

MEDINA CITY COUNCIL MEETING MINUTES OF MARCH 1, 2011

The City Council of Medina, Minnesota met in regular session on March 1, 2011 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

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

Members absent: None.

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Police Chief Ed Belland, City Planner Dusty Finke, Public Works Superintendent Steve Scherer, Finance Director Jeanne Day, City Administrator Chad Adams and Recording Secretary Kathleen Altman.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

It was requested to add item B, a resolution extending time to record a final plat, to New Business.

The agenda was accepted as presented.

IV. APPROVAL OF MINUTES

A. Approval of the February 15, 2011 Special City Council Meeting Minutes

*Moved by Pederson, seconded by Siitari, to approve the February 15, 2011 special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the February 15, 2011 Regular City Council Meeting Minutes

It was noted on page 3, after Line 45, it should state: "Martinson requested staff to work with Lennar to ensure if a through street were added it would not result in a loss of a unit. Weir said that was doable."

*Moved by Siitari, seconded by Martinson, to approve the February 15, 2011 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

A. Approve Raffle Permit to/at Holy Name of Jesus Church on March 12, 2011

B. Close City Hall on March 11, 2011, from Noon to 4:30 p.m. for Staff Training Session

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

VI. PRESENTATION

A. Resolution Recognizing and Honoring Former Fire Chief Herbert M. Koch for Dedicated Service to the City of Medina

Belland recognized and thanked Herb Koch for 32 years of service to the City as a volunteer or the Fire Department.

Crosby thanked Koch for his service to the City.

Herb Koch thanked the City and staff for their help and assistance through the years. He stated he was proud to have served the City for all of these years.

*Moved by Weir, seconded by Pederson, to approve the Resolution Recognizing and Honoring Former Fire Chief Herbert M. Koch for Dedicated Service to the City of Medina. **Motion passed unanimously.***

B. Dave Callister, Ehlers and Associates – Financial Overview

Dave Callister, Ehlers and Associates, presented the annual financial overview of the City including General Fund Balance; Tax Base history; City Tax Rates – Actual and Projected; Tax Impacts; Debt Levy Percentage; Tax Rate Comparisons; Tax Base Composition; Bond Rating; 30-year Bond Buyer Index; Construction Cost Index; Existing Debt; Debt Levies 2011-2020; Utility Rates Comparisons; Sewer Rate Comparisons; and Tax Increment Districts.

Crosby noted in practical terms the only way the city has added to the reserves was by budget surpluses. Day noted for 2010 \$400,000 may be added.

Crosby requested information regarding which portion of tax rates are debt service for other cities.

Crosby asked what were the factors keeping the City from the highest bond rating. Callister responded size was one factor as well as the City not being rated for two years. He noted the goal for the equipment certificates was to raise it to AA1.

Day noted the creation of financial management policies and improvements to internal controls staff has been doing over the years has been to set up to help the City receive a higher bond rating.

Crosby requested road bonds be put on the Debt Levies 2011 – 2020 chart.

Day stated Staff will revise the two charts as requested.

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Park Commissioner Bill Waytas stated at their last meeting they prioritized projects for 2011 focusing on Hamel Legion Park landscaping and Medina Morningside Park landscaping. He stated they were looking to have a wildlife walk again in May and they were going to educate people about the dead trees in the Lake Medina Preserve. He

stated they may be looking where to locate the historic Hamel Library if a formal request is made from the Hamel Business Association. He stated an Eagle Scout was planning on coming forward about building benches for the parks. He indicated a spring tour was in the planning stages.

C. Planning Commission

Finke reviewed agenda items for the upcoming Planning Commission meeting.

VIII. OLD BUSINESS

A. LENNAR/Enclave Comprehensive Plan Amendment, Rezoning and Preliminary Plat

Nate Sparks, City's Planning Consultant with Northwest Associated Consultants, Inc., presented the land use applications submitted by LENNAR for the Enclave project. He reviewed the plan revisions for Council. He noted staff was still going through the plans and engineering still had to review the information. He reviewed the current issues for Council.

