

## MEDINA CITY COUNCIL MEETING MINUTES OF APRIL 21, 2015

The City Council of Medina, Minnesota met in regular session on April 21, 2015 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, Finance Director Erin Barnhart, City Engineers Tom Kellogg and Jim Stremel, City Planner Dusty Finke, Public Works Director Steve Scherer, Patrol Officer Keith Converse, and Recording Secretary Carla Wirth.

### **II. PLEDGE OF ALLEGIANCE (7:01 p.m.)**

### **III. ADDITIONS TO THE AGENDA (7:01 p.m.)**

The agenda was approved as presented.

### **IV. APPROVAL OF MINUTES (7:03 p.m.)**

#### **A. Approval of the April 7, 2015 Special City Council Meeting Minutes**

*Moved by Anderson, seconded by Pederson, to approve the April 7, 2015 special City Council meeting minutes as presented. **Motion passed unanimously.***

#### **B. Approval of the April 7, 2015 Regular City Council Meeting Minutes**

It was noted on page one, eighth paragraph, second line, the word Weiss's should be changed to Weisses.

*Moved by Anderson, seconded by Cousineau, to approve the April 7, 2015 regular City Council meeting minutes as amended. **Motion passed unanimously.***

#### **C. Approval of the April 8, 2015 Special City Council Meeting Minutes**

It was noted on page three, line 36, it should state, "Anderson stated that at the Planning Commission Meeting, there were no comments against the request ~~and the only people in attendance at the Planning Commission Meeting spoke in favor of the request.~~"

*Moved by Martin, seconded by Pederson, to approve the April 8, 2015 special City Council meeting minutes as amended. **Motion passed unanimously.***

Mitchell stated he received a letter from Mr. Weiss asking about his numbers so Assessor Erickson was asked to provide an official and orderly comment on those numbers.

Martin requested further information on how it is that lakefront properties were not increased in value as much as other properties. She recalled a comment from the previous meeting that Weiss should not look at the incremental increase of the value of his neighbor's property as those lakefront property values had not been appreciated to the same extent as other properties.

Mitchell stated in the end, it is his opinion that it gets down to an art when establishing property valuations.

**V. CONSENT AGENDA (7:08 p.m.)**

- A. Authorize City Hall to Close on May 7, 2015 from 8:00 a.m. to Noon for Staffing Training**
- B. Resolution No. 2015-30 Approving an Amended Conditional Use Permit for Thomas and Jillene Kingstedt (D/B/A Puptown) at 810 Tower Drive**
- C. Resolution No. 2015-31 Granting Approval of a Conditional Use Permit to Jeffrey and Shirley Varney for Construction of an Accessory Structure Located at 3985 County Road 19**

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

**VI. COMMENTS (7:08 p.m.)**

**A. Comments from Citizens on Items not on the Agenda**

There were none.

**B. Park Commission**

Scherer reported the Park Commission, at its last meeting, considered fields, selected the color of the sport court, and a resident talked about planting milkweed to support butterflies. The park tour will be held on May 20, 2015.

**C. Planning Commission**

Planning Commissioner Murrin reported the Planning Commission considered the Aldi application to build a grocery store on the corner of Highway 55 and Sioux Drive. There were concerns about removing a significant number of trees along Elm Creek to create visibility for the proposed building so it was suggested Aldi work with the Watershed District to develop an acceptable plan. The Planning Commission will consider that plan at its next meeting. Murrin stated there were also concerns with having one point of access on Sioux Drive as well as access for the abutting parcel.

Murrin stated the Medina Golf and Country Club is building a maintenance facility and several comfort stations. They were asked to provide additional screening for the metal maintenance facility.

Murrin reported the Planning Commission recommended approval of the Todd Monger request for a setback variance to construct an animal structure. Because of the smaller lot size, approval was conditioned on reducing the number of animals units to .3.

Mitchell asked if Aldi was at a concept stage. Murrin stated it was a site plan review. Finke stated this is the only formal review process in addition to an upcoming hardcover variance request. Aldi will be before the Planning Commission again in May and before the Council at its second meeting in May.

Anderson noted Aldi will be at the Planning Commission in May and will need to meet with the Elm Creek Watershed District to approve that plan. Finke clarified that

technically, the City's review and approval is not contingent upon Watershed District action.

Pederson asked if the Aldi request involves more than one parcel. Murrin stated it involves the Hedtke property and the property just east of that on Highway 55 (property with white house). She commented on the challenges of making a decision on the Aldi request without knowing the status of the other parcels or the highway access.

