

MEDINA CITY COUNCIL MEETING MINUTES OF APRIL 5, 2016

The City Council of Medina, Minnesota met in regular session on April 5, 2016 at 7:00 p.m. in the City Hall Chambers. Acting Mayor Pederson presided.

I. ROLL CALL

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

Members absent: Mitchell.

Also present: City Administrator Scott Johnson, City Attorney Ron Batty, City Engineer Jim Strmel, City Planner Dusty Finke, Public Works Director Steve Scherer, Public Safety Director Ed Belland, and Recording Secretary Amanda Staple.

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 (7:00 p.m.)

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

Moved by Anderson, seconded by Martin, to approve the March 15, 2016 special City Council meeting minutes as presented. Motion passed unanimously.

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

It was noted on page two, line 32, it should state, "...Steering Committee..."

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

C. Approval of the March 24, 2016 8:00 a.m. Special City Council Meeting Minutes

Johnson explained that there was not a quorum present but the Council still needs to acknowledge that there was a meeting.

Moved by Anderson, seconded by Martin, to approve the March 24, 2016 special 8:00 a.m. City Council meeting minutes as presented. Motion passed unanimously.

D. Approval of the March 24, 2016 9:30 a.m. Special City Council Meeting Minutes

Moved by Cousineau, seconded by Anderson, to approve the March 24, 2016 special 9:30 a.m. City Council meeting minutes as presented. Motion passed unanimously.

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

A. Approve Wetland Replacement Plan for the Wealshire of Medina

B. Adopt 11.00 Social Media Policy

C. Amend 8.30 Technology Policy

D. Authorize Sale of 2001 Chevrolet Pickup Truck

- E. Authorize Investment Officers for Morgan Stanley**
- F. Resolution No. 2016-25 Designating Sioux drive as a Municipal State Aid Street**
- G. Resolution No. 2016-26 Accepting Bids and Awarding the Contract for the Sioux Drive Turn Lane Improvement Project**
- H. Resolution No. 2016-27 to Partner with Other Intergovernmental Agencies to Pursue and Show Support in the Pursuit of Grants to Improve Water Quality in the Long Lake Creek Subwatershed**

Johnson referenced Items B and C, noting that the updates are based on a discussion with Mayor Mitchell. He noted that he is pleased to report that the bids for the Sioux Drive project came in lower than the Engineer's estimate.

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

VI. COMMENTS (7:06 p.m.)

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer reported that the Park Commission will meet on April 20th and noted that a new member has been appointed.

C. Planning Commission

Finke reported that the Planning Commission will meet the following week to hold a public hearing for a Concept Plan for Dellcroft and a public hearing for the Medina Clydesdale Place PUD relating to a proposal for a new sign.

VII. PRESENTATIONS

A. Fire Department Annual Reports (7:08 p.m.)

Chief Ruchti, Hamel Fire Department, provided a brief overview of the number of calls received during 2015 and the average response time. He summarized the number of hours during the year dedicated to training, fundraising and maintenance. He stated that two new members were added in 2015 and provided a brief overview of the highlights for the year including the Five Alive program, which enhances medical information for the use of first responders, the purchase of new hydraulic equipment and electrical devices, and receipt of the AFG grant funds. He stated that 2015 was a busy and cost saving year for the Hamel Fire Department.

Chief Eisinger, Maple Plain Fire Department, provided a brief overview of the number of calls received and number of hours spent in Medina. He reviewed the hours spent through the department on training. He stated that currently there are 30 members and noted that there is a capacity for 35 members. He provided the average response time for the department for each of the cities served, noting an average response time of 3.8 minutes for Medina. He reviewed the current organizational chart of the members. He noted a training, which occurred this past summer with both the Maple Plain and Loretto Fire Departments and also highlighted some of the incidents in which his department received assistance from the Loretto Fire Department.

Chief Van Eyll, Long Lake Fire Department, stated that his department also received AFG grant funds this past year, which was used to purchase equipment. He noted that the department celebrated their 100th year this past summer. He stated that a new Captain's position was added to the department and noted that the department will be holding a pancake breakfast this Sunday and invited all to attend.

Martin asked if Long Lake also serves Orono.

Van Eyll confirmed that the department does serve Orono.

Martin noted that she has noticed the poor road conditions in Orono and asked if that impacts the travel and trucks when in Orono.

Van Eyll stated that there is a little bit of an impact as the trucks must slow down on those roads but did not have measurable results.

Chief Leuer, Loretto Fire Department, reported the number of calls received throughout the department and those specifically for Medina. He stated that currently the department has 30 members with a waiting list of four people. He stated that received a shared grant for shared services with two of the other fire departments. He highlighted some new equipment and vehicles that will be purchased this year and advised of training, which took place. He noted that seven of the members of the department have over 20 years of experience and highlighted some of the large incidents that his department has experienced during that time including assisting in the successful birth of a baby this past year.

