

MEDINA CITY COUNCIL MEETING MINUTES OF SEPTEMBER 3, 2019

The City Council of Medina, Minnesota met in regular session on September 3, 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, Assistant City Administrator Jodi Gallup, City Attorney Ron Batty, City Engineer Jim Stremel, City Planning Director Dusty Finke, City Planning Intern Ben Schneider, 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 August 20, 2019 Special City Council Meeting Minutes

*Moved by Anderson, seconded by Pederson, to approve the August 20, 2019 special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the August 20, 2019 Regular City Council Meeting Minutes

Martin noted that changes submitted by herself and Anderson have been distributed to the Council for incorporation.

*Moved by Anderson, seconded by Albers, to approve the August 20, 2019 regular City Council meeting minutes as amended. **Motion passed unanimously.***

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

A. Approve Medina/Independence/Greenfield/Loretto Quad City Agreement

Johnson and the Council commended Finke and Scherer for their excellent work on this agreement.

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

VI. COMMENTS (7:02 p.m.)

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer reported that there was vandalism at the field house. He stated that the parks look great and staff will begin to shutdown the field house in the next few weeks to

prepare for winter. He noted that there is a possibility that trail repair will occur this fall at Hamel Legion Park.

Johnson stated that information developed by the Park Commission was provided to the Council tonight summarizing the Commission's resident engagement.

Martin reported that the document shows that 98 percent of the residents that the Park Commission members spoke with about the parks were in support of a proposed tax levy to support the parks. She noted that a petition was presented that includes names of supporting residents.

C. Planning Commission

Finke reported that the September meeting has been canceled due to lack of business.

VII. NEW BUSINESS

A. 2020 Preliminary Budget & Tax Levy (7:06 p.m.)

Martin noted that an open house was held for the public prior to tonight's meeting to review the proposed budget and tax levy information.

Barnhart stated that the purpose tonight is to adopt the preliminary 2020 budget and tax levy, with final adoption to occur on December 3rd. She reported that a balanced budget is proposed for 2020, which equates to a 3.3 percent levy increase. She explained that the increases to the general fund are attributed to annual contracts, operations for the City and its buildings, and staff compensation. She highlighted revenue losses the City has experienced due to changes in laws. She highlighted the proposed staffing changes, which include a full-time police officer, a 2.5 percent cost of living increase and available step increases, and employee health insurance changes. She reported that there would be a proposed increase of 9.7 percent to the property tax levy, noting that the main factors are the municipal park fund and capital equipment fund. She stated that Hennepin County forecasts a 4.8 percent market value increase, noting that 1.9 percent is due to new tax base for new construction that occurred in 2018 while 2.9 percent of the increase is related to increases in market value and properties within the City. She stated that Hennepin County also forecasts an increase of 5.2 percent for tax capacity. She noted that the proposed tax rate would be 22.479 percent compared to the 2019 rate of 21.503. She provided additional details on the municipal park fund levy, noting that the fund will be used for repairs and updates to existing parks and park equipment, as park dedication funds cannot be used for that purpose. She explained that a 30-year financing plan was developed to cover the maintenance of existing parks and equipment with an annual contribution proposed for 2020 and each year moving forward. She provided details on the capital equipment levy and how that fund is used. She reviewed other initiatives explored by staff to decrease expense, including the possibility of sharing services with neighboring communities and continuing negotiations with vendors. She stated that the five-year CIP is a projection of the projects and equipment needs that helps to ensure that funds are spent appropriately. She noted that the City departments attempt to find available grant options when possible. She highlighted upcoming road overlays planned for 2020, noting that the costs of those projects are split 50/50 between the City and the benefiting residents. She noted that the whistle less crossing project at Arrowhead Drive/Highway 55 should be completed in 2020 and advised that grant funds were received for that project.

Martin noted that the Council has reviewed and discussed this information on multiple occasions including the open house prior to tonight's meeting. She thanked Barnhart for her excellent presentation, noting that the Council appreciates the excellent job that staff does to ensure that the City is spending funds appropriately.

1. Resolution No. 2019-50 Approving Proposed Tax Levy for 2020

Moved by DesLauriers, seconded by Anderson, to adopt Resolution No. 2019-50 Approving the 2020 Preliminary Tax Levy. Motion passed unanimously.

