

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 5, 2017

The City Council of Medina, Minnesota met in regular session on December 5, 2017 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, City Engineer Jim Stremel, City Planner Dusty Finke, Public Works Director Steve Scherer, and Chief of Police Ed Belland.

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 November 16, 2017 Regular City Council Meeting Minutes

Johnson noted that Martin submitted written corrections that he will incorporate into the minutes.

It was noted on page two, line 25, it should state, "...changes in State law..."

*Moved by Cousineau, seconded by Pederson, to approve the November 16, 2017 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA (7:01 p.m.)

A. Approve Tobacco License Transfers from Holiday Stationstores, Inc. to Holiday Stationstores, LLC

B. Approve Off-Sale Liquor License Transfer from Holiday Stationstores, Inc. to Holiday Stationstores, LLC (DBA: Hwy 55 Liquors)

C. Approve 2018 Tobacco License Renewals

D. ~~Approve Police Labor Agreement Between Law Enforcement Labor Services Inc. (Local #36) and the City of Medina~~

E. Approve Recording Services Agreement with Time Saver

F. Approve Amended and Restated Agreement for Police Protection between the City of Loretto and the City of Medina

Mitchell requested to pull Item D from the Consent Agenda for further discussion.

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

D. Approve Police Labor Agreement Between Law Enforcement Labor Services Inc. (Local #36) and the City of Medina

Johnson noted that under the contract there is language regarding insurance relating to the resolution put in place by the City Council in July 2011. He provided information on the insurance cap and estimated cost.

Mitchell commented that in 2016 there was work done on yardsticks for budget and expenses, noting the indexes that the City is using. He stated that it was noticed that the annual increases for some items were exceeding those indexes. He stated that he would like additional review of raises rather than simply issuing annual COLA increases. He stated that there has now been two years of insurance under the new carrier and therefore a comparison can be made during 2018. He noted that a similar review would be done in 2018 for the wage increases.

*Moved by Pederson, seconded by Martin, to approve the police labor agreement between Law Enforcement Labor Services, Inc. (Local #36) and the City of Medina.
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 December 20th and may talk about the Mark of Excellence proposal. He stated that Public Works will begin flooding the skating rinks. He stated that they also hope to begin preparing the sledding hill.

C. Planning Commission

Finke reported that the Planning Commission will meet the following week to hold three hearings. He stated that the Mark of Excellence Concept Plan, both north and south, has been updated and will be reviewed. He stated that the Commission will also consider an ordinance regarding the keeping of chickens and bees on smaller lots and a request from Hennepin County Emergency Management Department to construct a fabric structure within their storage yard.

VII. NEW BUSINESS

A. 2018 Budget (7:08 p.m.)

1. Budget and Tax Levy Presentation – Public Comment

Barnhart stated that there has been over six months of preparation for the budget, as well as the departments tracking their expenses throughout the year. She stated that there is a 3 percent levy increase to the general fund, which will equate to a total of 2.5 percent increase to the levy. She provided information on the general fund and specific line item increases. She reviewed proposed changes to personnel and personnel costs. She provided additional information on the health insurance costs and noted that in 2018 staff will continue to watch the numbers and ensure that the cap is not exceeded that was set in 2011. She provided a pie graph displaying the expenditures for the general fund, broken down by department/function. She provided information on the tax rate and market value, noting that the City will have a 5.7 percent increase in the market rate which is attributed to new construction from 2016 and increased market values in existing home values. She stated that estimated tax capacity will increase by 6 percent from 2017. She explained the ratio that each organization receives from property taxes,

noting that the City does not receive the entire amount as it is split up between different entities. She highlighted the proposed projects for 2018.

Scherer provided additional details on the proposed overlay projects. He noted that the Chippewa extension is a pending project, dependent on the Mark of Excellence project. He provided additional details on the stormwater projects and placeholders.

Johnson stated that it does not appear that the Ardmore stormwater projects will rank high enough to receive grant funds in 2018 but noted that the Baker Ravine stormwater project is still pending.

Barnhart stated that staff continues to share services between departments to keep the number of staff small. She noted that the City also collaborates with other nearby communities to share services when applicable. She stated that the five-year CIP continues to be a great planning document which allows the City to plan for the financial cost for the City. She reviewed some of the outside funding the City receives, including grants and Municipal State Aid road funding. She provided details on the City's special assessment policy for road improvements.

Mitchell stated that the City has done special assessments from the beginning, which makes the process fair as each home is then only assessed for the road in front of their home.

Barnhart noted that it is also more transparent than simply collecting a large fee within the property taxes for city-wide road improvements.

