MEDINA CITY COUNCIL MEETING MINUTES OF JANUARY 5, 2010

The City Council of Medina, Minnesota met in regular session on January 5, 2010 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Johnson (arrived at 7:10 p.m.), Siitari, Smith, and Weir.

Members absent:

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, City Planner Dusty Finke, Public Works Superintendent Steve Scherer, Finance Director Jeanne Day, City Administrator Chad Adams and Recording Secretary Amanda Staple.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

The agenda was accepted as presented.

IV. APPROVAL OF MINUTES

A. Approval of the December 15, 2009 Special City Council Meeting Minutes

Moved by Smith, seconded by Weir, to approve the December 15, 2009 Special City Council meeting minutes as presented. ***Motion passed unanimously.***

B. Approval of the December 15, 2009 Regular City Council Meeting Minutes

It was noted on page four, line 28, it should state: "…comments in regard to the City Attorney and Prosecutor and thanked them for their services to the City."

Moved by Weir, seconded by Smith, to approve the December 15, 2009 Regular City Council meeting minutes as amended. ***Motion passed unanimously.***

V. CONSENT AGENDA

A. Accept Donation from Hamel Fire Relief Association
B. Approve Raffle Permit to NW Suburban Chapter of Pheasants Forever on February 6, 2010 at 400 Evergreen Road
C. Approve EPDB Conditional Use License Agreement with Hennepin County
D. Ordinance Adding Section 842 – Mixed Use (MU) District to the Medina Zoning Ordinance
E. Resolution to Publish the MU District Ordinance by Title and Summary
F. Resolution Approving a Variance for BK Realty from the Required Setback for a Septic System from a Wetland for Property Located at 1255 Medina Road
~~**G. Schedule Local Board of Appeals and Equalization for Wednesday, April 14, 2010 at 6:30 p.m. in City Hall**~~

Smith asked to remove item G (Schedule Local Board of Appeals and Equalization for Wednesday, April 14, 2010 at 6:30 p.m. in City Hall) from the consent agenda.

Moved by Smith, seconded by Weir, to approve the consent agenda as amended. ***Motion passed unanimously.***

G. Schedule Local Board of Appeals and Equalization for Wednesday, April 14, 2010 at 6:30 p.m. in City Hall

Smith questioned if the hearing was required to be held on the second Wednesday of the month, as she had a conflicting meeting scheduled for that date.

Adams stated that the date was not set in stone and believed that the meeting could be held later in the month of April. He stated that the meeting could be scheduled for Tuesday, April 27, 2010 at 6:30 p.m. and would check with Rolf Erickson on that date.

Moved by Weir, seconded by Siitari, to approve scheduling the local Board of Appeals and Equalization meeting for April 27, 2010 at 6:30 p.m. ***Motion passed unanimously.***

VI. COMMENTS

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer advised that a model for the park signs had been ordered for the Commission to review and summarized the other items discussed at the meeting.

Adams advised of the items that would be reviewed by the Park Commission at the next meeting, including discussion regarding park dedication.

Smith presented pictures of park signs used in a city located in Texas that were sponsored by local businesses that she was interested in pursuing. She advised that she would present the information to the Park Commission as an avenue to generate additional funds for the parks.

C. Planning Commission

Finke advised of the items that would be discussed at the next meeting of the Planning Commission and reported that the Council would discuss the items at their meeting in early February.

Johnson arrived at the meeting at 7:10 p.m.

VII. OLD BUSINESS

A. Public Works Facility – Project Schedule and Update

Adams provided general background information to the Council regarding the land acquisition with Hennepin County and summarized the meeting discussion points the Council should consider. He presented a draft CIP process and debt issuance schedule for the public works building and explained the schedule that would need to be followed in order for the item to be on the ballot in November. He then explained what would need to take place should a referendum be called.

Scherer stated that throughout the process the question of need has come up more than once and explained the need for the public works building. He explained that some

equipment is parked outside and others that are stored inside need to be moved in order to navigate the building in the morning. He reported that trucks are being washed outside even in the winter because of the lack of space. He advised that in the current weather the vehicles are just not washed because of the freezing temperatures. He stated that the storage is so limited that it is very difficult to find things that are stored in that area and there is no additional storage for new items. He stated that the septic system would need to be updated, and also explained that emergency exits and clear zones are currently obstructed.