VIII. NEW BUSINESS

A. Deerhill Preserve (formerly Stonegate) CD-PUD Final Plat; Right-of-Way Vacation – Public Hearing (7:23 p.m.)

Johnson stated that this plat includes 41 single-family homes and approximately 90 acres of conservation area. He stated that the request also includes the vacation of right-of-way along Deerhill Road.

Finke provided background information noting that the Council granted preliminary approval in October 2015. He noted that out of the 41 homes, the first phase would include ten homes along with the seven outlots for the conservation area, Outlot A which would be deeded to the City for partial park dedication, and six outlots which will be replatted for future phases. He stated that Deerhill Road is proposed to be constructed by the developer but noted that may come back before the Council. He noted that much of the stormwater improvements will be conducted during the first phase of development. He displayed the proposed site layout, which is largely similar to what was approved with the preliminary approval. He stated that there is an additional request to vacate most of the right-of-way off of Deerhill Road, with the exception of the western 145 feet, and noted that staff does not oppose this request as necessary right-of-way will be dedicated with the plat. He stated that the Final Plat is very similar to the Preliminary Plat, noting that the curve of Deerhill Road was changed to become gentler and the cul-de-sac was reduced in length in order to increase the conservation area. He stated that a draft of the Development Agreement has been sent to the developer and advised that the developer is also working with the Watershed District to finalize the Conservation Easement and Land Stewardship Plan. He noted that staff recommends that these

documents be finalized before the Council takes final action on the plat. He noted that the applicant would be required to obtain the proper permits from the City of Orono for the roadway, which will be constructed in the boundaries of that city. He stated that notice was sent out in regard to the potential right-of-way vacation. He stated that the plat is generally consistent with what had been preliminarily approved.

Martin asked if there were any stumbling blocks with the Conservation Easement and Land Stewardship Plan.

Laura Domyancich, Minnehaha Creek Watershed District, stated that there have not been any stumbling blocks; both parties are simply attempting to ensure that all matters are adequately addressed.

Pederson opened the public hearing at 7:34 p.m.

Steve Pflaum, 2725 Deerhill Road, stated that he supports the plat as proposed. He asked if the Council should also be vacating the right-of-way for the neighboring property along with the vacation of this right-of-way.

Martin noted that the City has not received an application from that party and therefore the Council cannot act without a request.

Pflaum stated that he would like to see the Development Agreement include language that the existing Deerhill Road will not be used for construction traffic.

Martin asked if the Council previously had agreed that Deerhill Road would not be used for construction traffic.

Batty provided additional details and stated that the existing Deerhill Road would not be used for construction traffic.

Jennifer Haskamp referenced the construction traffic, noting that they have received the draft Development Agreement. She stated that construction traffic would be an item that they would like to communicate with the City about. She stated that while she understands the desire to keep the construction traffic off of Deerhill Road, for timing purposes they would perhaps like to utilize Deerhill Road for the model construction.

Batty noted that the public hearing is simply for the vacation of the right-of-way.

Haskamp referenced the vacation and noted that they do not have ownership interest in the other portion of right-of-way mentioned by the resident and that is why they did not request the vacation of that portion.

*Moved by Anderson, seconded by Martin, to close the public hearing at 7:40 p.m.
Motion passed unanimously.*

Batty asked if there should be further discussion of the Orono situation.

Finke stated that the road has been planned through Orono since the start of the project. He stated that Medina was informed by the City of Orono that the grading operations that are necessary to construct the street within Orono are subject to permit requirement

of that City, one of which is that a Conditional Use Permit would be required which will add time to the review process. He noted that adequate access does not exist without that entrance.

Anderson asked if the Council should be moving forward directing staff to prepare a resolution of approval with substantial items outstanding.

Martin stated that she would be comfortable with that direction as the item would come back on the Consent Agenda and could be removed for discussion if necessary.

Finke stated that a copy of the comments that staff has provided on the outstanding documents were included in the packet and those will be addressed in order to place the item on the Consent Agenda. He noted that if the items are not addressed, the item would be placed on Old Business for further discussion.

Batty stated that in fairness to the developer they did not see the draft Development Agreement until last week and naturally there is some back and forth negotiations. He stated that if direction is given tonight to prepare the resolution, the item will not come back for adoption until everything is ready to go.

Martin noted that the list is not unusually long for a development of this size.

Pederson concurred with the comments of Martin.

Moved by Martin, seconded by Anderson, to direct staff to prepare a resolution granting final plat approval subject to the conditions noted in the staff report and to finalize the Development Agreement by and between the City of Medina and Property Resources Development Corporation. Motion passed unanimously.

