

MEDINA CITY COUNCIL MEETING MINUTES OF JUNE 5, 2018

The City Council of Medina, Minnesota met in regular session on June 5, 2018 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, Finance Director Erin Barnhart, 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 May 15, 2018 Special City Council Meeting Minutes

*Moved by Anderson, seconded by Pederson, to approve the May 15, 2018 special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the May 15, 2018 Regular City Council Meeting Minutes

Johnson stated that Anderson submitted revisions that will be incorporated by staff.

It was noted on page five, line 39, it should state, "...study as long as we are not yet committed to the project because it will provide useful information."

*Moved by Anderson, seconded by Pederson, to approve the May 15, 2018 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA (7:02 p.m.)

A. Approve 2018-2019 Liquor License Renewals

B. Approve Mill and Paving Services Agreement with Pearson Brothers, Inc.

C. Approve Seal Coating Services Agreement with Pearson Brothers, Inc.

D. Approve Curb and Concrete Installation Services Agreement with Schmidt Curb Co. Inc.

E. Appoint Peter Rechelbacher as Medina Representative for the Minnehaha Creek Watershed District

F. Resolution No. 2018-31 Accepting Resignation of Administrative Assistant Linda Lane

G. Approve Administrative Assistant Job Description and Authorize Recruitment

H. Ordinance No. 633 Regarding Regulations for Lighting and Signage Illumination; Amending Chapter 8 of the City Code

- I. **Resolution No. 2018-32 Authorizing Publication of Ordinance Regarding Regulations for Lighting and Signage Illumination by Title and Summary**
- J. **Resolution No. 2018-33 Approving Off-Site Gambling Permit for the Hamel Lions Club to Conduct Lawful Charitable Gambling at 3200 Mill Drive**

Johnson reviewed the items listed on the consent agenda. He noted that he is sad to say that Linda Lane has decided to retire, as she has done an excellent job for Medina and will be missed and wished her well in her retirement.

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

VI. COMMENTS (7:04 p.m.)

A. Comments from Citizens on Items not on the Agenda

Pat Wulff, Lake Independence Citizens Association (LICA), stated that in the spring meeting the Board voted to give an award to two people on behalf of LICA. She stated that the award is given to people who have shown heart in protecting the water quality. She stated that the first recipient was Dick Larson who has been a valuable member of LICA and recently resigned from the Board. She stated that the second award was given to Steve Scherer noting that a good deal of Scherer's job is working on the watershed, and he always shows good heart and enthusiasm in his job. She presented the award to Scherer.

Scherer thanked Ms. Wulff and accepted the award.

Mitchell stated that the City knows and appreciates the work that LICA does and thanked Ms. Wulff for being present tonight.

Ms. Wulff stated that the City has been a great partner for the organization.

Mitchell stated that there is a lot of water in Medina and that requires good people to take care of it and ensure that the quality remains high.

B. Park Commission

Scherer reported that the Park Commission held the park tour the previous month, touring each of the parks and then ending the tour at the new concession stand.

Mitchell stated that most of the Council attended the tour and noted that it provides the group with a feeling of what is going on within the parks system.

Scherer provided an update on the recent trail construction.

C. Planning Commission

Finke reported that the Planning Commission will not meet this month but will instead hold an open house related to the mixed-use residential zoning regulations at 6:00 p.m. next Tuesday to speak with the public about the development of those sites.

Mitchell commented that there was a recent article in the newspaper about citizens objecting to a large apartment building development in Edina. He stated that Medina does not have a proposal of that nature but noted that someday those requests will come to the community.

VII. PRESENTATIONS

A. Resolution No. 2018-34 Recognizing David Hall for 15 Years of Service to the City of Medina (7:12 p.m.)

Mitchell read aloud the proposed resolution recognizing David Hall for 15 years of service to the City of Medina.

*Moved by Anderson, seconded by Pederson, to adopt Resolution No. 2018-34 Recognizing David Hall for 15 Years of Service to the City of Medina. **Motion passed unanimously.***

Mitchell presented the resolution to David Hall and thanked him for his service to the community.