Finke stated a representative of the adjacent property owner spoke before the Planning Commission but that parcel is not part of the Aldi application. With regard to the status of access and Mn/DOT's action, the idea is to allow flexibility for future access to the adjacent property.

Mitchell noted across the street, those parcels developed with a dead end and this side involves the same type of difficult access.

In response to Mitchell's question, Murrin explained that Mr. Monger requested the animal shelter to house miniature goats. Mitchell described the setback requirements for animal structures and difficulty locating that structure depending on the size of property and type of animal to be housed.

Pederson asked how the use can be prevented from changing from miniature goats to horses. Murrin explained that this application was allowed for only .3 animal units and a horse equals one animal unit.

## **VII. NEW BUSINESS**

### **A. Tower Drive, Kilkenny Lane and Hamel Road Utility and Street Improvement Project (7:19 p.m.)**

Stremel displayed a slide of the project site and described the proposed street and utility improvements to Tower Drive, Kilkenny Lane, and Hamel Road that was estimated to cost \$2,637,000. He described the assessment process that follows Minnesota Statute Chapter 429 with the public hearing being held tonight during which affected property owners can submit a written intent to appeal. The proposed assessment would be levied for a 15-year period and included on the property tax statement. The interest rate would be 5% beginning May 12, 2015, with the first payment due May 2016.

Martin corrected that with the 30-day rule, the prepayment would be due by May 20, 2015, rather than May 21, 2015.

Stremel reviewed the project schedule. It was noted that following the required assessment hearing, staff recommends the Council approve a resolution adopting the assessment roll for the Tower Drive, Kilkenny Lane, and Hamel Road utility and street improvement project and also approve a resolution accepting bids and awarding the contract to Astech Corporation.

Mitchell opened the public hearing at 7:26 p.m.

Tom Dykhoff, 615 Hamel Road, stated his concern with the assessment is the interest rate, as he will be financing it through his tax payment.

Barnhart explained it is the practice of the City to charge 2 points above current interest rates and preliminary bond testing shows the interest rate is at about 2-2.5%. Until the City calls for sale of bonds, it is an estimate. Mitchell noted if approved, the interest rate will be set tonight.

Martin explained the process for calling for bids with the market dictating the interest rate. The City needs to cover its administrative expenses through the 2 points over what it anticipates the bond rate to be. Batty advised that is discretionary but in his experience, 2 points is the standard. He noted that a margin of error is built in to cover prepayment and nonpayment.

Jim Cox, 770 Tower Drive, stated he noticed all were assessed the same dollar value for resurfacing but with the sanitary and water main improvements, it was scaled to the size of property and not a flat rate. Kellogg explained the two assessment formulas used based on road types. The assessment for a local collector street is based on 50% of the street improvement cost and split on a per parcel basis. Hamel Road is a collector roadway so only 40% is assessed to benefiting property owners. That rate is a function of both frontage and lot area.

Mr. Cox asked where is the City policy and how is it developed. Finke stated the policy was adopted in 2009. Mitchell explained the City has always had policies so all improvement projects are assessed under the same formula depending on whether it is commercial, residential, water or sewer or road.

Mr. Cox stated this policy was developed in 2009 and asked if it is looked at every year. Mitchell explained the City does not want to change the policy each year because it wants to treat all property owners the same. The object of the policy is to create uniformity between like situated owners. Johnson stated staff will provide a copy of the policy to Mr. Cox.

Mitchell explained to Mr. Cox that if he is concerned, he can appeal the assessment tonight and use that additional time to research the policy.

Martin stated the policy under discussion is part of the City Code of Ordinance and has been vetted by the public.

Paul Coghlan, 625 Hamel Road, stated he would like to dispute his assessment and the number of water services, which directly impacts the price of the assessment. Johnson stated Mr. Coghlan brought this issue to staff's attention at the open house.

Scherer explained that things got changed when the road was rebuilt so the number of water services cannot be determined until the road is opened. Scherer stated it will probably be an assessment for one service, not four service stubs, and if the water service comes from the other street, there would be zero services.

Cousineau asked if Mr. Coghlan should file an appeal tonight. Batty stated the Council is being asked to adopt the assessment roll tonight, which includes four services to this property. He explained that if it is fewer services, the Council can reassess at the lower number.

Mitchell suggested Mr. Coghlan file an appeal tonight. Batty advised Mr. Coghlan that to preserve his right to appeal, he must submit a written objection to the assessment tonight. But, it also starts a 'clock' requiring the property owner to serve the City within 10 days and appeal within 30 days.

