

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 1, 2009

The City Council of Medina, Minnesota met in regular session on December 1, 2009 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Siitari, Smith, and Weir.

Members absent: Johnson.

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Police Sergeant Jason Nelson, 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

It was requested to add item Snow Plow Driver Appointment to Administration, and a resolution to publish an ordinance by title and summary for the fee schedule as E, under New Business. It was also requested to receive an update on Hamel Station, under Administrator's Report.

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

IV. APPROVAL OF MINUTES

A. Approval of the November 17, 2009 Special City Council Meeting Minutes

*Moved by Smith, seconded by Siitari, to approve the November 17, 2009 Special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the November 17, 2009 Regular City Council Meeting Minutes

It was noted that Weir and Chief Belland were listed as present at the meeting but should instead be noted as absent. On page two, line 18, it should state, "...organization as being encouraging to the preservation of open space in Hennepin and Washington counties, and..." On page two, line 26, it should state, "...developed appointed an Open..." On page two, line 29, it should state, "...type amount of funding as other communities, such as Plymouth, which have a larger tax base and permits for open space but still encourages the idea of open space." On page two, line 33, it should state, "...this the Hennepin County Common Bond Revenue program had been discussed at a Council meeting in August and explained that the program was not proposing to be used through Hennepin County and the City of Minneapolis for Open Systems International, in order to encourage a Plymouth based company to relocate to Medina."

*Moved by Smith, seconded by Siitari, to approve the November 17, 2009 Regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

- A. Accept Donation of \$981.21 from Thomas M. Crosby Jr.
- B. Resolution Denying a Request by Joseph Kucala for a Waiver from the Requirements of Section 400 of the city Code for Property Located at 4517 Trillium Drive South
- C. Resolution Authorizing Execution of Safe and Sober Communities Agreement
- D. Approve Customized Training Income Contract

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

VI. PRESENTATION

A. Hennepin County Sheriff Rich Stanek

Hennepin County Sheriff Rich Stanek stated that he would be providing an overview of the Sheriff's office and the work that has been done with the City of Medina in the past year. He summarized the number of officers and municipalities within Hennepin County that the Sheriff's office coordinates and works with, and commended Chief Belland and the local partners on their work to decrease violent crime within the County. He reviewed the different departments within the Sheriff's office, highlighting work from the past year, and described how his office is able to coordinate and work with the local police, such as cases that may cross lines of jurisdiction. He advised that the services are provided through a mandate and are not provided at an additional cost to the City. He explained that even though local jails house offenders for a short period of time, most offenders are then passed to the Hennepin County jail. He reviewed the different services provided to court and civil services within the County and advised that an investigations bureau is also a service provided to assist local agencies.

Todd Nelson, Lieutenant with the Hennepin County Sheriff's Office, reviewed his work experience within law enforcement and stated that he currently works in the narcotics unit. He summarized the issues that are handled by the Narcotics unit and the Drug Task Force and explained that his unit works closely with local agencies. He explained that the Drug Task Force is made up of individuals from many areas in the County and explained that information is then shared between the agencies to better focus energy and manpower. He stated that he has worked with Officer Nelson to execute several search warrants. He reviewed the number of marijuana plants that had been confiscated in 2008 and the increase in 2009 and commended the local police officers, including Chief Belland, on their hard work on that issue.

Crosby commented that the City of Medina received a check for approximately \$30,000 for merchandise that was seized and sold through the West Metro Drug Task Force.

Todd Nelson commented that the total street value of drugs taken off the streets in 2008 was \$59,000,000 and total for 2009, through October, was approximately \$53,000,000. He advised that approximately \$6,000,000 was seized in the west metro area.

Stanek stated that the warrants unit is also another mandated function of the Sheriff's office and explained how his office partners with local agencies to serve those warrants. He advised that his office also has a nationally accredited crime lab, which is used by the City of Medina. He reviewed the services provided by the patrol and water patrol

units and the special services unit. He stated that the Sheriff's office had some tough decisions to make in regard to their budget and thanked the City for their support of the police and fire departments.

Weir questioned if the workhouse in Plymouth was going to be closed in the near future.

Stanek stated that statement is untrue and the workhouse would remain open and has open beds. He confirmed that the facility would face budgets cuts but would remain open.