Weir questioned where the salt and sand travels when the vehicles are washed outside without containment.

Scherer explained that because vehicles are washed outside the salt and sand follows the blacktop and hopefully makes it into the containment pond.

Crosby questioned if the existing building was conforming to City code.

Finke advised that the material the building is constructed of is not allowed by City code, among other items.

Loren Kohnen advised that the building would need to be sprinkled, and exits and paths should be clear and marked throughout the building. He confirmed that several items were not up to the current code.

Smith stated that the City Hall was previously not up to code and improvements were made to the building which allowed the City to obtain additional use, and questioned if that type of addition and improvement could be made to the existing public works facility.

Finke stated that there would be space to build an addition and confirmed that the size of the addition would be limited by City ordinance. He stated that upgrades would need to be made to the septic system and several items would need to be brought up to code, such as sprinkling the building.

Crosby questioned if substantial upgrades would need to be made to the existing building if the maximum size addition were built.

Loren Kohnen advised that a fire wall could be built between the two facilities, which would not require full updates to the existing facility.

Weir questioned the amount of time that would be gained by the City, should the maximum addition be built.

Scherer stated that he was not certain as that option was not fully explored.

Smith stated that she believed if the addition were built it would provide additional time for the City and would not be a waste of money, as the building could be used in the future for the police department.

Weir stated that the police would need to upgrade the building substantially as their needs are quite specific.

Smith stated that the police could use the space for indoor storage.

Scherer confirmed that the police mentioned parking impounded vehicles in the building, should it become vacant.

Crosby stated that the Committee had also reviewed the available buildings listed for sale in Medina that could possibly be used for the public works facility.

Adams advised that the first building was not suitable for the City as the space was not large enough, and explained that the second building was much larger than the City would need. He advised that the City could possibly lease out the other side of the second building and suggested that staff visit the site for a more extensive tour.

Crosby explained that with the option of building an addition or purchasing the larger building the City would not get exactly what they wanted and trade-offs would need to be made, as well as improvements to the buildings. He believed that staff should still review the option in full to compare the costs.

Dave Callister, Ehlers and Associates, stated that he would be summarizing the CIP bond process and reviewing specific numbers which would present the Council with information to think about. He stated that one option for financing that has been used by the Council in the past is the Capital Improvement Bond process, which has been used since 2003, and would not require an initial election. He stated that any debt would be subject to the three percent debt limit under that option and financing can be used for city halls, libraries, or public works facilities. He advised that the City would have to adopt a five year capital improvement plan, through a public hearing, and explained that a reverse referendum could occur if five percent of the voters from the last election were to petition the item. He stated that the Council would also need to approve the option with a 3/5ths vote. He stated that a reoccurring question in the current economy is whether cities should take advantage of the low construction costs now or wait to build until the economy improves. He advised that although he cannot predict the future he did prepare a sample scenario to obtain an idea of whether it would be beneficial to build now. He provided information regarding construction costs to the Council and reported that the estimated land and construction costs of $6,500,000 to build now is estimated to increase by ten percent in 2012 and 2013 and five percent in 2014. He summarized information regarding interest rates and reported that October 4, 2009 was the lowest rate on the bond buyer index since 1967. He stated that three scenarios were modeled for the Council to review; no increase in interest rate, a half point increase, and a full point increase. He provided a spreadsheet displaying estimated costs for the project in 2011, 2012, 2013, and 2014 with the variables being used for interest rates and construction costs.

Crosby stated that he believed it was a fact that interest rates and construction costs were at a low and the project cost would increase if the project were postponed.

Dave Callister reviewed the bond schedule for the Council and stated that, if the schedule were followed, the debt would be issued in about one year, explaining that the options for financing do take time and cannot be done in a matter of months.

Adams stated that staff is looking for direction to keep moving with the CIP schedule as if delays occur it could impact the project by as much as one year. He also advised that

the schedule would need to be followed in order to hold the special election on the November election date and not a separate date.

