

**MEDINA CITY COUNCIL MEETING MINUTES OF MAY 7, 2019**

The City Council of Medina, Minnesota met in regular session on May 7, 2019 at 7:00 p.m. in the City Hall Chambers. Mayor Martin presided.

**I. ROLL CALL**

**Members present:** Albers, Anderson, 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, City 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 April 16, 2019 Reconvened Board of Appeal and Equalization Meeting Minutes**

*Moved by Anderson, seconded by DesLauriers, to approve the April 16, 2019 reconvened Board of Appeal and Equalization meeting minutes as presented. **Motion passed unanimously.***

**B. Approval of the April 16, 2019 City Council Work Session Meeting Minutes**

Johnson stated that changes were submitted by Anderson.

*Moved by Anderson, seconded by DesLauriers, to approve the April 16, 2019 City Council work session meeting minutes as amended. **Motion passed unanimously.***

**C. Approval of the April 16, 2019 Regular City Council Meeting Minutes**

Martin noted that she and Anderson submitted proposed revisions.

*Moved by DesLauriers, seconded by Anderson, to approve the April 16, 2019 regular City Council meeting minutes as amended. **Motion passed unanimously.***

**D. Approval of the April 17, 2019 Business Forum Minutes**

*Moved by DesLauriers, seconded by Anderson, to approve the April 17, 2019 business forum minutes as presented.*

*Further discussion: Pederson suggested moving forward with only two business visits rather than three in the future, which would allow additional discussion time with the businesses.*

*Belland noted that he is listed as present but was not at the meeting.*

***Motion passed unanimously.***

**E. Approval of the April 17, 2019 Business Tours Minutes**

*Moved by DesLauriers, seconded by Anderson, to approve the April 17, 2019 business tours minutes as presented. **Motion passed unanimously.***

**V. CONSENT AGENDA (7:05 p.m.)**

**A. Resolution No. 2019-26 Accepting Donation from the Hamel Athletic Club**

**B. Approve Agreement with D'Fence**

**C. Approve Natural Resources Grant Agreement with Hennepin County**

**D. Resolution No. 2019-27 Authorizing Capital Project Fund Deer Hill Preserve Improvement Balance Transfer and Closing**

**E. Resolution No. 2019-28 Authorizing Capital Project Fund TH 55 Intersections Balance Transfer and Closing**

**F. Resolution No. 2019-29 Approving Proposed Transfers and Assignment of Fund Reserves**

**G. Resolution No. 2019-30 Granting Variance and Site Plan Review Approval to MaxTech for Property at 920 Hamel Road**

**H. Resolution No. 2019-31 Granting Extension of Time to Effectuate the Lot Combination at 900 and 920 Hamel Road; Amending Resolution No. 2018-09**

Pederson thanked the Hamel Athletic Club for their generous donation. He also thanked Finke and Scherer for their work on the grant.

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

**VI. COMMENTS (7:07 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 hold the first of its park tours the following day, dependent upon the weather. He noted that the tour would begin at Hamel Legion Park and then transition to Hunter Park. He stated that the bus tour will be held on May 15<sup>th</sup>.

Johnson stated that an email has been sent stating that the decision will be made by noon the following day on the weather. He confirmed that if the tour is canceled, it would be combined with the bus tour the following week.

Scherer provided an update on spring park activity.

DesLauriers commented that the new dugouts look great and will last a long time.

Scherer stated that close to 100 signatures were obtained at Clean-Up Day for the park replacement fund. He noted that the park commissioners will continue to attend public outreach events in an attempt to gain additional support.

**C. Planning Commission**

Finke reported that the Planning Commission will meet the following week to review the presentation for Uptown Hamel and discuss the strategy to implement some of the recommendations.

**VII. PRESENTATIONS**

**A. Uptown Hamel Study/Presentation – U of M Humphrey Students (7:10 p.m.)**

Nick Kieser (one of the students) thanked the staff, Council and Planning Commission for their assistance and support throughout this process. He noted that a more detailed report will be sent to staff following the presentation. He noted that much of the information is based off of the City's 2040 Comprehensive Plan and the objectives for Uptown Hamel, but also incorporates the input received from the community. He explained that the three objectives of the study were to conduct engagement activities, identify and research trends, and provide recommendations.