Crosby questioned what the thoughts of the Sheriff's office were in regard to providing primary police services. He explained that he had heard that a city was going to cut their police services and simply be covered by Hennepin County for primary services.

Stanek advised that his office does not want to compete with local agencies for providing services of that nature but explained that his office would provide any of those eight lines of service primarily to those local municipalities that require and request the services. He reported that because of stimulus funds his department was able to add seven or eight workers to the crime lab.

Siitari commended the work of Rich Stanek and his office in regard to the favorable work of the crime lab and stated that the lab would not be what it was currently without the support of the Sheriff.

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

Norma Friedrichs explained that every two years a precinct caucus is held and this year it would be held on February 2, 2010. She advised that Medina has now been divided into two precincts, the east being primarily the Wayzata school district and the west being primarily the Orono school district. She advised that the east caucus would be held at the Community Center in Hamel and requested to use the City Council Chambers for the west precinct.

Adams stated that City policy has changed and stated that the chambers are no longer used for public use. He advised that the chambers are not fully secure and suggested the possible use of churches and schools in the area. He added the policy changed when the City Hall completed minor renovations a few years ago when a fire exit was required from the Council room through administrative offices. Adams explained the Council felt at that time that the Community Building could be made available for public and civic uses.

Friedrichs advised that some of the local churches were already booked with classes and stated that a school would be available but would take the caucus out of Medina.

Crosby suggested contacting the Medina Ballroom and some other locations. He confirmed that the Council chambers would not be available for that use.

B. Park Commission

Park Commissioner Chris Hilberg stated that the Commission seemed to have less on their agenda as the weather becomes colder. He stated that he believed the proposed park signs would soon come to the Council for their review and reported that the Park Commission would not be meeting during the month of December. He briefly summarized items that the Park Commission had accomplished in the past year, Medina Clean-Up Day, a park tour, the beginning construction of the Medina Field House, among others.

C. Planning Commission

Planning Commissioner Jim Simons stated that the Commission had not met since the last Council meeting and would not be meeting in December. He advised that one proposed item on septic systems would actually bypass the Planning Commission as allowed by City Code and go directly to the City Council.

Finke concurred that the application would be heard at the City Council meeting on December 15, 2009 and would not require review by the Planning Commission.

Smith thanked the Planning Commission for their hard work on the ordinances this year.

VIII. NEW BUSINESS

A. 2010 Budget

Crosby summarized the process, which would be followed for the budget at the meeting tonight.

1. Budget and Tax Levy Presentation

Adams stated that the proposed increase to the levy would be one percent, or 1.15 percent with the debt services special levy, which is considerably lower than other cities in the metro area. He summarized the major budget issues for the City, including State aid. He displayed the truth in taxation flyer that was mailed to residents and requested any feedback to be provided to staff, which could improve the document for the future. He reported that 53.88 percent of Medina homes would actually see a decrease in their taxes for 2010. He advised that some staff positions had not been filled due to budget concerns and explained that the one percent tax levy increase is reflective of the revenue lost and not budget increases. He advised that the budget had actually been decreased by almost \$93,000, and reviewed the staff positions, which remain vacant, as well as salary freezes and equipment replacement being placed on hold. He stated a long-term need of the City is roads and explained how that item would be funded in 2010 between taxes, special assessments and bonding. He reviewed other long-term needs of the City such as fire equipment replacement and facility expansion; relocation to a new public works facility; and replacement of City equipment. He reported that a financial management plan would outline the City needs considering the future growth expectation of the community and also summarized bullet items in regard to the analysis details. He then provided an overview of the 20-year financial management analysis. Adams provided tax rate comparisons and reported that in 2009 the rate for Medina was 16.64 and the 2010 proposed rate was 17.23 percent. He stated that of the eleven closest neighboring communities the average tax rate in 2009 was 30.73 percent.

Crosby advised that the City of Medina has almost no debt services and is finding it difficult to provide some services to the City, such as road work or constructing a Public

Works Facility. He explained the term "tax rate" to residents in attendance at the meeting advising the maximum tax capacity for a home valued at \$300,000 would be \$3,000. He then explained how the levy amount would be applied to that capacity.

Adams then displayed information containing comparisons for the 2010 proposed tax rates for Medina and other neighboring communities. He explained what the City tax funds are used to purchase, such as police, fire, administrative and other City services.

