

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 4, 2018

The City Council of Medina, Minnesota met in regular session on December 4, 2018 at 7:00 p.m. in the City Hall Chambers. Mayor Martin presided.

I. ROLL CALL

Members present: Anderson, Cousineau, DesLauriers, Martin, and Pederson.

Members absent: None.

Also present: City Administrator Scott Johnson, City Attorney Ron Batty, City Engineer Jim Stremel, City Planning Director 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 (7:01 p.m.)

A. Approval of the November 20, 2018 Special City Council Meeting Minutes

*Moved by Cousineau, seconded by Anderson, to approve the November 20, 2018 special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the November 20, 2018 Regular City Council Meeting Minutes

Martin noted that written comments were provided to be incorporated.

*Moved by Anderson, seconded by Pederson, to approve the November 20, 2018 regular City Council meeting minutes as amended. **Motion passed unanimously.***

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

A. Approve 2019 Tobacco License Renewals

B. Approve US Solar Agreements

C. Approve 2019 WSB Engineering Rates

D. Approve 2019 Kennedy and Graven Legal Rates

E. Resolution No. 2018-84 Designating Polling Places for Elections Held in Medina in 2019

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

VI. COMMENTS (7:03 p.m.)

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer reported that the Park Commission met the previous week to discuss the Deer Hill Preserve project and the possible conversion of one lot to a City park. He stated that

the Park Commission ultimately decided that it would be best if the lot would be converted to a private park and some of the park dedication funds would be used for equipment with a connection between a neighboring park. He stated that colors for the dugouts were also discussed with the decision being black poles and a tan roof, to match the community building.

C. Planning Commission

Finke reported that the Planning Commission will meet the following week to hold a hearing to consider 34 rezonings for various properties which were changed in the City's 2040 Comprehensive Plan. He noted that he has received some resident calls and anticipates some of those residents will attend the hearing.

VII. PRESENTATIONS

A. Resolution No. 2018-85 Recognizing Keith Converse for 15 Years of Service to the City of Medina (7:05 p.m.)

Martin read aloud the resolution recognizing Keith Converse for his 15 years of service to the City of Medina as a Police Officer.

*Moved by Anderson, seconded by Pederson, to adopt Resolution No. 2018-85 Recognizing Keith Converse for 15 Years of Service to the City of Medina. **Motion passed unanimously.***

Martin presented the resolution to Keith Converse and thanked him for his service.

Belland extended his thanks to Keith for his 15 years of service as he continues to be a dependable and reliable member of the department.

VIII. NEW BUSINESS

A. 2019 Budget (7:08 p.m.)

1. Budget Tax and Levy Presentation – Public Comment

Barnhardt stated that there have not been a lot of significant changes since the last review and discussion of the proposed 2019 budget and levy, when the preliminary budget and levy were set in September. She highlighted some of the major changes to the general fund budget from 2018 to 2019. She stated that even though the general fund budget is increasing, the levy impact is going down because of increases to property values. She highlighted staffing and employee compensation. She noted that police and public safety compose a large amount of the City budget. She stated that the property tax levy includes the general fund budget as well as bonded debt. She provided comparisons of tax levies for neighboring cities that are similar in size and population or size and structure. She stated that the numbers from Hennepin County show an increase in both the market value and the City's tax capacity and explained how that will impact the proposed property taxes for Medina residents. She provided updated tax rates from each of the four school districts within Medina. She stated that Hennepin County is improving the process for how the statements look to show the different government entities that contribute to that property tax amount. She reviewed the City's outstanding debt.

DesLauriers stated that the balances on some of the debts are low and asked if there would be an advantage to paying those off early.

Barnhart stated that it would depend on the funding source, noting that some of the bonds are held to a higher standard for timing. She noted that some bonds have prepayment penalties.

Johnson noted that six of the nine bonds will be paid in full within the next five years.

Barnhart provided information on the proposed utility increases for 2019.

Johnson noted that staff will continue to review the rates every two to three years to ensure that the plans remain on track for future expenditures.

Barnhart highlighted challenges which will continue to be discussed, including the park fund, equipment fund, fire capital, and the Capital Improvement Plan (CIP). She reviewed proposed 2019 road projects.

Pederson asked if there is an estimate for the whistleless crossing at Arrowhead Drive.

Johnson noted that staff is currently reviewing options. The plans and specifications will be prepared in 2019 and construction is expected in 2020.

Martin thanked staff for an excellent presentation. She welcomed an members of the public to speak on the budget.

No additional comments were received.

2. Resolution No. 2018-86 Approving 2019 Final Tax Levy

Moved by Cousineau, seconded by Anderson, to adopt Resolution No. 2018-86 Approving the 2019 Final Tax Levy. Motion passed unanimously.

3. Resolution No. 2018-87 Approving 2019 Final Budget

Moved by Cousineau, seconded by Anderson, to adopt Resolution No. 2018-87 Approving the 2019 Final Budget. Motion passed unanimously.

B. Yeshiva of Minneapolis School Conduit Bonds – Public Hearing (7:31 p.m.)

Johnson noted that at a previous meeting in October the Council discussed working with Yeshiva school in St. Louis Park to provide conduit bonds.

Martin commented that the Council was aware that this would be a fast-moving process because of the year-end deadline.

Gina Fiorini, Kennedy & Graven, noted that they serve as bond counsel to the City.

Martin explained, and asked bond counsel to confirm, her understanding that the City is “on paper” borrowing the money from the bank and that pursuant to a loan agreement, the borrower (i.e. the school) pledges to make payments which will be made directly to the bank. She stated that on paper, the City is technically a borrower, but noted that there are statements in the agreement that say the City is not in a position of risk. She asked if there is a statement in the agreements that the bank would never attempt to exercise any remedies against the City.