Katie Page (one of the students) stated that three different open houses were held in an attempt to attract the widest amount of community participation. She noted that online surveys were also available for those that were unable to attend but still wanted to participate. She stated that communication through email and online mapping activities were also available. She described the three activities that were available at the open house meetings including dream street, vision map, and preference scales. She noted that additional input was received through comment cards at the open houses and through the online activities available.

Mary Cutrufello (one of the students) stated that after conducting the open house and online activities, they were able to identify four trends: restaurants, shops, and small businesses; a sense of historic feel; parking issues; and building height/physical dimensions of the street. She stated that there is a desire from residents for casual dining and coffee shops. She stated that the residents preferred to have a local, more unique option for dining, rather than a chain restaurant. She moved to the comments relating to the historic feel, noting that Uptown Hamel has a different character and people think it is important to maintain that character. She stated that when thinking about further development/redevelopment the issue of parking came forward. She noted that while there do not appear to be parking problems currently, there is concern that parking issues could arise with further development of that area. She noted that people prefer parking behind buildings, keeping the storefronts closer to the street to maintain the historic feel and walkability. She provided details on the input received regarding building height related to mixed use development, noting that people were supportive of two to three stories. She used the example of retail or restaurant on the street level with residential above.

Kieser summarized the recommendations that came out of this process that include future community engagement, noting that the City can continue to build upon the process that began in this study through community events, utilization of the community groups, and use of social media. He stated that a parking study could be completed that would determine available parking and possibilities for future development. He stated that building height would come through new design guidelines for the area, which will help to drive development in the manner that people want to see. He noted that food trucks could be allowed at existing and future events to gauge the interest of residents and could lead to permanent transitions. He stated that people want pedestrian

connectivity to Uptown Hamel. He identified programs that could assist in the Uptown Hamel area including the Minnesota Main Street Program.

Martin thanked the student group for its input and for completion of the project.

Pederson commended the students and agreed that parking would be an issue in the future. He asked if a potential location was identified for future parking.

Kieser replied that the vision mapping included different preferences for parking but noted that the trend identified parking behind the building, away from the roadway. He confirmed the preference for building height to be between two and three stories.

Albers agreed that this was a great study with a good approach. He noted that he was not surprised that residents continue to desire restaurants and coffee shops in that area.

DesLauriers stated that he appreciated being able to be a part of the process. He agreed that much of the desires from the public were known and noted that the challenge will be attempting to bring those desires to fruition with the challenges of the existing infrastructure.

Anderson commended the students for their work, who put a lot of time and effort into the work.

Martin stated that she attended one of the open houses and noted that most of the residents that participated seemed to be in close proximity to the Uptown Hamel area.

Kieser stated that most residents came from the Enclave while there were residents from other parts of the city.

Martin agreed that the Council is not surprised by the desires of the community in wanting restaurants and places to gather. She asked if there are recommendations in the report on how the City could attract those types of businesses to the Uptown Hamel area.

Page stated that the City should build the environment, making the area pedestrian friendly and completing the infrastructural changes that could attract retailers.

Martin stated that she liked the idea of using food trucks to bring attention to the area and to show that there is a drive to have that type of business in Uptown Hamel.

Page stated that the ball games tend to bring in a large group of people and that could be a good opportunity to bring in a food truck. She noted that the report identifies strategies that the City could use to incentivize businesses.

## **VIII. NEW BUSINESS**

### **A. Ordinance Rezoning Certain Properties to Rural Residential-Urban Reserve (RR-UR) (7:41 p.m.)**

Finke stated that this is a continuation of previous discussions the Council has had to review and rezone properties to be consistent with the 2040 Comprehensive Plan. He stated that these five properties were a piece of the ordinance discussion, noting that the