Day reported that the overall City revenue was down approximately \$300,000 in 2009 and \$240,000 in 2010, from permits and City fees for which the budget had to be adjusted.

Adams further explained the distribution of total taxes, such as schools and reviewed major accomplishments which occurred in 2009, such as completion of the 2030 comprehensive plan and ordinances; the Hamel Field House construction, and the Hamel /Loretto Fire Merger coordination.

Crosby explained the process of valuation and advised that the Council and City staff were attempting to protect the City services and not have to cut services when the valuations decrease.

Steve Rhode, Foxberry Farms, questioned why the Council would not have cut deeper in the first year in the attempt to protect those City services, such as cutting the budget by six percent this year.

Weir advised that there had not been any development in the last year, which affects the budget and the City in the 2010 and 2011 budget. She stated that the Council is attempting to make cuts, and think proactively in regard to the future, and advised that she would not want to cut City services at the suggested level.

Crosby stated that the City of Medina has always ranked low in regard to City taxes and levies, partly because there is not any bonded debt. He advised that a business is going to come into Medina, OSI, which will contribute to the tax rolls.

Smith stated that if the economy continues to decline the Council would then review the option of cutting additional staff, and decreasing City projects. She stated that she hoped the public would then provide input on which City services should be decreased, or cut, at that time.

Crosby commented that almost half of the total City budget goes toward the issue of public safety and did not think that meaningful cuts could be made to the budget without an impact to the department and acknowledged that one position currently remains vacant due to the economy and does not want to cut services further.

Jim Simons, 1852 Crosby Road, questioned how this budget would provide additional benefit in the 2011 budget.

Crosby explained that it is not necessarily a benefit in one certain area, but more provides \$25,000 in one year, or \$100,000 in the next four years.

Jim Simons questioned how market value would affect the tax levy rate.

Adams explained that market value is used to determine how the tax levy is split between the homes in the City and advised that if the overall value drops, the tax rate would then increase.

Weir advised that the difference between a zero percent tax levy increase and a one percent tax levy increase is very minimal for an individual home, but would help the City to collect \$100,000 over the next four years and would also help to lay the ground work for future increases that may be needed because of the declining economy and future debt services, such as a proposed public works facility.

Crosby stated that a resident is researching the option of developing 210 homes on a property in the City, which would also increase development.

Smith commented that needs in the City are prioritized by the type, and whether or not the issue is critical. She stated that some things have been put off by the City, such as a public works facility, and advised that in her opinion it may need to remain postponed.

Jim Simons stated that he appreciated that the Council and staff was balancing the needs of the City with the economy, as well as long and short term needs. He stated that the Council does have a tough decision on how to balance those issues and suggested using the low tax base as an asset to draw in other companies in the future.

Robert Franklin, 2819 Lakeshore Avenue, requested clarification in regard to the 50 percent increase in the building inspections cost and revenue.

Day explained that item was moved from the planning department to the building inspections area for better reporting to State legislature. She confirmed that those services were paid for by the permits received.

Franklin stated that he believed that the one percent increase was needed and prudent in both long and short term needs. He stated that the tax levy alone does not cover the burden by the residents as they are now also responsible for road assessments, and increased water fees. He stated that he was concerned with the goals for the next five years, which included increases to the tax capacity rate, ultimately doubling the tax levy rate, from approximately 17 percent to approximately 33 percent in 2016. He stated that while it would be possible to obtain a public works facility in the near future he did not foresee a need for a new City Hall.

Crosby stated that the decision had not yet been made to ultimately increase to that amount over the next few years but advised that staff needs to forecast the future of the City.

Kirby Johnson, 320 Calamus, stated that he was privileged to live in the City of Medina. He commented that his family had finished their basement three years ago, which added four percent to the value of the home, and yet the City taxes increased ten percent, the County increase 12 percent and the schools increased 12 percent. He stated that one percent is not a small increase and advised that everything is smaller now including the population of the City. He advised that the City should operate under the guides of the smaller city until the economy improves, and suggested the use of a temporary public works facility in lieu of building a new facility at this time.

Smith confirmed the point that the City should keep in mind that some needs may need to be postponed until the economy improves.

2. Ordinance Adopting Fee Schedule

Adams summarized the amended fee schedule and briefly reviewed the proposed changes.