Belland stated that it is a pleasure to have Officer Hall present tonight, noting that they have worked closely together for the past 15 years. He stated that Officer Hall is a leader in the department and completed his master's degree with Belland. He stated that Medina has never had a homicide, but Officer Hall worked on the Drug Task Force and helped to solve two homicides. He stated that Officer Hall does an excellent job each day and he could not be prouder to have him in the department.

B. Abdo, Eick, and Meyers – 2017 Annual Financial Report (7:17 p.m.)

Justin Nilson, Abdo, Eick and Meyers, thanked staff for their help throughout the audit process. He reported that the City received an unmodified or clean opinion on financial statements with no audit findings noted. He stated that he is also required to give an opinion on the Minnesota legal compliance guides, which includes seven guides that are tested. He reported that there were no legal compliance findings noted. He reviewed the general unassigned fund balance compared to the budget. He also compared the general fund budget to the actual results. He provided a summary of other governmental funds including the special revenue funds, capital projects, and debt service. He stated that on average there is about \$1,000,000 per year for debt service payments. He compared the operating revenue to the debt costs for the water fund noting that the operating receipts have been sufficient to cover operating costs and debt payments for the last five years. He provided similar information for the sanitary sewer fund, noting that the operating receipts also have been sufficient to cover the operating costs for the past five years.

Johnson noted that the reason the water and sanitary sewer funds are gaining funds is in preparation for upcoming major capital improvement projects.

Nilson provided similar information on the storm water fund, noting that the operating receipts have been sufficient to cover the operating costs for the past five years.

Pederson referenced the water and sewer funds and asked how low those fund balances can go in case there is a capital project.

Nilson replied that they recommend a minimum of 100 percent of the future year's debt service payment plus 50 percent of the operational costs for the next year. He stated that the enterprise funds tend to have a business type feel while the other funds can be more policy specific.

Johnson asked for an update on the infrastructure costs as identified in the draft 2040 comprehensive plan.

Barnhart replied that the consultant is working to update the water and sewer analysis to ensure that the water and sewer costs are appropriate to support future infrastructure needs.

Johnson noted that an analysis was done in 2012 and therefore this is an opportunity to update that information.

Mitchell stated that the rates have been raised each year that he has been on the Council but noted that the utilities in Medina have not been in place for many years and therefore there is not a lot of experience in that realm. He referenced the section regarding defined benefit plans, noting the discount rate has been lowered from eight percent to 7.5 percent. He noted that the report does not identify the long-term rate used by PERA. He referenced the management letter, noting that the previous year a citizen asked for information about per capita. He noted that the City now has 11 cities to compare itself to. He referenced the memorandum from Barnhart, noting that the rate for Medina fits with the characteristics of the City. He thanked staff for their work this year.

Johnson also thanked staff for their excellent work.

*Moved by Martin, seconded by Cousineau, to accept the 2017 Annual Financial Report.
Motion passed unanimously.*

VIII. NEW BUSINESS

A. Hickory Drive Street Improvement Project (7:37 p.m.)

Scherer stated that tonight there are two street improvement projects before the Council. He stated that the work would include overlay and drainage improvements. He noted that both streets are dead-end streets with very little traffic. He reported that he has held neighborhood meetings on each project and has met with the residents impacted by the project. He believed that the drainage issues are causing the pavement to deteriorate. He noted that the project cost would be split 50/50 between the City and the resident assessments. He reported that the assessment estimates for the Buckskin project would be \$2,500 per lot, while the Hickory assessments would be roughly \$1,550. He stated that staff would send out the proposed assessment letters and then the project would come back before the Council in July.

Johnson noted that the projects would come back before the Council for public hearings on July 3rd.

Martin asked a policy related question. She stated that these are roads that serve very few residents and are similar to private roads the City requires residents to maintain and fund improvements. She did not see how this type of road would be different and perhaps should be similarly considered.

Mitchell agreed that the topic could be further discussed in the future.

Martin noted that she likes the roads remaining public but believed that the improvements should be assessed at the rate of 100 percent.