Crosby stated it would be helpful to him to know whether the City staff and applicant were in agreement with the issues. Adams responded all of the items in the Staff report had been agreed upon and indicated some details regarding Navajo Rd. and other information would be worked out in the Development Agreement.

Weir asked if affordable housing would occur in the first phase. Adams responded he believed the developer wanted to get affordable housing into phase one, but it could be moved to phase two to ensure sufficient time to create partnerships for funding.

Weir stated she wanted to keep affordable housing flexible for the developer. She asked if the design would limit a cul-de-sac. Sparks responded he was not sure if there was enough room for a cul-de-sac, but it was essentially designed to be a future road connection to the north. He indicated right now it fit the general purpose as intended.

Adams stated the Navajo Road Extension was still an open issue. He noted potentially they were looking at sharing the cost of the road with 50 percent shared between all of the lots when constructed. Crosby stated it did not make sense to request a letter of credit, so he believed this solution worked.

Martinson expressed concern that it would take a long time to get to phase four. She stated if affordable housing did not go into phase one, she wanted assurance that those units did go in a timely fashion. Adams responded affordable housing would be included in the Development Agreement, but it may be flexible for phase one or two.

Crosby noted the City would be approximately in the same position with respect to the southern part of the road as it would have been if the development had not occurred.

Sparks reviewed staff's recommendations.

Crosby invited the developers and other interested parties to speak at the podium.

Carole Toohey, Lennar, stated they have been working with staff to make this work for both parties. She stated with respect to affordable housing they were willing to propose

the four units, but they could only agree to those if they were made whole in the cost difference between the models and the affordable housing.

Crosby asked if the City would need to apply for grant funding. Toohey confirmed it would be up to the City.

Adams noted staff believed there needed to be a third party involved to secure the units as permanent affordable units. He stated the City would probably have to offer some type of a fee reduction as well to secure any grants as a matching partner. He indicated there may not be many grant options, but staff would research any grants available.

Toohey stated with respect to the Navajo Road extension they were close to an agreement and they were willing to do the 50/50 split in today's dollars for the future assessment of the road and they were requesting a reasonable sunset date. She noted as a seller it was difficult to sell a home to a purchaser if there was a possible road construction in the future. She indicated this was a concern of theirs. She suggested a five-year timeline as that coincided with the build out of the community.

Crosby stated he would leave "reasonable" up to the City Administrator to determine, but noted a five-year appears was too short in his opinion. Weir concurred.

Adams stated the goal would be April 5 to give preliminary approval and have the development agreement 80-90 percent completed.

*Moved by Weir, seconded by Pederson, to direct staff to prepare the resolution, ordinance, and development agreement for Council consideration, with the revisions as discussed. **Motion passed unanimously.***

Crosby stated this was a significant action for the City. He indicated he was aware of the pushes and pulls going on over the last several months and he appreciated everyone's patience.

B. Hamel Athletic Club (HAC) Grounds Services Agreement Update

Adams reviewed the updates to the agreement. The Athletic Club has requested the term of the contract be changed to begin on April 1st, which has been agreed to by both parties. He stated regarding the ball field lights, the City received a grant from the Minnesota Twins Community Fund in the amount of \$25,000. He indicated the City and HAC would also contribute to the lights as matching partners. He stated the question was the agreement right now stated HAC needed to turn over \$50,000 by the end of the year, but they were requesting some flexibility.

Jason McAthie, HAC, stated they were willing to turn over the \$12,500 tonight for Phase I and the \$50,000 would be available by December 1, but if the County grant was not received this year, HAC would like to hold the money until next year.

Crosby asked if they would agree that the funds would only be applied to the lights with the term being three years and if the grants were not received within that time period, the funds would be returned to the Association. He stated he was reluctant to have the City go down this path without knowing the funds were there. McAthie responded he believed that would be agreeable if they also received interest.

Crosby stated he did not want to put wiring in the ground if the funds were not going to be there.

