

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 4, 2012

The City Council of Medina, Minnesota met in regular session on December 4, 2012 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

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

Members absent: None.

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Planner Dusty Finke, Planning Consultant Nate Sparks, Public Works Director Steve Scherer, City Administrator Scott Johnson, Chief of Police Ed Belland, Finance Director Joe Rigdon, and Recording Secretary Amanda Staple.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

The agenda was accepted as presented.

IV. APPROVAL OF MINUTES

A. Approval of the November 20, 2012 Special City Council Meeting Minutes

*Moved by Weir, seconded by Martinson, to approve the November 20, 2012 special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the November 20, 2012 Regular City Council Meeting Minutes

It was noted on page five, line 19, it should state, "Doug Franchot..." He noted that the name is used throughout the discussion and should be updated in each place. On page five, line 42, it should state, "...the five communities (Independence, Medina, Orono, Victoria, and Minnetrista)..." On page six, line 39, it should state, "...regarding the legal terms of an exit of a City from the LMCC..." On page seven, line six, it should state, "He noted that given the lack of a specific termination provision in a long term contract it is probable that the city could exit because he did not believe..." On page 11, line three, it should state, "...she was approached by a resident in regard to the large cost and consequent disagreement regarding private road reconstruction. She noted that a resident is interested in reconstructing the road with the residents paying 100 percent of the assessment, a policy allowing reconstruction of private roads but still paid through city bonding, which would allow payments over seven years." On page 11, line 10, it should state, "...would be an conflict of interest illegal use of tax exempt bonding."

*Moved by Weir, seconded by Pederson, to approve the November 20, 2012 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

A. Approve 2013 Tobacco License Renewals

B. Approve 2013 Rates for Prosecuting Attorney Steven Tallen

C. Approve 2013 Rates for City Attorney – Kennedy and Graven

- D. Approve First Amendment to Cleaning Services Agreement
- E. Approve EPDB (Electronic Proprietary Data Base) Conditional Use License Agreement
- ~~F. Approve Agreement with Abdo, Eick, and Meyer for 2012 Audit~~
- G. Approve Recording Secretary Service Agreement with Timesaver Off Site Secretarial, Inc.
- H. Approve Liquor License Transfer from Harley's LLC to Harley's of Loretto LLC
- I. Ordinance No. 541 Amending Section 745 of the Code of Ordinances Regarding Residential Equivalency Factors for the City Storm Water Utility
- J. Resolution No. 2012-84 Authorizing Publication of Ordinance No. 541 Amending Section 745 of the Code of Ordinances by Title and Summary

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

F. Approve Agreement with Abdo, Eick, and Meyer for 2012 Audit

Crosby explained that there is history with all of the other consultants requesting increases and noted that he had asked Johnson to provide that information for Abdo, Eick, and Meyer as well. He reviewed that information and the requested increase for services.

Weir noted that staff could obtain bids for that service in the future.

*Moved by Weir, seconded by Siitari, to approve the Agreement with Abdo, Eick, and Meyer for 2012 Audit. **Motion passed unanimously.***

I. Ordinance No. 541 Amending Section 745 of the Code of Ordinances Regarding Residential Equivalency Factors for the City Storm Water Utility (Additional Comments)

Weir stated that the City is aware that agricultural matters account for some of the water quality issues. She stated that she would like to offer an incentive for use of better practices.

Scherer explained the equipment that is used and described the strict regulations that are used to guide agricultural processes.

VI. COMMENTS

A. Comments from Citizens on Items not on the Agenda

Bill McDonald and Laura Gifford addressed the Council in regard to their recently purchased business, Harley's of Loretto LLC. He noted that the previous business owner has an outstanding debt.

Crosby noted that the City would not hold the new owners liable for those charges.

McDonald offered to pay half of that balance as a good faith gesture to the City.

Crosby thanked the business owners and wished them well.

McDonald confirmed that the business is open.