Planning Commission had desired additional discussion on these five properties before making a recommendation. He noted that there were a number of public hearings held on this topic. He stated that following the March 12<sup>th</sup> meeting, the Planning Commission recommended that three of the five properties be rezoned to the Rural Residential-Urban Reserve (RR-UR) while the remaining two remain in Rural Business Holding (RBH). He stated that in the previous Comprehensive Plan, the properties were identified to be incorporated into the MUSA and available for development as early as 2025, while the 2040 Plan pushes that potential development further out. He provided background information on the allowed uses within the RR-UR and the RBH districts. He stated that self-storage or mini-storage is an interesting example where water usage does not correlate well to the allowed size of the structure. He stated that if the City is interested in allowing business within the RBH, perhaps a different matrix should be developed for the size of allowed uses. He stated that a property owner advocated for the continued business designation at the public hearings and staff raised concern with the access of that property. He stated that staff does not recommend the RBH for properties that would have access from Highway 55 or the smaller roadways. He stated that parcel 26 does have access to the County Road and therefore access would not be an issue. He stated that staff recommends that the properties be rezoned to RR-UR and if a property wishes to, they could request RBH at the time of a development request. He stated that the Planning Commission held a public hearing on this matter at their last meeting and recommended that parcels 26 and 29 not be rezoned and instead be left in RBH.

Pederson stated that he serves on the Highway 55 Coalition and the objective is to not create more accesses onto Highway 55. He stated that it would not make sense to incentivize the existing accesses. He referenced lot 26, noting that when County Road 19 redevelops there will need to be stacking and a backage road would need to be used for access, as he did not see how access from Highway 55 could be supported for that corner property. He agreed that Town Line and Pioneer are not built to support business use.

Albers agreed that there is not a good access. He stated that he would support rezoning all the properties to RR-UR rather than splitting the five properties between the two districts.

Martin asked and received confirmation that parcels 26 and 29 would not have access to Pioneer.

Finke provided details on how both properties currently have access, noting that parcel 26 has access onto CR 19, while parcel 29 has a driveway onto Highway 55.

Martin asked the type of approval that would be needed if the owner of parcel 29 wanted to build a mini storage business on their parcel, should the property be rezoned RBH.

Finke stated that the property would need a Site Plan review. He noted that the parcel would either continue to access from Highway 55 or would have an access onto a subpar roadway that was not constructed to support business traffic. He stated that should the Council decide that some type of business activity is allowed in the future development area, that would not be inconsistent with the Comprehensive Plan.

Martin stated that it does not sound like the allowed uses under either RR-UR or RBH would intensify traffic. She stated that perhaps it would make sense strategically for the

City to allow limited development, as stated in the report, because the decision to postpone future residential development has been made. She stated that this seems to be a reasonable interim use that would also assist the tax base.

Pederson asked why the other three parcel owners would not come forward to request similar zoning to RBH.

Martin noted that those three property owners have not objected to the proposed rezoning to RR-UR.

Anderson stated that zoning all five properties to RR-UR would still allow a potential developer to come forward and request a rezoning. He stated that he would support following the staff recommendation to rezone all five properties to RR-UR.

Finke stated that if capacity for business development is something the Council is interested in, he would possibly suggest looking for those opportunities closer to the availability of sewer and water and updated infrastructure.

DesLauriers stated that many of the issues brought forward were discussed through the Comprehensive Plan process, including access and consistency.

Joe Cavanaugh Jr., 275 Lakeview Road and owner of parcel 29, asked the Council to keep an open mind. He stated that his property has been zoned rural business for the past 15 years and they have held the property with the intention that sewer and water would be brought to the parcel for development. He recognized that the ability to develop the parcel has been pushed off for at least another 10 to 15 years and is asking that he be allowed to do something for cashflow with the property in the meantime. He stated that the property should be zoned in a way that the property will be used in the future. He explained that it does not make sense for homes to be built on that property along Highway 55. He stated that his property has slopes and the majority is not buildable because of the steep slopes. He asked that he be allowed to do something with his property in the time being, noting that the use has not caused problems thus far. He stated that the Planning Commission supported his request and he is more than willing to work with the City.

Martin stated that staff is recommending that the parcel be rezoned RR-UR and he could then come back with a rezoning request in the future if desired when there is a real project in mind. She asked if the property owner would be able to continue the current activity.

Finke stated that staff has not reviewed or approved any business activity on the site thus far.