*Moved by Weir, seconded by Siitari, to approve the agreement with the April 1st revision and subject to details to be worked out between the City Administrator and the Hamel Athletic Club that the money be available for the lights for a three year period. **Motion passed unanimously.***

IX. NEW BUSINESS

A. Holy Name of Jesus Church Cemetery – Conditional Use Permit and Site Plan Review

Finke presented the request of Holy Name of Jesus Church for a conditional use permit (CUP) and site plan review to expand the existing cemetery. He noted there had been a previous proposal in 2009, which was not completed. He recommended the Council rescind the 2009 approval and approve this proposal. He indicated the properties were zoned rural/residential. He reviewed the Planning Commission recommendations.

Martinson asked about the size of the traditional burial sites versus cremation sites. Finke responded traditional burial sites were 3.5 feet by 8 feet and cremation sites were 2 feet by 2 feet.

Finke reviewed the CUP standards for cemeteries. He noted the purpose of a site plan review was to determine if the proposal was consistent with the provisions of the ordinance. He noted the City had some discretion with a CUP.

Crosby stated when the German Liberal Cemetery was considered there were various restrictions put on “decorations”. He asked if that was something that could be discussed as it related to the new area. He believed some of those things would be relevant. Finke stated if there was a public interest that ties to one of the regulations to require such an addition that would be within the City’s discretion to do so.

Crosby stated for German Liberal they had conditions placed that the City was going to maintain it and the plants had to be put on a stand. He stated there were also restrictions put on balloons, lights, etc. He stated if they were going to do this, in fairness, he would only want this for the new portion. Batty responded he agreed with Finke’s response that there needed to be a public interest. He stated he believed it might be possible the City could find a public interest, but he was not sure what the developer was proposing.

Martinson asked if anything had been an issue on the old portion of the cemetery. Crosby responded not to his knowledge, but there were perpetual lights.

Siitari stated he was surprised the City should be concerned about neighbors in this proposal. Crosby stated if the City wanted to impose restrictions, now was the time to do it. He did not believe the rules put on the German Liberal Cemetery were unusual for a high quality cemetery.

Finke stated staff would look at what the conditions were for the German Liberal Cemetery and discuss the restrictions with the applicant. Crosby stated the City was not operating the cemetery and it was up to the applicants to run it.

Finke presented the parking, road, and circulation proposals. He reviewed the recommended conditions on the parking, road, and circulation rather than requiring parking or a wider road.

Martinson asked if it was possible to have a foot path behind the large parking area and the expansion area. Finke noted most of the interments that occurred would probably have the services at the Church and people would be walking from the Church, but staff could check with Hennepin County regarding this. He indicated proof of parking would be located along the existing road.

Crosby stated it was important to have sufficient parking for the people who had difficulty with mobility.

Finke presented the landscaping and screening proposal. He indicated staff did not recommend additional plantings. He reviewed the stormwater, wetland, and water table requirements. He stated there was a high water table in the lower portion of the site so staff was recommending the applicant to amend the grading plan to meet their geotechnical recommendations.

Dan Gary, Parish Administrator, stated with respect to parking on the Holy Name Lake side, it was used for overflow parking if the existing lots were full. He stated it could be used for parking for the cemetery, but 95 percent of the burials there were from services at the church and the people were already parked in the parking lot. He stated occasionally there were burials where the ceremony was at a different church and in those cases he believed they could work with the funeral directors to have the people park in the existing lot or in the overflow lot. He noted this only occurred two or three times a year. He indicated they had latitude with respect to the decorations and lights and if the City wanted to put conditions on it, they would not object, but they already did have lights in the older part and had restrictions regarding plantings, balloons, etc. Crosby stated he believed some of the restrictions made good sense and he would like to look at what was previously imposed.

Gary stated the Church has not had any complaints from their neighbors regarding lighting, but he would be willing to look at the restrictions. With respect to paving, they wanted time to recoup their investment and do repaving down the road. He noted the ground was soft where the paving would go during certain times of the year and they were proposing to put gravel down first to harden the ground up. He indicated they were willing to work with the City on this item. He stated they were in agreement to the two year recommendation. Kellogg indicated he had no objection to having gravel down for two years, but he would not go any longer than two years. He agreed it would harden up the soil as a base for the future paving.