Scherer stated that there was a lot of thought and discussion when the policy was developed and confirmed that he can bring background information to the future discussion.

1. Resolution No. 2018-35 Receiving Feasibility Report and Calling for Public Hearings on Hickory Drive Street Improvement Project and Levying Special Assessments for Same

*Moved by Martin, seconded by Anderson, to adopt Resolution No. 2018-35 Receiving Feasibility Report and Calling for Public Hearings on Hickory Drive Street Improvement Project and Levying Special Assessments for Same. **Motion passed unanimously.***

B. Buckskin Drive Street Improvement Project (7:42 p.m.)

1. Resolution No. 2018-36 Receiving Feasibility Report and Calling for Public Hearings of Buckskin Drive Street Improvement Project and Levying for Special Assessments for Same

*Moved by Martin, seconded by Pederson, to adopt Resolution No. 2018-36 Receiving Feasibility Report and Calling for Public Hearings on Buckskin Drive Street Improvement Project and Levying Special Assessments for Same. **Motion passed unanimously.***

Johnson clarified that the Hickory Drive project is off CR 24, noting that there will be a separate project for the other portion of Hickory Drive off Hamel Road.

C. Ordinance No. 634 Regarding Disconnection of Prohibited Connections to the Sanitary Sewer System; Amending Chapter 7 of the City Code and Amending the City Fee Schedule (7:43 p.m.)

Johnson provided background information, noting that the City's ordinance language must match that of the Metropolitan Council and this update would ensure that the language complies.

Anderson asked how the charges to residents for prohibited connections were determined.

Scherer stated that the fee was set at a high enough amount to ensure that homeowners would address the problem.

Finke stated that the thought was that the fee would have to be high enough to be an incentive to correct the issue. He noted that other cities have used the same fee.

Mr. Palm asked how commercial sites would be managed.

Martin noted that commercial sites would be included in the ordinance. She recognized that perhaps non-residential facilities should bear a higher penalty.

Mitchell stated that when commercial building plans are approved, that type of system would not have been allowed to begin with. He stated that perhaps staff be directed to look into commercial properties and a higher penalty schedule for commercial buildings.

*Moved by Martin, seconded by Anderson, to adopt Ordinance No. 634 Regarding Disconnection of Prohibited Connections to the Sanitary Sewer System; Amending Chapter 7 of the City Code and Amending the City Fee Schedule and direct staff to investigate the appropriate level of fine for a non-residential property in violation of the ordinance. **Motion passed unanimously.***

Batty provided clarification, noting that the further action could simply be another one-line amendment to the fee schedule related to commercial properties.

1. Resolution No. 2018-37 Authorizing Publication of the Ordinance by Title and Summary

*Moved by Martin, seconded by Anderson, to adopt Resolution No. 2018-37 Authorizing Publication of Ordinance No. 634 by Title and Summary. **Motion passed unanimously.***

IX. OLD BUSINESS

A. 2020-2040 Comprehensive Plan Update (7:50 p.m.)

Johnson stated that Martin, Anderson, Finke, and himself met with the Metropolitan Council related to the 2020-2040 Comprehensive Plan update.

Finke stated that the discussion was related to the review and preliminary comments on what seems to be the last issue, specifically related to the staging of the high density residential property. He noted that the City seeks to make the high-density property available immediately after the adoption of the plan, while the Met Council continues to state that if the land is made available prior to 2021 it would not count towards the available high-density land. He reviewed the City's position and noted that the intent was to meet with the Metropolitan Council to determine the likelihood of the City gaining traction. He stated that it appeared clear in the meeting that there would not be much support toward that flexibility in the staging of the high-density housing. He noted that additional comments and feedback were summarized in the staff report. He stated that although there are multiple actions that the City could take but reminded the Council that at this stage in the review of the draft plan, there would be impacts to the planning process that the City has undergone. He noted that the path of least resistance would be to amend the staging for high density to 2021 to become consistent with the Metropolitan Council comments.