Smith stated that she believes the Council should be prepared for a referendum, as she may collect signatures herself. She stated that the only way she would vote in favor of the project is if the voters are in favor of the project via referendum.

Crosby confirmed that Smith would vote against a CIP process.

Weir stated that she would only be in favor of a CIP process. She felt that presenting the information to the public would give them the option of a reverse referendum, should the residents be against the project.

Johnson stated that in defense of Smith he does realize that the current economy is tough and some people are trying to just hold on. He stated that it may not be the best time to layer on additional costs.

Crosby recessed the discussion at 8:06 p.m.

VIII. PRESENTATION

A. Long Term Fire Services Planning – Hamel Volunteer Fire Department and Loretto Volunteer Fire Department

Brandon Guest, Hamel Fire Chief, stated that a presentation was first given to the Council several months ago regarding the consolidation of the fire departments and advised that he would be providing an update on that consolidation. He stated that during the initial consolidation period the two fire departments attempted to determine how to best improve services and complete the consolidation. He advised how the process had been modified in regard to service calls and paging, and provided an example in the Loretto apartment fire. He advised that the two departments had coordinated training and were now working to integrate the two training programs completely so that fire fighters could attend training at either location, providing additional flexibility.

Jeff Leuer, Loretto Fire Chief, stated that he has been working to find a consulting agent who could assist with the consolidation and reported that an agent was found out of state. He advised that he spoke with two organizations that consolidated and checked the references, which were positive. He reported that the consultants would be meeting with the Fire Chiefs on January 22, 2010 and also with the Task Force for the consolidation. He advised that on the evening of the 22nd the consultants would meet with the two full departments to gather additional information. He reported that an informational meeting would be held on Saturday the 23rd for the five cities, which are covered by the fire departments, and advised that the members of the City Councils and City Administrators had been invited. He reported the costs for the consultant trip would be $2,500 to $3,000, which he felt was very reasonable and stated that the decision could be made after the trip to determine if additional services are needed through the consulting firm or whether the department could facilitate the remainder of the consolidation on their own.

Guest explained that by using the consulting firm they are attempting to determine which model should be followed for consolidation.

Leuer stated that for this type and size of consolidation the total cost is estimated to be $30,000, should the firm continue with the entire consolidation process. He compared that cost to the recent cost to consolidate in Boulder, Colorado, which was near $50,000.

Crosby questioned if the two departments were fully buying into the consolidation.

Guest stated that the members of the departments were looking at the situation with open minds and were onboard to bring in the consultants. He advised that the fire departments are responding to calls in other cities, using again the example of the Loretto apartment fire and reported that a fire truck from St. Louis Park had responded.

Leuer stated that the consulting firm has experience with fire departments and will be able to provide extensive knowledge in the process. He confirmed that the two fire departments were able to fully fund the visit for the consulting firm.

Smith stated that she believed that the two departments should be commended for taking the initiative and bringing in an experienced third party consulting firm.

Leuer stated that the fire departments would like to use the community center for the meetings with the consulting firm, should it be available.

VII. OLD BUSINESS (Continued)

A. <u>Public Works Facility – Project Schedule and Update (Continued)</u>

Crosby reconvened the discussion at 8:30 p.m.

Crosby stated that he believed that the steps towards the CIP bond process and a referendum process would be the same. He advised that the first step would be regarding the land acquisition and also reviewing additional facilities in Medina to compare the cost of outfitting a separate building or building new. He then reviewed the next few steps to confirm that staff should continue along the schedule.

Adams confirmed that staff could continue along the current schedule, along with reviewing options for outfitting an existing building or building an addition onto the current public works facility, to provide those estimated costs to the Council and the public. He advised that staff would attempt to obtain a scope of services/quote for the Council regarding the alternate options to present at the next Council meeting.

Smith stated that she believed staff should carefully determine when the flyers would be mailed for the public education campaign, as certain holiday timeframes could cause residents to ignore the information and discard the flyer.

Scherer explained the distribution of equipment in the building and their specific uses to City departments and stated that the department is currently working to obtain more specific information to better divide the potential building costs between City services.

Day confirmed that the water and sewer costs would continue to increase per the debt schedule, which pays back the bonds used to build the water treatment facility.