Martin asked if the Council can adopt the assessment and reserve the right to revise it. Batty advised the Council can adopt and then revisit based on the facts should it be found the number of services assessed needs to be changed.

Martin stated the Council has the ability to follow through regardless of whether an appeal is filed tonight. Batty concurred.

Scherer explained this involves an unusual situation with water service and since it has been investigated, it has been determined that one service would be the maximum.

Mr. Coghlan submitted a written notice of appeal for 625 Hamel Road.

Mitchell closed the public hearing at 7:43 p.m.

**1. Resolution No. 2015-32 Adopting Assessment Roll – Public Hearing**

Martin stated she noticed there are two resolutions for the assessment roll. Johnson stated the resolution was unchanged but the assessment roll was revised at the request of Mr. Day who has nine PIDs. Mr. Day requested the project be assessed over 8 PIDs and not on all 9 PIDs.

Finance Director Erin Barnhart explained the redistribution of assessments for the four-plex on Hamel Road, noting it did not change the total assessment number, just the distribution between parcels. She explained the one parcel removed at the request of Mr. Day is a common area for the other PIDs and after consideration, staff supports that request.

Martin stated in a motion for the Council to adopt a revised assessment roll with a reduction of water units from four to one for Mr. Coghlan's property. She asked if there was a way to take action to preserve the City's institutional memory to reduce Mr. Coghlan's number to zero if that is determined to be appropriate once the street is opened.

Batty advised it would be best to adopt the assessment roll with that revision to reduce Mr. Coghlan's water services to zero and then adopt an amended assessment roll just with regard to his property to eliminate that assessment if those facts come forward.

*Moved by Martin, seconded by Pederson, to approve resolution no. 2015-32 adopting assessment roll for the Tower Drive, Kilkenny Lane and Hamel Road utility and street improvement project pursuant to the revised assessment roll with one correction to Property #13, PID 12-11-823-32-0003, owned by Mr. Paul Coghlan, to reduce the number of water utility services reduced from four to one and reduce total utility services to that property from four to one and the assessment amount will be incrementally adjusted by staff to reflect only one water utility service for this property and only one total utility service for this property. **Motion passed unanimously.***

**2. Resolution No. 2015-33 Accepting Bids and Awarding the Contract**

Kellogg stated the next step to proceed with the project is to award the bids. He stated eight competitive bids were received and the low bid from Astech Corporation was about 9% below the engineer's estimate.

Anderson asked if the City has worked with this firm previously. Stremel stated the response from WSB staff was scattered without major issues. Kellogg stated he worked with this company as a subcontractor on a smaller road project and he does not remember having any issues.

*Moved by Martin, seconded by Anderson, to approve resolution no. 2015-33 accepting the bids and awarding the contract to Astech Corporation in the amount of \$1,997,319.20. **Motion passed unanimously.***

**B. Independence Beach Improvement Project (7:53 p.m.)**

Scherer presented the feasibility report prepared by staff for the Independence Beach Improvement Project, an overlay project, to improve the following residential streets: Lakeshore, Ardmore, Brook, Balsam, Pine, Walnut, Fern, Maple, Aspen Birch, and Cedar. In addition, drainage will also be addressed. Scherer stated the consensus of the neighborhood, expressed at the open house, was in support. He described the topography of this area and past road and storm sewer improvement projects.

Scherer advised that staff recommends moving forward with this project as it is needed, cost effective, and necessary to prolong the useful life of the road by ten years. After that point, a full reconstruction project will be required. The estimated cost is \$266,668 with 50% being assessed to benefiting properties so assessments will be in the \$800-\$900 range. If approved, the assessment public hearing will be held on May 19, 2015.

Pederson asked whether the infrastructure should be considered now or if the water pipes will need to be re-lined. Scherer stated the water pipes are 1975 vintage and while there has been a water main break every year or two, there has been nothing major at this point. He stated this project will be managed in house and staff will work with property owners individually.

**1. Resolution No. 2015-34 Receiving Feasibility Report and Calling for Public Hearing on Independence Beach Improvement Project and Levying Special Assessments for Same**

*Moved by Anderson, seconded by Pederson, to approve resolution no. 2015-34 receiving the feasibility report and calling for a public hearing on Independence Beach improvement project and levying special assessments for same. **Motion passed unanimously.***

**C. Storm Water Pollution Prevention Plan (SWPPP) – Annual Public Hearing**

Scherer presented the 2014 accomplishments and Best Management Practices (BMPs) for the City's Storm Water Pollution Prevention Plan (SWPPP) including description of 2014 stormwater projects; establishment of a Storm Water Infrastructure Maintenance and Inspection Policy that will include procedures, goals, and create uniformity; and, 2015 and beyond projects. Scherer also described minimum control measures and listed the City's partners in water quality improvements. He explained that while Council action is not needed on this item, the City is required to conduct an annual public hearing on the SWPPP.