B. Park Commission

Park Commission Chair Jaeb stated that a major goal of the Commission this year was to create a Parks Master Plan and discussed the steps the Commission has taken during the year to accomplish that goal. He noted that a retired staff member from a neighboring community gave a presentation at the previous meeting regarding changes to park designs. He believed the Parks Master Plan would be complete and presented to the Council in March or April of 2013. He advised that the Park Commission is discussing the option of including enclosed bulletin boards, which could pass messages to park users. He noted that the Commission recommended unanimous approval of the request from Mattamy Homes for the proposed park at the Fields of Medina, which will be named The Park at Fields of Medina. He noted that Ben Benson and Bill Waytas will be retiring from the Commission and advised that Janet White will be rejoining the Commission. He welcomed any applications for the vacancy.

C. Planning Commission

Finke noted that the Commission would meet the following week to conduct two public hearings.

VII. PRESENTATION

A. Minnehaha Creek Watershed District Update – Eric Evenson

Eric Evenson stated that he has been with the Watershed for the past 14 years and thanked City staff, the City liaison Peter Rechelbacher, and Weir for their participation and cooperation. He discussed measures to better control invasive aquatic species and noted that the Watershed would like to offer grant funds for decontamination stations that businesses or residents could setup. He stated that the Watershed is also interested in distributing cleaning kits that people could use when pulling their boat out of a lake. He also discussed other goals of the Watershed and funding opportunities for TMDL projects for member cities. He noted that the Watershed is also purchasing a building, which will be used for the District offices.

Crosby stated that he believed that a user fee should be enacted for boat cleaning stations at the lakes, as the users are directly responsible for the cost.

Evenson stated that it has been shocking to find the amount of money spent by homeowners on a lake to deal with aquatic invasive species. He stated that this has simply transferred the cost of lake cleanup to the homeowners.

Weir questioned if water improvements have shown improvements downstream as well.

Evenson noted projects which the District has/is working on currently. One project will re-meander a stream to provide additional benefits to the environment and surrounding habitat, including slowing the stream down and a reduced sediment load.

VIII. NEW BUSINESS

A. 2013 Budget

1. Budget and Tax Levy Presentation – Public Comment

Crosby reviewed the 2013 budget process that has been completed thus far, including the certification of the proposed budget and tax levy to Hennepin County, which took

place in September. He noted that the proposed figures could not be higher than the amount already certified.

Johnson noted that proposed for 2013 is a decrease in the general fund by \$10,000 and identified major budget issues for the 2013 budget process including the addition of the public works/police facility at 600 Clydesdale Trail, funding of State mandates (PERA), and a reduction of transfers from the utility funds. He reported that the preliminary 2013 levy established at \$3,284,592 resulted in a preliminary tax rate of 24.93 percent and the revised proposed 2013 tax levy is \$3,248,806 with a tax rate of 24.65 percent. He explained that the reduction is due to favorable bond interest rates. He discussed the long-term needs for roads, noting the proposed City projects for 2013/2014. He briefly summarized the other long-term needs of the City including Fire Department capital expenses, Public Works/Police Facility, and equipment. He explained the division of tax dollars between the County, City, schools, and other entities. He provided tax rate comparisons between Medina and neighboring communities based on 2012 information. He reviewed the proposed 2013 utility rates, noting an increase of five percent for the water fund, with the other utility funds remaining stable.

Bob Franklin stated that he has lived on Lakeshore Avenue for 46 years and has often commented on the budget process. He stated that he believes the current Council has been transparent and responsive in setting the tax rates and listening to resident concerns during times of recession. He commented that it has been remarkable that the Council has been able to keep the levy rate stable for the past several years and acknowledged that while there will be an increase for the public works/police facility, the cost is much less than what had been proposed a few years ago. He believed that the facility would be a welcome addition.

Crosby provided examples in which the City has kept the budget stable, including outsourcing of some planning and finance positions rather than filling full-time positions.

2. Resolution No. 2012-85 Approving 2013 Final Tax Levy

*Moved by Weir, seconded by Pederson, to approve Resolution No. 2012-85 approving the 2013 Final Tax Levy. **Motion passed unanimously.***

3. Resolution No. 2012-86 Approving 2013 Final Budget

*Moved by Weir, seconded by Pederson, to approve Resolution No. 2012-86 approving the 2013 Final Budget. **Motion passed unanimously.***

Crosby discussed a local newspaper article that mentions underfunding of PERA. He noted that perhaps the Council may want to discuss this matter at a future meeting.