Cavanaugh replied that the process is difficult to request a rezoning once a parcel is zoned in one manner. He stated that he is simply looking to use a small portion of the property in the time before sewer and water is brought to the area. He noted that he would be interested in boat storage that could generate some income. He noted that people are not coming and going often with that use.

DesLauriers asked and received confirmation from Mr. Cavanaugh that traffic has not intensified with the current use of the property.

**1. Ordinance No. 647 Amending the Official Zoning Map to Rezone Properties to the Rural Residential-Urban Reserve District**

*Moved by Anderson, seconded by Albers, to Adopt Ordinance No. 647 Amending the Official Zoning Map to Rezone Properties to the Rural Residential-Urban Reserve District.*

*Further discussion: Martin stated that she is struggling with the fact that people have owned properties for a long period of time awaiting development and that development ability has been delayed. She commented that she does not see the harm in letting this property owner continue his use and having boat storage.*

*Finke stated that it would be disincentivizing to require a rezoning. He stated that if there is an interest in allowing business, zoning the property RBH would make more sense.*

***Motion passed 3-1 (Martin opposed) (Pederson recused himself).***

**1. Resolution No. 2019-32 Authorizing Publication of Ordinance No. 647 by Title and Summary**

*Moved by Anderson, seconded by Albers, to Adopt Resolution No. 2019-32 Authorizing Publication of Ordinance No. 647 by Title and Summary. **Motion passed unanimously. (Pederson recused himself)***

**B. Patricia Raskob Trust – 500 Hamel Road – Preliminary Plat (8:13 p.m.)**

Finke stated that this request is to subdivide the property into two halves. He noted that there is not a development request, the property owner is simply interested in marketing the property as two pieces. He displayed the Preliminary Plat, noting that the northern half of the property is essentially unbuildable because of slope and the location of the City stormwater pond. He stated that the City is paying for the subdivision costs as part of the agreement that was created allowing the easement for the City stormwater pond. He noted the location of Elm Creek and the required setbacks and hardcover requirements because of the overlay district. He stated that one of the conditions of the subdivision would be that the lots cannot exceed the hardcover requirement, which would negate the ability for a future property owner to request a hardcover variance in the future. He stated that the applicant has provided a floodplain mitigation plan that would support the creation of a driveway without creating net impacts to the floodplain. He reviewed the current zoning of the property, noting that the property would most likely be rezoned in the future when the Uptown Hamel review is completed. He noted that the subdivided property would continue to fit within the Uptown Hamel or mixed-use districts and therefore the subdivision would not have an impact on future rezoning. He stated that the Planning Commission held a public hearing the previous month and recommended unanimous approval of the request subject to the conditions listed in the report. He noted that the adjacent property owner has expressed concern with the location of the identified lot lines and that will need to be resolved.

Joe Cavanaugh Jr., 275 Lakeview Road, stated that he raised concerns with the lot lines two months ago. He stated that the lot lines have been moved by 40 feet but are still off. He asked if that resolution would be a condition of the approval.

Batty stated that he cannot guarantee that everyone will be happy. He stated that it seems the question is not with the dimension of the lot but just where that lot lies. He noted that the discrepancy has shrunk from 40 feet to two feet. He stated that the County surveyor will determine the final location. He stated that this is a Preliminary Plat. He stated that the title work matches the plat and therefore the applicants have good title, the question is where the property is located on the earth. He stated that the surveyors will make the final decision and the City will need to find it satisfactory, as the other parties may not ultimately agree with the results.

Anderson asked about the length of time the survey process would take.

Finke was unsure of the timeline. He noted that the applicant's surveyor was hoping to touch base with the County the following day. He stated that this would be added as a condition of final plat and the applicant would not be able to move forward until that condition has been satisfied.

Martin stated that if the parties do not end up agreeing, there could be an adverse claim on the title.

Anderson stated that approving the Preliminary Plat could put the Council in an awkward position in so far as there seems to be a discrepancy as to the property lines.

Johnson stated that the action tonight would simply be to direct staff to prepare the resolution.

Batty stated that there is no question on the title, the question is where that property lies. He stated that there does not seem to be a question of gap or overlay but where the properties lie.

Finke stated that the resolution would not appear on the Consent Agenda if it is not to the satisfaction of the City.