Mitchell opened the public hearing at 8:08 p.m.

There being no public comments, Mitchell closed the public hearing at 8:08 p.m.

The Council acknowledged the good job done by City staff when it comes to water quality and addressing stormwater. Scherer agreed with Mitchell that the City is not shy about proposing conservation and fairly aggressive when dealing with stormwater. Mitchell noted Medina has had the luxury of slowly converting from agriculture to urban subdivisions. Medina has been requiring new urban subdivisions to use stormwater ponds for irrigation to reduce municipal water usage and address stormwater issues.

#### **VIII. CITY ADMINISTRATOR REPORT (8:10 p.m.)**

Johnson announced the business forum and tours will be held on April 23, 2015, starting at 8 a.m. and Clean Up Day is this Saturday from 8 a.m. to noon.

Martin asked if the Council will be doing specific tasks on Saturday. Johnson stated staff has determined tasks for the Mayor and Council.

Scherer stated the tree sale will be subsidized by the City, there is a limit of ten trees per person, and there has been a lot of interest. He noted this is a good and informal venue for the Council to chat with residents.

#### **IX. MAYOR & CITY COUNCIL REPORTS (8:13 p.m.)**

Mitchell reported on a meeting held several weeks ago about fire service. He stated a facilitator, Ray McCoy, will be talking with Loretto and Hamel Fire Departments to iron out issues including staffing for Medina.

Pederson reported on today's Uptown Hamel meeting that was attended by the Hennepin County Water Patrol, the Fire Relief meeting, and the Highway 55 Corridor Coalition meeting. He explained that due to a proposed change in the project Highway 55/CR 116 project, another Highway 55 Corridor Coalition meeting has been scheduled for Friday.

Johnson explained Medina had talked about an interim project but the County Engineer has found funding and is now interested in moving forward possibly in 2016 with the entire project to rebuild the intersection of 116 and Highway 55. Staff has requested additional information.

Anderson noted that is four years earlier than anticipated and asked what would be the City's contribution. Pederson stated the funding percentages have not yet been determined. Johnson stated it will depend on the funding mechanism used for the proposed project.

Martin asked whether the Working Group for Hamel Fire Department, which is meeting tomorrow night, may be getting ahead of another process that has started with facilitated discussions occurring between the two departments in how they can cooperate. She asked whether the study group should step aside.

Mitchell stated Medina does not want to insult the Hamel Fire Department by not showing up. Martin stated it is only for the Hamel Fire Department. Mitchell stated they

agreed to talk with Loretto two weeks ago so he thinks they can follow two separate tracts at the same time.

Martin stated Fire Department Chief Jeff Ruchti had asked for volunteers for a Task Force on the committee and felt the City Council had given him the go ahead to create that Task Force to look at the future of Hamel Fire. That was established about six months ago and it came up in the context of discussing physical plant requirements for Hamel. Martin stated she had asked Chief Ruchti, in an e-mail last week, if we should not go forward with the Task Force study group as the goal is to have the two Fire Departments chatting with each other instead of meeting separately. Chief Ruchti had responded that Mayor Mitchell thought it should go forward.

Anderson stated Martin's concerns are justified. He went on to add that in his opinion the City Council should not be involved in discussions with those two departments until Ray McCoy has completed his work.

Johnson stated he will inform Fire Chief Ruchti that the Council's position is that Ray McCoy was retained to hold discussions with the Fire Department and recommend the Task Force Committee not meet at this time until those discussions facilitated by Mr. McCoy have an opportunity to occur.

Anderson stated he attended last week's Planning Commission meeting and it seems to be moving along well.

Cousineau stated she attended the Park Commission meeting and the Watershed District meeting.

**X. APPROVAL TO PAY THE BILLS (8:26 p.m.)**

*Moved by Anderson, seconded by Cousineau, to approve the bills, EFT 003094E-003114E for \$52,532.18, order check numbers 42695-42756 for \$119,226.45, and payroll EFT 506323-506353 for \$46,162.97. **Motion passed unanimously.***

**XI. ADJOURN**

*Moved by Anderson, seconded by Cousineau, to adjourn the meeting at 8:27 p.m. **Motion passed unanimously.***

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Bob Mitchell, Mayor

Attest:

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Scott Johnson, City Administrator