Siitari provided insight and noted that while there will be an increase in rates; the City will not be liable for the underfunding.

4. Resolution No. 2012-87 Reducing Debt Service Tax Levies for 2013

Rigdon provided additional information on the required Resolution, which is necessary regarding debt service tax levies. He stated that the Resolution is being reviewed at this time because the amount had changed since the certification in September.

Crosby noted that the City obtained low rates on the bonds for the public works/police facility and advised that other bonds are also being refunded in order to be refinanced at a lower rate.

*Moved by Weir, seconded by Siitari, to adopt Resolution No. 2012-87 Reducing Debt Service Tax Levies for 2013. **Motion passed unanimously.***

B. Fields of Medina West – Rezoning & Preliminary Plat

Sparks provided background information on the request from Mattamy Homes to plat the 23-acre parcel on Meander Road for 65 single-family homes. He noted that the property is guided for medium density residential and advised that the request from the applicant would come in slightly above the minimum density guides. He stated that the property is currently zoned RR-Urban Reserve and the applicant is requesting to rezone the property as R-2. He noted that the applicant would like to dedicate parkland to add to the park to the east. He advised that the Planning Commission reviewed this item and recommended denial of the request. He noted that the plans meet all the requirements of the R-2 zoning district and subdivision standards. He discussed the traffic concerns highlighting proposed street connections and noting that the traffic study has been completed and the results are under review by the City's engineering staff. He briefly discussed utilities including sewer and water and the proposed stormwater management; noting that the pond in the central portion of the site has inadequate access for maintenance. He discussed the wetland and floodplains on the site, noting that the City would need clarification on the elevation in the northwest corner of the site. He stated that the landscaping and buffer planting plans generally meet the City Ordinance. He noted the number of trees proposed to be removed and the requirement for replanting. He advised that the applicant is requesting a waiver from tree replacement and reviewed the items that could be substituted including playground equipment and additional park dedication. He reviewed the issue of park dedication and trails and confirmed that the Park Commission recommended that land be donated rather than cash. He stated the two major issues would be the rezoning to medium density, noting that the applicant would then meet the density requirements, and the tree replacement waiver. He identified the zoning of the neighboring parcels and noted that the parcel to the north may also need to then be rezoned to R-2 in order to avoid land use conflicts. He stated that as reported the Planning Commission recommended denial of the request and reviewed the five findings of that denial.

Crosby stated that it appears the two major issues involve whether the parcel should be zoned R-2 or R-3 and whether a tree replacement waiver should be issued.

Batty stated that the first issue, zoning, needs to be resolved first. If the Council does not approve the rezoning the proposed plat would be denied.

Steve Logan, Mattamy Homes, introduced the members of his team including Tom Walter, Dave Nash, and Joe Cavanaugh and his daughter. He apologized for the timing of the requests but noted that Mattamy is attempting to complete this item prior to the potential tax changes in January, which could hinder the viability of the project.

Tom Walter displayed the plan presented to the Planning Commission and noted that his company has a concept plan which would move the access to the west, move the stormwater pond, and would also preserve some additional trees.

Dave Nash, EVS, stated that the concept plan preserves an additional 14 significant trees.

Walter highlighted the trees, which would be preserved as well as the additional trees that would be proposed for preservation. He also displayed a general concept for the park, which would assist in the tree replacement waiver. He continued to explain how the findings from the Planning Commission could be addressed.

Crosby identified how higher density housing would bring variety to the Medina housing market, save additional trees, and provide a buffer to the mixed use development neighboring the parcel.

Logan stated that Mattamy actually had a contract for multi-family housing on the parcel but did not believe that would be economically viable. He noted that another builder also reviewed the parcel for multi-family and did not think the market in Medina would support that type of housing. He stated that it is not economically viable for Mattamy to build that type of housing on this parcel.