B. Connection Fee Reduction Request for Proposed Wealshire Project (7:49 p.m.)

Johnson noted that the City received a request from the applicant in regard to the city sewer and water connection fees. He stated that currently the policy allows for payment over a three-year period while the applicant is requesting a five-year period. He stated that staff would support the five-year period of repayment. He noted that the applicant also requested a reduction in the fee amount but stated that staff is not supportive of reducing the connection fees.

Pederson stated that it is important as a Council to remain fair and consistent and it would be unfair to a previous developer if a new developer received a lower fee. He was supportive of the extended time period for repayment.

Johnson stated that the City will have an opportunity to review the connection fees during the update to the Comprehensive Plan.

Anderson agreed that it would make sense to extend the time period for repayment from three years to five years, while leaving the connection fees at the proposed rate.

Cousineau agreed that this would be a good compromise for the project.

Tom Wiskow, President/CEO/General Contractor for the project, stated that this development would be an 84-unit dementia and memory care facility. He stated that the goal for the development was to begin construction one year ago but had been advised that they should delay construction because of the high bidding prices. He hoped that they could begin construction this May. He thanked Johnson and Finke for their assistance, which has allowed the project to get to this level. He advised that there is a great demand for this type of facility, noting that 53 percent of those over the age of 83 will suffer a form of dementia or Alzheimer's disease. He stated that he has prepared a document, which highlights the challenges, primarily financial, that they are facing in this development. He noted that the Rogers facility was rated number one in the State and Country for their services. He stated that he would like to work together with the City as partners in order to make the development a win for the City and the developer. He noted that the facility will only be as good as the staff that they are able to hire and maintain.

Pederson stated that the Council members have reached consensus on what they would be willing to do in terms of the connection fees and noted that some of the issues, such as staffing, do not have an impact on this decision. He noted that the information has shown that the overall fees are 20 percent lower than the fees in Bloomington.

Wiskow stated that over \$650,000 has already been invested and without some assistance from the City this project would most likely not move forward. He asked that the Council read the information in full that he will provide. He noted that the Cavanaughhs have been very supportive and extended the purchase agreement twice, and advised that they must make a decision by April 22nd whether to purchase the land. He acknowledged that the extension from three to five years would help but was also disappointed.

Martin confirmed that it would be helpful to the applicant to extend the term from three years to five years for the repayment of connection fees. She asked the applicant to state what amount of reduction the applicant requests with respect to the connection fees.

Wiskow stated that the current connection fees would be \$181,000. He stated that he is already over budget and has to reduce the budget by more than \$1,000,000 in order to move forward.

Martin noted that the City does have a significantly reduced tax rate, which is a positive influence on the long-term budget. She asked for more specific information on the amount of reduction desired.

Wiskow stated that he would like to see the connection fees removed entirely, or reduced to \$100,000 or \$120,000.

Martin explained that it would be unfair to create a separate set of rules for specific developers as other developers have found ways within their budget to move forward with their developments. She asked the applicant to consider the larger picture that the City does have a significantly less tax rate and the location is such that there should not be the same competition for staff as there is in Bloomington where that facility is closely located to major hospitals. She explained that the City is willing to go beyond the usual

three-year deferral and would be willing to extend the repayment term for the connection fees from three years to five years to assist.

Anderson agreed with the comments made by Martin. He noted that this would not only be a protection for the developers that have come before this request but also those that will come in the future. He noted that the City has a lot to offer developers.

Wiskow provided an update on the progress thus far noting that he has approval from his Board to move forward if an additional \$1,200,000 is reduced from the budget.

Martin noted that the line item for the City is \$181,000 and the City is willing to defer the repayment up to five years but cannot reduce the fees.

Batty stated that the numbers are based on studies to support the infrastructure in the City and a reduction to those numbers for anyone would mean an increase for someone else.

Wiskow asked the Council to review the document he has prepared and respond.

Martin stated that this is the answer from the Council, increasing the repayment term from three years to five years.

Joe Cavanaugh stated that this project will not create a lot of traffic. He noted that a \$70,000 assessment for Chippewa Road is included.

Pederson disagreed that this will not cause additional traffic.

Cavanaugh asked if the term could be extended further to ten years.

Martin stated that additional deferrals mean that the funds do not come into the pot when they are needed. She stated that she would not extend past five years as the funds will need to be available to support infrastructure needs.

Batty noted that the City is already charging lower units for this development.