Johnson stated that resident Doug Dickerson did submit comments which were included in the Council packet.

Mitchell appreciated the comments and noted that the City will review those issues, among others, in 2018.

Barnhart referenced a correction to the numbers submitted by Mr. Dickerson, which would change the per capita figure for public safety costs.

Doug Dickerson thanked the Council for accepting and reading his letter. He stated that he is committed to keeping Medina rural and keeping the taxes low and appreciates the Council diligently working to keep the taxes low. He stated that the cost per person for taxes has dropped from 2008 to the proposed budget for 2018. He stated that the cost per person is decreasing because the increase in population is balancing out the increase in the budget, which is great. He stated that over the years the cost for the police department, which is 36 percent of the budget, continues to grow and is a concern for him.

Mitchell stated that one part of the process is examining the budget and reviewing the number of employees and the actual performance of the employees to ensure that they are receiving the best services in return for the investment.

Anderson stated that another consideration is to acknowledge part would be the will and desire of the constituents, noting that tax payers in the City want to pay for and receive first rate public safety services.

Martin stated that part of the rural nature of the City is that there is less density to spread the costs across, which can equate to a higher cost to provide the first-rate services desired.

Barnhart noted that per capita information is released with the annual audit and noted that staff is in the process of updating that information to ensure that the figures are correct.

Martin thanked Mr. Dickerson for providing his input.

Mitchell stated that additional clarity should be included for the special revenue sources. He referenced the debt service funds and bond issues, noting that it would help to know the beginning amount for each fund.

Barnhart stated that she took note and will include the beginning amount and total amount owed in addition to what will be owed for the year itself.

Martin commended staff, noting that this reflects a very cooperative staff.

Dickerson asked how close the City was to the proposed budget for 2017.

Barnhart stated that it appears the City will have a slight surplus from 2017 and will come in under budget. She stated that the last three years the City has also come in under budget because of the increased growth and building permit fees.

Mitchell stated that the Council has reviewed the CIP several times and there were no additional comments.

2. Resolution No. 2017-98 Approving 2018 Final Tax Levy

*Moved by Martin, seconded by Anderson, to adopt Resolution No. 2017-98 Approving the 2018 Final Tax Levy. **Motion passed unanimously.***

3. Resolution No. 2017-99 Approving 2018 Final Budget

*Moved by Martin, seconded by Pederson, to adopt Resolution No. 2017-99 Approving the 2018 Final Budget. **Motion passed unanimously.***

B. David and Katherine Crosby – 2402 Hamel Road and PID 10-118-23-33-0002 – Lot Combination and Amended Conditional Use Permit (7:38 p.m.)

Finke stated that the Council approved the CUP earlier this year and the property owner is now proposing to add the 33 acres adjacent to the east that they have purchased. He noted that the original lot exceeding the requirements and therefore this additional land will continue to increase the total land amount.

David Crosby stated that they are longtime property owners and their daughter will be adding to the tradition by building her home on the property as well.

*Moved by Anderson, seconded by Pederson, to direct staff to prepare a resolution approving the lot combination for David and Katherine Crosby of property at 2402 Hamel Road and immediately to the east. **Motion passed unanimously.***

*Moved by Anderson, seconded by Pederson, to direct staff to prepare a resolution approving the amendment to the Conditional Use Permit for David and Katherine Crosby for a second principle dwelling at 2402 Hamel Road. **Motion passed unanimously.***

Mr. Crosby stated that during the budget discussion he was going to make a comment on Public Employees Retirement Association (PERA) funding.

Mitchell noted that he intended to bring a question forward to the Council during the Mayor's Report tonight to ask the Council's feelings on the topic. He stated that he feels that a letter should be written to the State asking if they are sure they are collecting the right amount of money for PERA to plan for the future accurately. He asked whether he should write a letter on behalf of the City or whether individual letters should be written.

Anderson asked which method would have the most impact.

Johnson stated that he believes that a letter representing the City Council as a whole would have the most impact.

Anderson replied that perhaps that is the method the City should choose then. He asked if there is reason to believe that the State is not doing a good job.

Mitchell stated that there are different opinions as to whether the funds are correct. He noted that the second option would be whether the option should be moved to a more traditional 401K at a certain point for new employees.

Martin stated that she would advocate that a statement be sent requesting assurance that the funding is adequate to support what the benefit system states is necessary. She stated that she would not be willing to ask the second question regarding whether the benefit should be amended to a more traditional 401K.