Crosby expressed concern with single-family homes being built on the parcel with the land use surrounding the parcel.

Logan stated that all homeowners would be alerted to the fact that the parcel to the south is zoned commercial. He noted that the product also has a lot of diversity and would range from larger homes on larger lots to smaller homes on smaller lots.

Martinson noted that the berm between Target and the Cherry Hill development has worked out great.

Weir stated that there is not room to construct a berm between the two parcels.

Crosby noted that the City could require a big box store to construct the berm.

Logan noted that they are unable to meet the tree preservation requirements and that is why the improvements to the park are being proposed. He stated that staff has not yet reviewed the tree preservation plan he is presenting at this time but noted that they are attempting to plant trees wherever possible to assist in screening.

Finke noted that trees could not be placed in the right-of-way.

Crosby asked for additional information regarding the possibility of mixing some townhomes along the southern portion of the parcel.

Logan stated that they have found that people prefer to live with similar people and do not like to mix those product types. He did not want to hinder the marketability for the remainder of the project.

Crosby asked for input on the buyer profile for this type of housing and the townhome developments.

Logan stated that the profile for the proposed project would be higher income young families. He noted that the profile for their townhome project is typically divorcees who are moving down in housing product.

Crosby briefly recessed the meeting at 8:57 p.m.

Crosby reconvened the meeting at 9:02 p.m.

Siitari referenced the condition of the tree outlot proposed to be preserved and questioned if it is that important to preserve that area because of the low quality.

Finke discussed the condition of the trees.

Sparks noted that the area has changed classification through the different planning documents.

Weir stated that trees assist with water management because of their high level of consumption.

Martinson confirmed that the revised plan would preserve the northwest corner of the parcel and the developer would also finish the park on the east side of the parcel in one year. She noted that the Park Commission commented that they are struggling to find funds and it would take the Commission four to five years to finish that park with current funding.

Crosby stated that this parcel is an isolated triangle of second growth medium quality trees and believed the Tree Ordinance is meant to deal with more pristine areas of forestry. He commented that it is sometimes surprising how fast re-vegetation occurs.

Pederson stated that the Council has heard that townhomes are not viable in the City because of the connection costs in Medina. He did not believe that the surrounding developments, nor the homes proposed for the development, would mix well with townhomes. He believed that this area is a good spot for these single-family homes.

Weir stated that the Comprehensive Plan calls for a variety of homes and this does not meet that requirement. She also expressed concern with the surrounding zoning.

Martinson suggested that the Council discuss the connection fees at a future meeting because the Council has heard over and over that the fees do not support that type of housing. She did not believe that this developer should have to incorporate that type of product.

Crosby stated that townhomes would be ideal for redevelopment of downtown Hamel. Martinson stated that the Park Commission was enthusiastic about the proposed park improvements and additional trees that will be planted in the park.

Weir confirmed that the trees planted would be guaranteed by the developer.

Crosby stated that he has read the minutes from the Park and Planning Commission meetings, as well as the two opportunities for the Council to review this plan. He stated that these trees are not worth preserving and suggested that larger trees be planted

throughout the development with the possibility of planting trees south of Meander Drive. He stated that although he would like to see townhomes, he would not want to push a project that would not be successful in Medina.

Batty stated that if the Council supports the project, they should direct staff to prepare findings of approval with conditions. He confirmed that the Council concerns could be addressed through conditions, including buffering with trees and notification to buyers of the neighboring commercial property.

Weir stated that with this development the City will not be contributing diversity to the housing market and questioned if this would push that off onto a future development.

Crosby stated that could also be viewed as pushing that requirement off on this developer because they were the last to come through for approval in this round of development.

Pederson stated that he is in favor of the project and believes it to be a good fit for the area.

Martinson agreed with the comments made by Pederson.

Siitari stated that he is also in favor of the project, noting that the developer has shown that it is not economically viable to build a townhome project on this parcel.

Johnson noted that the Council could review the connection fees at the 2013 goal setting session.