Crosby stated that the City was proposing the construction of a new water tower and now has a noncompetitive water trunk connection fee. He explained that the City is trying not to pass on the cost of adding capacity to the system to current users and is instead attempting to pass that cost on to future users. He explained that the storm water utility fees can be distributed between the users in the City and can be aimed more at the parking lots rather than residents.

Weir advised that mandates force the City to provide certain services but do not provide funding for those services.

Crosby briefly recessed the meeting at 8:55 p.m.

Crosby reconvened the meeting at 9:00 p.m.

Adams advised that a public hearing would be required in regard to the zoning fees.

Crosby opened the public hearing at 9:05 p.m.

No one was present for the public hearing.

Moved by Smith, seconded by Weir, to close the public hearing at 9:05 p.m.

*Moved by Smith, seconded by Weir, to adopt the ordinance amending the fee schedule. **Motion passed unanimously.***

*Moved by Smith, seconded by Weir, to direct staff to conduct research and prepare options and a recommendation for Park Dedication Fee consideration. **Motion passed unanimously.***

3. Resolution to Publish Ordinance by Title and Summary

*Moved by Smith, seconded by Weir, to approve the resolution to publish the ordinance amending the fee schedule by title and summary. **Motion passed unanimously.***

4. Resolution Approving 2010 Final Tax Levy

*Moved by Weir, seconded by Siitari, to approve the resolution approving the 2010 final tax levy. **Motion passed unanimously.***

5. Resolution Approving 2010 Final Budget

*Moved by Weir, seconded by Siitari, to approve the resolution approving the 2010 final budget. **Motion passed unanimously.***

6. Environmental Fund Purpose Statement

Adams stated that Weir, Smith and Crosby provided feedback to staff in the development of the purpose statement. He commented that one statement would be removed as requested by Weir.

Crosby suggested a grammatical change to the statement and proposed language that could be substituted. He also suggested cushioning the language in regard to curb cuts.

Smith suggested additional language to incentivizing rain gardens.

*Moved by Weir, seconded by Smith, to approve the purpose statement for the Environmental Fund as amended. **Motion passed unanimously.***

B. Public Works Facility

Crosby stated that this process began over four years ago, and at that time the recommendation was for the creation of a public works facility included demolishing this City Hall to create another City Hall. He advised that the City Hall discussions have been postponed, the public works facility discussions have gone forward focusing on a 30,000 square foot building and the City is in discussions with Hennepin County to purchase or lease a portion of their property for this purpose. He hoped that the City would be able to obtain a fair price for those eight acres. He reported that the City could also possibly obtain a discounted rate on aggregate for the project.

Adams stated that an insert to the last City newsletter had been sent to residents informing them of the possible public works facility. He advised that future mailings would also be sent to resident homes in regard to the proposed public works facility. He stated that this need was identified in 2004, with an initial implemented date of 2007, and summarized the needs for a new public works facility. He explained the different options for funding this project, including the use of GO bonds, and reported the proposed tax impact on residents. He explained how the user fee would impact residents of Medina focusing on water, sewer and storm water fees. He advised that a home in the urban area would differ from a home in a rural area, because the rural area would not be subject to the user fees. He stated that one option for financing would be referendum bonds, which is used by about one percent of cities; capital improvement bonds would also be an option, used by about 75 percent of cities; and the last option for financing would be lease purchase bonds, about 24 percent of cities use this option. He explained that the option of lease purchase bonds has pretty much been ruled out, as the City would need to develop an Economic Development Authority, among other requirements.

Jeff Lund, 2045 Lakeshore Avenue, educated the Council on alternative bid delivery methods, which could save funds on the proposed project, and urged the Council to review the option.

Smith requested that the information be passed onto staff.

Adams stated that specific legislation was not passed this year but confirmed that there were some options for efficiency that have been, and would continue to be, reviewed.

Brian Etso, 2589 Lakeshore Avenue North, stated that his issue was with the size and commented that the proposed size would be about four times the size of the current facility.

Scherer stated that a layout had been done with the current equipment and storage needs to determine the need for the 30,000 square foot building, and advised that not much space would be vacant with that proposed size. He confirmed that most of the equipment is currently stored outside and explained that the proposed size would also allow for additional equipment that may need to be purchased in the next 10 to 15 years, as the City would not want to expand the facility soon after building it.

Weir stated that she believed the building would need to be large enough to store the additional equipment that would be needed for the predicted future increase of more than doubling in population by 2030.