Mitchell stated that he will work with staff to draft the letter with one paragraph regarding the first topic on the accuracy of the PERA funding and the second regarding the benefit itself, noting that the Council can have further discussion on the topic at a future meeting.

Mr. Crosby stated that he was a part of a Committee that the Governor appointed to discuss this topic. He stated that the State of Minnesota discounts the benefits that employees receive in the future by eight percent. He stated that the account is underfunded, and this continues to be an unfunded liability. He stated that the people that sit on the Boards and Committees are all recipients of the benefit and therefore do not want to publicize that this is a problem. He stated that this is a very political topic.

C. Small Cell Technology (7:49 p.m.)

Johnson noted that State law related to small wireless facilities changed during the 2017 Legislative Session and therefore the City needs to review, and make changes to the right-of-way and zoning ordinance to accommodate for this technology.

Finke stated that the work to update the ordinances was done by legal counsel with the assistance of the League of Minnesota Cities to accommodate the updated State law. He stated that he used that language to update the City's ordinance language as proposed. He provided additional details on the rights of certain companies to install

their facilities within the public right-of-way. He stated that the most recent statutory changes added small wireless facilities as allowed users within the right-of-way. He stated that the City would have limited discretion as to the use of the right-of-way and existing poles, if the small wireless facility falls within the size limitations. He stated that the City must adopt the ordinance before the end of the year or permits will remain unregulated and we cannot charge rent.

Pederson asked the City's responsibility for damage to equipment.

Finke replied that it would be no different than any other right-of-way user.

Batty stated that it would be difficult for a snowplow to hit the equipment. He stated that they would be another right-of-way user and the liability would exist dependent on the circumstances.

Martin stated that there is language specifying that the companies must carry adequate insurance.

Finke stated that there are two ordinances, the right-of-way ordinance and the zoning ordinance that would require a Conditional Use Permit in instances when a new pole is being constructed within a zoning district that allows single-family housing.

Martin commented that staff continues to do a great job crafting ordinances. She stated that she does have a few comments on which she desires clarity, including the language regarding abandonment, degradation, the definition of certain terms, and the requirement for right-of-way users to register.

Finke clarified that all right-of-way users are required to register, although the City may not have a registration program.

Martin suggested creating a period of time within which a right-of-way user must register, if not already registered. She provided additional questions and comments regarding the requirements for insurance and self-insurance. She provided additional grammatical suggestions. She stated that perhaps City staff should take another run at the ordinances and it could come back on the Consent Agenda for the next meeting.

Mitchell confirmed the consensus of the Council that they do desire to have these ordinances. He suggested that this move along with staff working with Martin to polish up the details.

Batty stated that there are a few attorneys in his office that are very familiar with this language and topic. He stated that it is complicated and some of the statutory language is not the best. He agreed that staff could review the language and clean up the language to the extent that they can and bring the ordinances forward on the Consent Agenda at the next meeting in December.

Pederson asked how the City would determine the leases and track the leases and insurance that could be reviewed annually. He stated that perhaps the system would be similar to how letters of credit are tracked.

Barnhart stated that if the City gets into a situation where there are applicants, staff could follow the same process they use for other annual licenses such as liquor licenses.

IX. CITY ADMINISTRATOR REPORT (8:14 p.m.)

Johnson stated that the valuation notices were sent to property owners within the past few weeks. He stated that residents can contact the City Assessor Rolf Erickson if they have questions regarding valuation of their property by calling 763-473-3978.

Mitchell stated that perhaps staff put a statement in the next City newsletter to alert residents.

Johnson confirmed that the contact information is also on the City website.

Mitchell stated that the issue is that people do not know there is an option to speak with the assessor directly and then end up unnecessarily at the Board of Appeals meeting in April.

Barnhart noted that a flyer could be included in the next utility billing if the Council desires.

Martin stated that the City drafted a memorandum the past year that could simply be included in the newsletter to alert residents of the process.

X. MAYOR & CITY COUNCIL REPORTS (8:17 p.m.)

No comments.

XI. APPROVAL TO PAY THE BILLS (8:17 p.m.)

*Moved by Martin, seconded by Pederson, to approve the bills, EFT 004390E-004418E for \$722,240.36 and order check numbers 046624-046674 for \$297,099.62 and payroll EFT 0508279-0508332 for \$99,353.13. **Motion passed unanimously.***

XII. ADJOURN

*Moved by Anderson, seconded by Cousineau, to adjourn the meeting at 8:18 p.m. **Motion passed unanimously.***

Bob Mitchell, Mayor

Attest:

Jodi Gallup, City Clerk