Pederson asked if the applicant can use the stormwater pond.

Finke confirmed use of the stormwater pond was part of the agreement for the City easement.

Martin suggested changes to the proposed conditions one and four. She asked if it is standard operating procedure to delay the payment of park dedication to the receipt of building permit.

Finke confirmed that is consistent for the City.

*Moved by Martin, seconded by Anderson, to direct staff to prepare a resolution granting preliminary plat approval with the conditions stated in the report with three changes: #1 would be augmented to include the posting of financial guarantees with respect thereto; #4 would be changed to state that the owner shall acknowledge in the development agreement that a letter of map amendment from FEMA may be necessary to avoid flood insurance with future improvements to lot two; and adding a condition #9 that there be a resolution satisfactory to the City Council of the surveying issues with the neighboring property owner as discussed on the record tonight. **Motion passed unanimously.***

**C. Jeff Pederson – 4790 Rolling Hills Road – Site Plan Review for Construction of a Mini-Storage Building (8:31 p.m.)**

Pederson recused himself from the discussion.

Finke stated that the original mini-storage was created in 1995 and in 2015, three additional structures were approved and constructed in 2016. He noted that this request would be the final building for the property which is zoned RBH. He reviewed the adjacent property zoning and uses. He stated that the proposed building would be 4,320 square feet and would be constructed on existing hardcover, therefore not increasing the total amount of hardcover on the site. He noted that there would be a condition requiring the runoff from the new building to be directed to the existing stormwater pond. He reviewed the proposed building materials, height and setbacks. He stated that the Planning Commission reviewed this request at their meeting the previous month and recommended approval subject to the conditions listed in the staff report.

Martin asked if there would be additional park dedication required.

Finke stated that park dedication is triggered by subdivisions, noting that this is not that type of request.

*Moved by DesLauriers, seconded by Anderson, to approve the Site Plan Review with the conditions noted in the staff report. **Motion passed unanimously.***

Pederson rejoined the Council.

**D. 2019 Staff Needs Analysis and Succession Plan (8:36 p.m.)**

Johnson stated that there was good discussion on this topic at the March 19<sup>th</sup> worksession. He noted that he took that input back to staff to discuss the true needs over the next ten years. He noted that the plan is flexible, dependent on the conditions in the market and staff workloads.

Belland stated that a survey of adjacent and like communities was done to compare salary ranges. He stated that for patrol officers, Medina ranks fifth for wages and ranks first for health benefits. He explained it continues to be difficult to recruit police officers, noting that Medina competes for recruits with larger departments which rank much higher in terms of pay. He stated that having great benefits is a good selling point for recruits and helps to retain employees. He noted that a combination of benefits and salary is important.

Scherer agreed that it is becoming more difficult to recruit employees for public works as well. He stated that the pay ranges vary, and the City competes with organizations and businesses that may pay higher or have better benefits. He noted that this is a very different market for hiring. Full-time benefits are important in recruiting good family-oriented people and benefits help retain them.

Barnhart stated that it is difficult to show the full impact, as costs for benefits range in price because the premiums are age based. She stated that the salary ranges remain consistent with the program the City follows, noting that the only yearly impact would be COLA increases. She provided additional information on the cost for benefits and PERA.

Pederson agreed that this is a challenging market to hire employees. He agreed that benefits are an important driver and noted that the City's employee atmosphere is great for retaining employees.

Barnhart stated that cities are not shy in trying to recruit employees from Medina, but the employees continue to stay with the City.

Johnson agreed that City Staff have created a great work culture that is appealing to new employees.

Scherer stated that in the recent interviews, applicants have asked him how he likes working for Medina. He commented that Medina is a great culture to work in and does not tend to have the same issues as other municipalities.

Albers stated that after 2021 it appears that there would be a range of between \$136,000 to \$223,000 in the budget increase.

Barnhart explained that there is a slow increase to that point and provided additional details.

Martin thanked staff for the great work and the additional analysis that was done to scale back the increases in staff.

DesLauriers stated that originally one officer was proposed for 2020 but noted that more or less officers may be needed based on future analysis. He stated that if officers are working overtime, that does not solve the long-term issue. He noted that it would be nice to have more analysis done to determine the cost benefit.