*Moved by Anderson, seconded by Cousineau, to approve language changes to 21.00 Economic Development Fee Deferral Program to allow for payment over 5 years for projects over 10 units or \$90,000 in SAC/WAC fees. **Motion passed unanimously.***

C. Fuel Tank Lease at 600 Clydesdale Trail (8:23 p.m.)

Scherer stated that the fuel tanks were removed from the 600 Clydesdale Trail location early in the project to reduce costs. He stated that the public works and police have been getting gasoline from gas stations and the tanks located at City Hall. He noted that he investigated the use of above ground tanks, which Corcoran currently uses. He advised that the equipment would belong to Beaudry Oil and the City would only be responsible for supplying electric service for a cost of four cents per gallon above the current rate and the pumps. He noted that the tanks would also be equipped with a monitoring system, which would allow the police and public works to track the use. He believed that this is a very reasonable cost, noting that Corcoran is very happy with their service. He asked that the Council approve the item, noting that \$5,000 had already

been budgeted for the electric service. He noted that an additional electric line would need to be run for emergency services, which would have a cost of \$2,000.

Anderson asked the size of the tanks.

Scherer reported that each of the two tanks would be 1,000 gallons. He noted that the tanks at City Hall were 6,000 gallons, so these tanks would be smaller.

Anderson stated that he has been pushing for a backup at City Hall. He stated that he likes the idea that there would be a backup fuel source if something were to happen at 600 Clydesdale.

Scherer noted that he has spoken with other communities in the area that also have backup power on their fuel systems. He stated that it would be very slim that the power would be out and all the neighboring communities were also out of fuel. He noted that there is a shared equipment agreement with neighboring communities that he could firm up to include fuel, should that be a concern.

Belland noted that the Emergency Management Ordinance would address that aspect. He noted that it would have to be a catastrophic storm to take out the fuel supply from all the commercial fuel stations as well.

Martin asked if there would be fencing for the fuel tanks.

Scherer stated that there would be cement bollards to ensure that people cannot run into the tanks and noted that a key fob would be needed along with an employee number and pin in order to access the pumps. He noted that they are also located at the police station.

Anderson asked the amount of fuel that departments are using.

Belland reported that he ran a quick estimate and annually there is a usage of 15,000 to 17,000 gallons for the police department.

Scherer reported that since October public works has used approximately 3,000 gallons of fuel.

Pederson stated that in his business he uses the same supplier and system and has had great experiences and zero issues with the fuel or company.

*Moved by Anderson, seconded by Cousineau, to direct staff to hook up emergency power to the new pumps at a cost of \$2,000 and enter into an agreement with Beaudry Oil using the no cost option #2 of the proposal. **Motion passed unanimously.***

IX. OLD BUSINESS

A. City Hall Lower Level Remodel Plans and Specifications (8:36 p.m.)

Johnson stated that Finke has done a fantastic job working with the architect and owner's representative for the basement remodel. He stated that the plans for the lower level would include much-needed additional restrooms, a break room for staff, a conference room that is badly needed, and additional space for the planning department.

Finke noted that the remodel would include space for more than just the planning department and provided a brief overview of the proposed design. He noted that this design would allow the City to work efficiently and could house the planning activities and additional staff needs for more than the foreseeable future.

Johnson noted that the original cost estimate was \$240,000 and this quote is \$242,000. He noted that staff will continue to value engineer the project. He noted that additional costs will come forward for other parts of the project. He thanked Public Works Director Steve Scherer and his Staff for the demolition work on the lower level space. Their work saved the City a large amount of money.

Martin did not think there is a need to spend funds updating the Council Chambers above painting.

Cousineau agreed that the Chambers could be last on the list for updates.

1. Resolution No. 2016-28 Approving Plans and Specifications and Ordering Advertisement for Bids for Medina City Hall Lower Level Improvements

Moved by Anderson, seconded by Martin, to adopt Resolution No. 2016-28 Approving Plans and Specifications and Ordering Advertisement for Bids for Medina City Hall Lower Level Improvements. Motion passed unanimously.

X. CITY ADMINISTRATOR REPORT (8:44 p.m.)

Johnson reported that the Hollydale transition line open house will be held in May, noting that staff will pass on the date and time once it is made available. He stated that the Board of Appeal and Equalization will be held the following night at 6:30 p.m.

XI. MAYOR & CITY COUNCIL REPORTS (8:44 p.m.)

Martin stated that she found the business tours to be enjoyable and interesting.

Anderson stated that he attended the Loretto Fire Department pancake breakfast at which they had 800 people come through. He noted that it was great to see the members of this community and neighboring communities at the event.

XII. APPROVAL TO PAY THE BILLS (8:45 p.m.)

Moved by Anderson, seconded by Cousineau, to approve the bills, EFT 003584E-003608E for \$63,568.91, order check numbers 44121-44188 for \$265,554.86, and payroll EFT 507047-507072 for \$46,048.25. Motion passed unanimously.

XIII. ADJOURN

Moved by Cousineau, seconded by Anderson, to adjourn the meeting at 8:46 p.m. Motion passed unanimously.

Jeff Pederson, Acting Mayor

Attest:

Jodi M. Gallup, City Clerk