Finke noted that staff could review the option to move to a per acre connection cost, explaining that right now you are almost penalized for higher density on a parcel. He identified other areas in the City, which could accommodate townhomes.

Crosby stated that even if townhomes are built in Medina, he is not sure that there is a need for that type of product.

Weir stated that there may be a need for another Gramercy type housing project for seniors. She agreed that maybe the terms of the Comprehensive Plan are not feasible with the current fees.

Crosby stated that he is comfortable going forward with the project but would like to see the request come back with more complete information to deal with the issues brought forward. He stated that he usually does not like to make a decision contrary to the Planning Commission, but noted that the Planning Commission acted properly in considering the request and had to deny the request because of the land use issue. He noted that the proposed plan would benefit the City.

Siitari confirmed that the proposed park improvements are sufficient for the tree replacement waiver.

Scherer and Finke confirmed that the numbers have been run to ensure appropriate improvements are being made in lieu of full tree replacement.

Weir confirmed that staff and the applicant would have sufficient time to bring the review back at the next Council meeting.

*Moved by Martinson, seconded by Pederson, to direct staff to prepare an Ordinance rezoning the property to R-2. **Motion passed unanimously.***

*Moved by Martinson, seconded by Pederson, to direct staff to prepare a Resolution approving the preliminary plat, and findings of fact, and conditions. **Motion passed unanimously.***

Weir commented on possible road names.

Cavanaugh thanked the Council and staff for their time and cooperation.

C. Ordinance No. 542 Amending Fee Schedule

Johnson presented an updated fee schedule for 2013.

Crosby questioned the \$5 minimum for copying and suggested titling that item “administrative copying services”.

Finke stated that the current policy actually waves the first \$5 for copies.

Johnson confirmed that this item applies under the City’s Data Practices Policy.

1. Public Hearing on Zoning Fees

Crosby opened the public hearing at 9:43 p.m.

*Moved by Martinson, seconded by Siitari, to close the public hearing at 9:43 p.m. **Motion passed unanimously.***

*Moved by Martinson, seconded by Siitari, to approve Ordinance No. 542 for the 2013 fee schedule as amended. **Motion passed unanimously.***

2. Resolution No. 2012-88 Authorizing Publication of Ordinance by Title and Summary

*Moved by Siitari, seconded by Weir, to approve Resolution No. 2012-88 Authorizing Publication of Ordinance by Title and Summary. **Motion passed unanimously.***

IX. CITY ADMINISTRATOR REPORT

Johnson referenced the Hollydale transmission project and the previous direction from the Council to secure a seat at the table for these discussions. He noted that he spoke with legal counsel and was advised that there could be a cost of up to \$5,000.

Batty stated that if all that is necessary is filing the paperwork, it could be inexpensive but noted that the paperwork that comes forward after that could be extensive. He noted that cost would depend on the level of staff participation and the level of input that will be needed. He confirmed that the legal counsel that would represent the City does have extensive knowledge in this area.

Crosby confirmed that the Council would like to move forward in securing the City’s seat at the table.

X. MAYOR & CITY COUNCIL REPORTS

Crosby complimented Susan Van Cleaf on her article regarding the City's tax procedures. He also complimented Amanda Staple on the quality of minutes. He mentioned a resident concern regarding trash that has been dumped. He also mentioned a request from Premax to allow small businesses to join the City's recycling program.

Johnson confirmed that the City is meeting with the waste hauler the following week and he would discuss that option.

Crosby believed that inserts could be included with every City newsletter.

Weir noted that she and Johnson attended the open house from Commissioner Jeff Johnson this morning regarding the combining of the watersheds.

XI. APPROVAL TO PAY THE BILLS

Moved by Pederson, seconded by Weir, to approve the bills, EFT 001873E-001891E for \$35,640.89, and order check numbers 039050-039104 for \$121,596.50, and payroll EFT 504612-504636 for \$40,040.57 and payroll checks 020373-020405 for \$6,862.55.

Motion passed unanimously.

XII. ADJOURN

*Moved by Pederson, seconded by Siitari, to adjourn the meeting at 9:54 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Scott Johnson, City Administrator