Belland stated that his observation looks at that but is based on 12 hours shifts of three to four officers for the three different shifts. He stated that there is an impact for those officers that have rotating shifts. He stated that one additional officer will provide relief for that issue. He stated that the police department has not added a new position since 2007 and has done a great job of maintaining its staffing level. He stated that he did not see a need to add two officers in the staffing plan but would continue to review the needs. He stated that the staffing plan originally called for an officer in 2011, but that was pushed off because the department did not need that additional officer. He explained that even with the amount of development that has occurred, the level of crime has not increased to date.

*Moved by DesLauriers, seconded by Albers, to approve the 2019 Staffing and Succession Plan. **Motion passed unanimously.***

#### **IX. CITY ADMINISTRATOR REPORT (8:53 p.m.)**

Johnson stated that the next worksession is scheduled for May 21<sup>st</sup> and will include a tour of 600 Clydesdale Trail. He stated that most likely the May 8<sup>th</sup> park tour will be rained out and rescheduled to occur on May 15<sup>th</sup>. He thanked Scherer and his staff for their great work on Medina Clean-Up Day. He stated that the City received a request for conduit bonding from Presbyterian Homes in Bloomington.

Barnhart stated that she received a call from Kennedy and Graven with another opportunity to do a conduit bond, this time for a Presbyterian Home project in Bloomington. She noted that this would be similar to the conduit bond the City did the previous year. She stated that the City does not have any projects to bond for this year, and therefore would have this option available. She stated that this opportunity could provide the City with roughly \$65,000.

Pederson asked when will Hackamore be reconstructed.

Johnson noted that project is still a few years out.

Martin confirmed the consensus of the Council to direct staff to continue to move forward with that request.

#### **X. MAYOR & CITY COUNCIL REPORTS (8:58 p.m.)**

Pederson provided an update on the Medina Clean-Up Day, which was a lot of fun and had a great turnout. He stated that he also attended the Loretto Fire pancake breakfast, which was heavily attended. He noted that he sat with Senator Osmeck at the event, noting that the Senator was not very optimistic that the requested funds would be received for Highway 55.

Albers stated that he attended the meeting of the Long Lake Waters Association, which discussed the upcoming carp project and other things that could be done to improve the water quality. He stated that those projects are interesting, but you must also think about the long-term effect of the project from a watershed prospective and the financial contribution that would be needed from the cities.

Martin stated that it was her understanding that the intent of the initial study was to attract grants to complete that work, which it has done. She stated that she attended the Interfaith Outreach 40<sup>th</sup> anniversary dinner the previous weekend, noting that it was a great event and a nice reminder of how lucky the City is to have that nonprofit organization in the community. She noted that she and DesLauriers have been attending the fire meetings, noting that a summary was provided in the packet from Johnson.

DesLauriers asked if this would be an opportunity to start at .8 percent for the City's fee for the conduit bonds because it is earlier in the year and there may be additional options in 2019. He stated that he liked the dedication of conduit bond funds similar to 2018 to be specifically allocated for future projects/funds (i.e. Celebration Day). He noted that perhaps a similar option be identified for these funds that will be generated. He stated that Clean-Up Day was a great event with a great turnout.

Barnhart stated that in her response to Kennedy and Graven she can ask how negotiable the fee is for the conduit bond.

Batty stated that he does not know the market, but he would think the later in the year, the stronger position the City would be in because there would be lesser funds available. He stated that the City obviously wants to get as much as it can in return for providing the financing but also does not want to price itself out of the market.

**XI. APPROVAL TO PAY THE BILLS (9:08 p.m.)**

*Moved by Anderson, seconded by Pederson, to approve the bills, EFT 005048E-005079E for \$115,415.67 and order check numbers 048700-048760 for \$159,809.67 and payroll EFT 0509375-0509434 for \$104,940.56. **Motion passed unanimously.***

**XII. ADJOURN**

*Moved by Pederson, seconded by Albers, to adjourn the meeting at 9:08 p.m. **Motion passed unanimously.***

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Kathleen Martin, Mayor

Attest:

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Jodi M. Gallup, City Clerk