Jim Simons requested that additional information regarding the building size and the equipment that would be stored inside the facility be provided to residents. He commented on the land acquisition and believed that the City should be opportunistic in this time.

Robert Franklin questioned why almost half the cost of the project was going to be assessed through user fees.

Scherer explained that the space was divided into the service for which it would support in order to determine how much of the building would be utilized by each service.

Adams reported the action requested by the Council and summarized the timetable that would occur to continue the public education campaign.

Crosby stated that the land deal would need to be solidified before the other aspects continue.

Adams advised that this process would provide a month for these documents to be developed and stated that if small steps were not taken now it could slow down the proposed timetable.

Smith stated that she was not convinced that the existing building could not be used for a little longer, even though it does not meet OSHA standards and is nonconforming.

Batty commented that once the land is purchased there is only a three year period in which the land price could be included in the bonding of the project.

*Moved by Weir, seconded by Siitari, to direct staff to prepare a RFP for architectural services for the public works facility project. **Motion passed 3-1. (Smith opposed).***

C. Agreement and Contract for Fire Protection by and among Hamel Volunteer Fire Department and City of Corcoran

Adams stated that his staff report outlined the changes to the contract and noted that the City of Corcoran would like to enter a one year, rather than two year, contract.

Crosby stated that he would agree to this contract for a one-year period, but stated that additional negotiation would need to occur prior to the next contract on a number of other structural and technical matters with the agreement.

Smith confirmed that the City Attorney did not review the legal document and she advised that she was not happy with the idea that the attorney is not reviewing legal documents.

Adams advised that Batty's office reviewed the document and helped to draft the contract about four years ago. He explained that he did not feel it necessary for Batty to review the document, as only minimal changes were made. He stated that he was attempting to save legal fees by not having three sets of attorneys from each party review the document, especially since additional changes will need to be made to the document if a merger occurs.

*Moved by Weir, seconded by Smith, to approve the agreement and contract for fire protection by and among the Hamel Volunteer Fire Department and City of Corcoran. **Motion passed unanimously.***

Adams inquired if the Council desired a change in practice in how he uses discretion to utilize legal counsel on various reviews of agreements. Following discussion, the general consensus was to not change the current practice.

D. ~~Mixed Use Zoning District~~

X. CITY ADMINISTRATOR REPORT

A. Snow Plow Driver Appointment

Adams stated that there were 18 applicants and staff recommended appointment of John Gleason for a part-time temporary snow plow driver.

*Moved by Smith, seconded by Weir, to approve the appointment of John Gleason to the position of part-time temporary snow plow driver, effective December 1, 2009 through April 1, 2010 with an hourly wage (non-exempt) of \$20.00/hr, benefits will not be provided to the position in accordance with the City Personnel Policies. **Motion passed unanimously.***

B. Update on Hamel Station

Adams reported that while there was not much new information to provide as an update, a violation of the tree ordinance had been determined. He advised that the three organizations were attempting to find a resolution and confirmed that Elm Creek held an escrow of \$10,000. He confirmed that fines could be enacted as well. He explained that code violation could be a long drawn out process, and used the example of one case in which the violation was two years ago but was just now ready for trial in court.

Smith stated that this was a flagrant violation of the City ordinance and she did not want the City to drag its feet on this issue, as it could set a precedent on what would be allowed for developers.

Adams provided a brief update on OSI and the bond issue with Hennepin County and reported that another meeting would be held the following week.

XI. MAYOR & CITY COUNCIL REPORTS

Crosby reported that Weir would be attending the West Metro Drug Task Force meeting the following day. He advised that he and Weir would be out of town and would not be able to attend the holiday party.

Smith requested that the availability of the Council members be checked prior to the scheduling of the holiday party in the future to ensure that the full Council would be able to attend.

XII. APPROVAL TO PAY THE BILLS

*Moved by Weir, seconded by Siitari, to approve the bills, EFT 000609-000620 for \$30,588.89 and order check numbers 034799-034842 for \$115,888.37, and payroll check 020221 for \$1,362.81 and payroll EFT 502434-502459 for \$42,321.23. **Motion passed unanimously.***

XIII. ADJOURN

*Moved by Weir, seconded by Siitari, to adjourn the meeting at 10:22 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator-Clerk