Gary noted with respect to the water table, they would bury the vaults above the water table and they would work with staff in grading to the necessary height. He stated they would work with the City and the Police Department on people crossing the road.

Crosby inquired about the proposed timing. Gary responded they were proposing to start selling the plots this summer, but there would probably not be too many burials for awhile in the new area.

*Moved by Weir, seconded by Martinson, to direct staff to prepare a resolution approving site plan review and CUP for Holy Name Cemetery with the conditions recommended by the Planning Commission and to direct staff to prepare a Resolution rescinding the CUP and Site Plan Review approval granted by Resolution 2009-31 for Holy Name Cemetery. **Motion passed unanimously.***

Crosby recessed the meeting at 9:05 p.m. and reconvened the meeting at 9:10 p.m.

B. Resolution Granting Extension of Time to File Final Plat for Hamel Commons Amending Resolution 2009-43

Adams presented the proposed Resolution granting an extension of time to file final plat for Hamel Commons. He recommended Council approve the extension.

Crosby asked if there was a legal issue for the City to keep extending the plat. Batty responded there was no legal issue, but he had a concern that the regulations would change and at some point the City should look at not extending the plat filing deadline.

Crosby recommended putting on a firm deadline for an extension. Finke noted with this particular plat, he believed it would benefit developments that might not otherwise occur.

Crosby recommended staff indicate to the applicant that it was not the City's intent to grant extensions beyond the end of the year.

*Moved by Weir, seconded by Pederson, direct staff to prepare the resolution for Council consideration, Granting Extension of Time to File Final Plat for Hamel Commons Amending Resolution 2009-43. **Motion passed unanimously.***

X. CITY ADMINISTRATOR REPORT

A. Public Facilities Update

Adams presented an update on the public facilities planning noting that a Focus Group meeting was planned for March. He noted staff and the City Attorney would be working with Hennepin County on the option agreement for land acquisition.

XI. MAYOR & CITY COUNCIL REPORTS

Weir stated she had attended the two-day League of Minnesota Cities Leadership Institute and it was a valuable seminar where she learned a lot. She noted she had heard that there was a bill proposed in the House to freeze the residential property tax and also freeze bonding authority. She asked if the City should send a letter to the City's legislators pointing out how this would affect the City's CIP plans for the future. *The Council agreed for Staff to prepare a letter.*

Pederson stated with respect to the Hamel Library he had been contacted by the Hamel Business Association President to look at Hamel Legion Park sites and requested direction from Council. Weir stated it would be nice to keep the library on the main street if it was possible.

Martinson summarized what was happening at the Lake Minnetonka Cable Commission. She noted the Commission was looking at a fiber optic network and determining if there was a franchise that would be able to provide those types of services.

Crosby expressed concern that the fiber optic system should not be put in the City's credit as a last resort. He understood in some cases that the bonds were ultimately backed by the cities if there were not sufficient subscribers. He noted they needed to look at potential liability for the City.

Crosby stated he had taken the Land Use Basics test online and encouraged the remaining Councilmembers to take the test, which would help with the insurance rating. He indicated he was receiving a lot of material on Minnehaha Creek Watershed District's rule changing procedure. He advised staff to pay attention to the items.

Crosby stated he would not be at the next meeting and if the cemetery issue came back he would like a discussion on good practices.

XII. APPROVAL TO PAY THE BILLS

*Moved by Weir, seconded by Siitari, to approve the bills, EFT 001037-001050 for \$68,801.07 and order check numbers 036597-036657 for \$92,727.38, and payroll EFT 503325-503351 for \$46,460.76. **Motion passed unanimously.***

XIII. ADJOURN

*Moved by Weir, seconded by Pederson, to adjourn the meeting at 9:30 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator-Clerk