Dennis Zylla, on behalf of Scott Baker, stated that Scott has been in the Boundary Waters and has not had time to read the most recent staff report. He understands what the City is attempting to do. He stated that the potential actions of the staff report caught his eye, asking if there is a way the City can get the plan approved but still allow flexibility for 2018-2019. He stated that his main concern is that the City wants the plan approved and therefore will accept the 2021 staging, which would potentially create a moratorium for three years on the 13 acres of property. He did not believe that was fair to the property owners who accepted the high-density guiding and staging proposed throughout this process. He stated that Scott would like to work with the City to allow his property to develop based on the earlier staging plan but does not want to wait for three years while the City waits for 2021 to appear. He believed the City should work with the property owners to change the minds of the Metropolitan Council rather than holding those properties for three years.

Mitchell acknowledged that this is difficult.

Martin stated that the City has tried very hard to make the property developable as soon as 2018, primarily motivated by the property owners. She stated that in her opinion at the meeting of the Metropolitan Council, a battle line had been drawn. She stated that it was very clear that Metropolitan Council staff will not let the plan go beyond their desks to the Metropolitan Council for approval as written by the City. She stated that a possible approach would be a cover letter stating that the Metropolitan Council staff required the City to submit the plan in a form palatable to Metropolitan Council Staff, but the City would prefer the staging as the City originally proposed.

Zylla stated that the City has worked for months and months to get the plan approved and is aware that the City wants the plan to be approved. He stated that he is aware that the City does not want high-density anywhere other than the areas identified, nor does the City want to choose any of the other options the Metropolitan Council has identified in order to allow the properties identified to develop in 2018.

Anderson agreed that this is not fair and not wise on the part of the Metropolitan Council. He stated that Finke spoke to the Metropolitan Council multiple times and the City has formally approached the Metropolitan Council at least four times attempting to resolve this situation. He stated that each time the City is shot down and sometimes the Metropolitan Council has attached even more restrictive measures. He stated that it was very clear at the meeting that, when four representatives from Medina walked into the room and ten of the Metropolitan Council staff/representatives walked in, the meeting was over and the Met Council was not going to budge on this.

Finke stated that the staging is not unique to these properties. He stated that the City could certainly accept a Comprehensive Plan amendment once the plan is in effect, which could allow the properties to develop. He noted that even if the City approves the Comprehensive Plan amendment, the Metropolitan Council will still make the final decision on whether to allow that amendment.

Larry Palm, 1400 CR 29, stated that he appreciates the time the City has spent on this. He stated that when it comes down to it, the property owners are paying the price for this. He stated that his taxes continue to increase while his property cannot be developed because of staging. He stated that the property owners being taxed cannot do anything with their land and pay the price for this decision. He stated that he has an opportunity with a good, conforming use and was unsure if the opportunity would exist in three years.

Martin stated that the City expressed that position at the meeting with the Metropolitan Council. She stated that as persons doing public service, they spent a lot of time fighting this battle with the interest of those property owners, and in the interest of creating a good plan. She stated that she expressed that the City could lose the opportunity for good, needed residential development by 2021 due to rising interest rates or other conditions, but there was no response from the Metropolitan Council.

Cousineau asked if either property owner has advocated for this with the Metropolitan Council.

Palm confirmed that as individuals they have reached out to the Metropolitan Council members and staff.

Martin appreciated the frustration and stated that no one from the City is opposing what the landowners would like to do. She stated that every time the City pushes, the Metropolitan Council staff pushes back harder. She believed that forwarding the plan with the cover letter as proposed is the only option to get the plan past the Met Council staff and on to the Metropolitan Council.

Pederson stated that he can sympathize with the property owners, as he has property that was available for development in 2018 for low density residential that has been changed to rural residential with staging of 2040. He stated that staff and the Council have done a good job in attempting to get the proposed staging, but the Metropolitan Council is the final decision maker.

Palm thanked the Council for their support and Finke for keeping the property owners informed throughout the process.

Mitchell asked the Council for its desired direction.

Finke stated that potential actions were included in the staff memorandum.