Weir confirmed that when additional users come forward on the city water and sewer systems the cost would be spread between the additional users as well.

Scherer confirmed that the conservation of water has also been improved since the increase in costs to water and sewer.

Crosby briefly recessed the meeting at 8:50 p.m.

Crosby reconvened the meeting at 8:57 p.m.

IX. NEW BUSINESS

A. Appeal of Administrative Decision Denying a Permit to Construct Monuments in Right-of-Way – Joseph Geraci and Outdoor Excapes, 2590 Keller Road

Finke summarized the staff report explaining that the item for discussion was in regard to an administrative decision denying a permit to construct two monuments in the right-of-way at 2590 Keller Road. He advised that the monuments were completed without a permit and despite a stop work order. He reviewed the timeline for the Council beginning on November 19, 2009, when excavation within the right-of-way began and the contractor was asked to stop work. He reported that the stop work order was issued on December 15, 2009 and noted that the construction continued and both monuments were finished on December 29, 2009.

Crosby questioned when staff believed that the owner was aware that the project involved City right-of-way.

Finke was unsure but noted that the position of the property lines was noted on the as-built survey, which the contractor did have.

Hans Frees, President of Outdoor Excapes, stated that the project planning began in early September 2009 and reviewed the timeline for the project, including conversations that took place between his firm and City staff. A copy of the timeline and correspondence was provided into the City's meeting records.

Scherer reported that when Gopher State One was contacted for utility locates by Outdoor Excapes it was noted that no work would be completed in the right-of-way.

Hans Frees continued to review the timeline and conversations that took place between his firm, the homeowners, and City staff. He stated that it was the position of Outdoor Excapes that the proper communication took place between his firm and City staff and requested that the pillars stand as is and lighting is allowed to be added.

Crosby questioned why work continued when the stop work order was issued.

Hans Frees stated that the mason work was 90 percent complete at the time of the stop work order and noted that the wrong City code was noted on the work order.

Finke confirmed that 400.04 was noted on the stop work order rather than 410.04, which was a typo.

Johnson noted that he visited the property on the date of the stop work order and he believed the work to be about 60 percent complete at that time. He acknowledged that City staff identified the pillars as a problem as early as mid-October.

Scherer stated that he and City staff advised the contractor that the work could not continue and explained that the cement was still wet, at that time, and could have been removed. He noted the position of the pillars and footings compared to the location of the City sewer services in the area.

Smith stated that she was amazed that the contractor did not stop work when they started digging and saw the utility services.

Loren Kohnen, City Building Inspector, stated that there are no building permit requirements for a walkway with steps on your own property, but noted that the right-of-way is another matter.

Finke noted that staff was never advised that four-foot deep footings would be placed in the right-of-way.

Smith stated that she felt it was unfortunate to the owner but believed that staff did what they needed to do and felt that the contractor was not clear in his communication to the City.

Moved by Smith, seconded by Siitari, to direct staff to prepare a resolution affirming the Staff's decision to deny a permit to construct monuments in right of way at 2590 Keller Road, allowing up to ten days for the above grade improvements to be removed.

Discussion ensued regarding the infrastructure located under the monuments and steps along with the technicalities of snowplowing.

Joseph Geraci requested consideration from the Council on the ability to be flexible and possibly permitting or licensing the pillars and stairs that are already constructed. He stated that he felt he was being punished for miscommunications between the contractor and City staff.

Crosby stated that the City was not punishing the resident for the results, but also did not see how someone could continue to work when a stop order was issued. He confirmed that there is a distinction between a building and zoning permit and stated that the Council's decision protects not only the utility service for the property in question, but also the services to the neighbors. He stated that these items are not allowed in the right-of-way to protect City utility services.

Scherer confirmed that it would be difficult for anyone to remove the monuments and footings during the current temperature and stated that the residents could be allowed up to June 1, 2010 to remove the above grade improvements, but noted that staff would like to be present to verify that the footings were also removed.

