **Motion passed unanimously.***

Bob Mitchell, Mayor

Attest:

Scott Johnson, City Administrator

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