Fiorini agreed that language could be strengthened. She explained that conduit revenue bonds allow certain types of borrowers to receive tax exempt financing (such as non-profits). She noted that in exchange for that the borrower would be solely responsible to pay that debt and the City's tax revenue would not be used to pay the debt. She stated that in an event the borrower would run into trouble, the bank would look to the borrower and not the City. She stated that this will in no way impact the City's bond rating. She agreed that the strengthened language suggested by Martin could be put into the statement.

Martin asked for and received clarification on certain language. She reviewed the fee the City will collect for providing this service. She asked about liability, using the example of someone slipping and falling on the school property.

Fiorini stated that she would discuss changing the liability insurance requirements with the borrower and the bank.

Martin noted that she would provide her grammatical suggestions to staff.

Martin opened the public hearing at 7:53 p.m.

Mark Kutoff, representing Yeshiva, stated that they appreciate the efforts of the City. He stated that the school currently has 60 to 80 boys with a waiting list and is embarking on a program which will allow the school to accept up to 200 boys. He thanked the City very much for its efforts.

Martin closed the public hearing at 7:55 p.m.

1. Resolution No. 2018-88 Authorizing the Issuance of Revenue Obligations for the Benefit of Yeshiva of Minneapolis; Authorizing the Execution of the Revenue Obligations and Related Documents; and Taking Other Actions Related Thereto

*Moved by Anderson, seconded by Cousineau, to adopt Resolution No. 2018-88 Authorizing the Issuance of Revenue Obligations for the Benefit of Yeshiva of Minneapolis; Authorizing the Execution of the Revenue Obligations and Related Documents; and Taking Other Actions Related Thereto, subject to the review and approval of the City Attorney in consultation with bond counsel. **Motion passed unanimously.***

C. Deer Hill Preserve 3rd Addition (7:56 p.m.)

Finke stated that this is a request for final plat for the 3rd Addition of Deer Hill Preserve noting that this addition would not include any public improvements. He stated that this would simply replat the outlot into the proposed lots. He stated that one of the lots would be changed to a private park which will serve the subdivision. He stated that the Park Commission determined that the park should be a private park, which will reduce the overall number of lots by one. He stated that the park dedication fee would be adjusted in recognition of the private park improvements. He stated that there would also be reallocation of the assessments on the outlot to break that down for the five lots. He explained that six shares would be reallocated onto the five lots, as one lot will become a private park and therefore would not be assessed. He stated that the plat is consistent with the approved Preliminary Plat, except for transitioning one lot into a private park. He stated that there was an interest to strategically locate less parks in the City, in terms

of fiscal responsibility as there is a continued discussion on the maintenance of existing parks within the City. He stated that the Morningside Park is within .5 miles of most of the homes in this development and therefore there was a trail connection discussed but the consensus was for the park in this development to remain private rather than public. He stated that the park dedication credit would be proposed at over \$37,000 for the land and play equipment. He stated that staff recommends adoption of the resolution for Final Plat and the resolution related to the reallocation of the assessment. He provided clarification on the park dedication credit and the 429 road improvement project.

Martin asked the total number of lots within the overall development.

Finke replied there would be 40 lots with one park.

Cousineau asked if the developer has an obligation to 41 lots or whether this would be allowed.

Finke stated that one could make the argument that this would not be consistent with the Preliminary Plat but noted that staff did not see a reason to do that because the site would not be in violation of density requirements and would meet the requirements and ought to be approved.

Cousineau stated that her thoughts were in terms of planning and budgeting.

Martin noted that the City does not count homes that have not yet been constructed or for which building permits have not yet been pulled and therefore these homes were not counted in terms of budgeting.

Batty stated that technically the Plat could have been denied for those reasons but noted that this was mutually agreed upon. He noted that it is not uncommon for there to be some changes in a multi-phase development as it goes along.

1. Resolution No. 2018-89 Granting Final Plat Approval for Deer Hill Preserve 3rd Addition

*Moved by Pederson, seconded by Anderson, to adopt Resolution No. 2018-89 Granting Final Plat Approval for Deer Hill Preserve 3rd Addition. **Motion passed unanimously.***

2. Resolution No. 2018-90 Reapportioning Adopted Assessments for Deer Hill Preserve Road Improvement Project

*Moved by Pederson, seconded by Cousineau, to adopt Resolution No. 2018-90 Reapportioning Adopted Assessments for Deer Hill Preserve Road Improvement Project. **Motion passed unanimously.***

IX. CITY ADMINISTRATOR REPORT (8:10 p.m.)

Johnson had nothing further to report.

X. MAYOR & CITY COUNCIL REPORTS (8:10 p.m.)

Scherer stated that there will be an open house the following day for the Brockton Lane project from 4:30 to 6:30 p.m.

It was noted that there will be an Employee Recognition Party later this week as well, with donations being accepted for Toys for Tots.

XI. APPROVAL TO PAY THE BILLS (8:13 p.m.)

*Moved by Anderson, seconded by Pederson, to approve the bills, EFT 004868E-004890E for \$58,038.80 and order check numbers 048159-048206 for \$154,301.21 and payroll EFT 0509081-0509108 for \$54,616.25. **Motion passed unanimously.***

XII. ADJOURN

*Moved by Anderson, seconded by Pederson, to adjourn the meeting at 8:13 p.m. **Motion passed unanimously.***

Kathleen Martin, Mayor

Attest:

Jodi M. Gallup, City Clerk