Moved by Smith, seconded by Siitari, to amend the motion on the floor to direct staff to prepare a resolution affirming the Staff's decision to deny a permit to construct monuments in right of way at 2590 Keller Road, granting until June 1, 2010 to remove the above grade improvements. ***Motion passed unanimously.***

B. City Appointments

1. Planning Commission

Adams reported that five applicants were under consideration for the Planning Commission and turned the discussion over to Weir, who was a part of the interview process.

Weir confirmed that she was a part of the interview process, providing background information on the applicants and recommended Kathleen Martin and John Anderson to the Commission. She noted that Kent Williams was appointed to a vacant position during the year and recommended that his term continue as well.

Finke noted that the term Kent Williams had been appointed to only had one year left in the term. He stated that Kent Williams would in essence be a reappointment and advised his term could be three-years. He advised that one of the remaining appointments would be for a period of one year and advised that the Council would need to decide which applicant obtained that term.

Smith did a coin toss and it was decided that John Anderson would be appointed to the one-year term and Kathleen Martin and Kent Williams would be appointed to three-year terms.

Moved by Weir, seconded by Johnson, to appoint two applicants, Kathleen Martin and Kent Williams, to three year terms and one applicant, John Anderson, to a one year term. ***Motion passed unanimously.***

2. Park Commission

Adams advised that two Commissioners had expiring terms and were interested in reappointment.

Moved by Weir, seconded by Johnson, to appoint Ben Benson and William Waytas to three year terms. ***Motion passed unanimously.***

3. Resolution Establishing 2010 Appointments and Designations

Adams reviewed the recommended appointments and designations for 2010, confirming any recommended changes.

The Council discussed the attached exhibit and selected appointments for the various positions.

Moved by Weir, seconded by Johnson, to approve the Resolution for 2010 Appointments and Designations. ***Motion passed unanimously.***

C. 2010 Meeting Calendar

Adams presented the 2010 meeting calendar for the Council to review and adopt.

Crosby noted that he would be unable to attend two sequential meetings in March, and Weir would be unable to attend two sequential meetings in September and questioned whether the dates should be adjusted for those meetings.

Weir stated that she did not like changing the meeting dates to meet the schedule of Councilmembers.

Smith confirmed that she did not see the need to change the date of a Council meeting unless a quorum would not be present.

Moved by Weir, seconded by Smith, to adopt the 2010 meeting calendar. ***Motion passed unanimously.***

X. CITY ADMINISTRATOR REPORT

A. Resolution Supporting DNR Community Conservation Assistance Grant Application

Adams stated that Medina is attempting to work with the city of Independence on a grant application and would like to become a co-applicant. He advised the resolution was prepared to support a grant application whether or not Independence is a co-applicant.

Moved by Weir, seconded by Siitari, to approve a resolution supporting DNR Community Conservation Assistance Grant Application. ***Motion passed unanimously.***

B. Schedule Annual Goal Setting Session

Adams advised that two potential meeting dates worked for all of the Councilmembers and thought that Thursday January 28, 2010 would best fit the schedules. He confirmed that dinner could be served for the Council as the meeting would begin at 5:00 p.m.

Moved by Johnson, seconded by Weir, to schedule the annual goal setting session on Thursday, January 28, 2010, at 5:00 p.m. ***Motion passed unanimously.***

XI. MAYOR & CITY COUNCIL REPORTS

Crosby stated that the annual State of the Cities event would be held on February 11, 2010 and advised that although he would be unable to attend, Smith would be in attendance. He stated that a meeting would be held for the Wayzata schools on Wednesday, January 20, 2010.

Smith noted that she would like to obtain a report from the City Assessor and the Hennepin County Assessor in regard to the drop in value for commercial property, as she felt that could affect the City budget.

XII. APPROVAL TO PAY THE BILLS

Moved by Weir, seconded by Johnson, to approve the bills, EFT 000630-000640 for $29,722.60 and order check numbers 034917-034961 for $126,628.77, and payroll EFT 502489-502514 for $42,372.42. ***Motion passed unanimously.***

XIII. ADJOURN

Moved by Weir, seconded by Siitari, to adjourn the meeting at 10:27 p.m. ***Motion passed unanimously.***

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T.M. Crosby, Jr., Mayor

Attest:

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Chad M. Adams, City Administrator-Clerk