Martin noted that two of the options are similar, with the exception of one of the options actually creating two plans while the other would simply make the desired change and spell out the desires of the City in a cover letter. She stated that she got the impression that the Metropolitan Council staff and members that they have met with thus far are not intending to do what is right but intend to exert their power.

Anderson agreed and stated that he would even be hesitant to submit the cover letter as described for fear that there will be some retribution by the Council. He stated that the City has gone to the Metropolitan Council and each time the screws are tightened further.

Cousineau asked if there is an appeal process, and whether that could take place after the election takes place.

Finke stated that there is an appeal process, but you cannot appeal for an action you wish you would have taken. He stated that if the plan is denied, the appeal could then go forward but explained that would potentially put development of other properties at risk; essentially holding up development of other properties in anticipation of freeing up the high-density parcels.

Palm asked if the high-density property owners have a right to appeal at the Metropolitan Council, if the plan is approved with the 2021 staging.

Finke stated that the Metropolitan Council meetings are open to the public and perhaps there will be public comment allowed when the City's plan is reviewed.

Anderson stated that it is clear to him that option one would be best at this time, but he was unsure of whether the cover letter should be included.

Martin noted that two plans could be submitted but suspected that to would then be rejected because the City is only allowed to have one plan. She stated that she is not bothered by the cover letter.

Mitchell stated that the cover letter could be thrown away by the Metropolitan Council.

Batty confirmed that could happen. He stated that at this time the Council must think of the greater good, and what is best for the majority of the City. He stated that getting something approved is important. He stated that he does not see a problem with a cover letter, appealing to the Metropolitan Council members. He stated that the City must deal with the Metropolitan Council staff, before going on to the decision makers who will ultimately make the decision, similar to the City process.

Mitchell confirmed that the sense is to move forward with a plan that is adoptable with a cover letter that sets forth what the City would really like.

Pederson asked if that would hurt the position for a Comprehensive Plan amendment after the fact.

Mitchell did not believe so, noting that there will be changes to the members of the Metropolitan Council after the election season. He stated that the City could come back with the Comprehensive Plan amendment explaining that the City originally wanted this but was denied and would now like to amend the plan.

Batty explained that the difference at that time is the Comprehensive Plan amendment would be the only issue up for debate at that time. He explained that the risk at this point is that if the City continues to poke at this issue, there could be repercussions in another area of the plan, putting the rest of the plan at risk.

Moved by Martin, seconded by Anderson, to direct staff to follow option one in the staff memorandum to delay HDR property in southwest corner of the City until 2021; remove flexibility for HDR prior to 2021, and the five bullet points that follow that heading.

Motion passed unanimously.

Finke confirmed that he will make the changes to the plan and submit the changes in the manner described with the cover letter.

X. CITY ADMINISTRATOR REPORT (8:25 p.m.)

Johnson stated that the Council meeting is scheduled for July 3rd at which time the public hearings for the Hickory Drive and Buckskin Drive road projects will occur.

Belland noted that at the I 94 First Responders Luncheon two police staff members were recently recognized with first responder awards. He stated that the Hamel Fire Department was also recognized for their roll in the bomb threats at Target. He stated there were great presentations and the event was well received.

XI. MAYOR & CITY COUNCIL REPORTS (8:27 p.m.)

Pederson reported that he attended the LICA ice cream social. He stated that an individual from Three Rivers Park District spoke about an upcoming project. He noted that it was a great event highlighting the water quality projects and issues.

XII. APPROVAL TO PAY THE BILLS (8:28 p.m.)

*Moved by Anderson, seconded by Martin, to approve the bills, EFT 004623E-004644E for \$88,358.47 and order check numbers 047336-047391 for \$125,091.80 and payroll EFT 0508660-0508714 for \$104,852.71. **Motion passed unanimously.***

XIII. ADJOURN

*Moved by Anderson, seconded by Martin, to adjourn the meeting at 8:29 p.m. **Motion passed unanimously.***

Bob Mitchell, Mayor

Attest:

Jodi Gallup, City Clerk