2. Resolution No. 2019-51 Approving Proposed General Fund Budget for 2020

Moved by DesLauriers, seconded by Anderson, to adopt Resolution No. 2019-51 Approving the 2020 Preliminary General Fund Budget. Motion passed unanimously.

3. Resolution No. 2019-52 Reducing Debt Service Tax Levies for 2020

Moved by DesLauriers, seconded by Anderson, to adopt Resolution No. 2019-52 Reducing Debt Service Tax Levies for 2020. Motion passed unanimously.

4. Establish Public Discussion Date for Final 2020 Tax Levy and Budget

Moved by DesLauriers, seconded by Anderson, to establish the 2020 final tax levy and budget discussion for December 3, 2019 at 7:00 p.m. in City Hall. Motion passed unanimously.

B. Megan and Tim Elam – Conditional Use Permit and Variance for Accessory Dwelling Unit and Accessory Structures – 1582 Homestead Trail (7:20 p.m.)

Schneider provided background information on the applicants whom own a 34-acre lot with a four-bedroom home, standalone garage, gazebo, and child's playhouse. He explained that prior to the applicant's purchasing the property, there was an additional 18,000 square foot home but that second home was demolished prior to the sale of the property. He stated that this request includes two conditional use permits (CUP) and a variance request. He stated that the first CUP would classify the existing home as an accessory dwelling unit which would allow a new principal home in the size of 10,000 square feet. He explained that a variance would be needed as currently code states that an accessory dwelling unit cannot exceed 1,000 square feet or have more than two bedrooms. He stated that the second CUP would allow for the remaining accessory structures to remain on the property and would include a proposed cabana that would be built with the new home. He reviewed the CUP criteria and how the requests meet the criteria. He stated that if the variance were approved, staff does not anticipate any issues with the CUPs requested. He reviewed the variance criteria and how the request meets the criteria. He noted that because there was a previously existing second home, the applicants could not anticipate that a second home would not be allowed. He stated that the property could be subdivided and therefore two homes could be constructed but noted that the applicants would prefer to keep the property as one parcel. He reported that the Planning Commission held a public hearing on this matter at their last meeting and unanimously recommended approval. He noted that neighbors have also provided their support for the project and advised that staff has not received any comments against the project.

Pederson asked if the hardship has been addressed.

Schneider explained that the applicants purchased the property with no reason to suspect that the previously removed home could not be replaced.

Albers asked if the property could be subdivided in the future with the two homes as proposed or whether it would be difficult to complete that action.

Schneider stated that subdivision would not be impossible in the future, but the second home would make it more difficult.

Martin referenced the existing home that would become an accessory dwelling and asked if the four bedrooms could become two bedrooms by knocking walls out.

Schneider replied in theory that could be done but the variance would still be required because of the square footage.

Martin explained that the purpose behind the accessory dwelling regulations is to ensure that there is not overuse of the accessory dwelling structure. She asked if there is otherwise a limitation on how many people could live in an accessory structure.

Schneider stated that there is not that type of limit. He noted that for lots 40 acres in size, or more, there are two principle dwelling structures allowed.

Martin stated that the issue comes down to practical difficulty and how it arose. She stated that correspondence was provided from the applicant that the property was purchased with the understanding that the previously existing 18,000 square foot structure could be replaced. She stated that satisfies her concern.

Batty stated that this is an application which generated a lot of discussion among staff as this is not the typical variance request and does not fit into the standard analysis. He stated the application supports that the circumstances are unique.

*Moved by Pederson, seconded by DesLauriers, to direct staff to prepare resolutions approving the variance and conditional use permits, subject to the conditions noted in the staff report. **Motion passed unanimously.***

C. Ordinance Regarding Residential Setbacks and Encroachments; Amending Chapter 8 of the City Code (7:33 p.m.)

Johnson provided background information on how this topic arose and the work of the Planning Commission and staff on this matter.

Finke stated that the Planning Commission had previous discussion, as did the City Council, noting that both groups directed staff to review additional options. He stated that the ordinance as proposed would increase the setback adjacent to minor collector roadways in most residential zoning districts for the home but would allow for an encroachment for decks to go 10 feet into the setback in all residential districts. He stated that recommended changes were also made to language in the encroachment section. He stated that many communities allow decks to encroach fairly significantly into their setbacks. He stated that staff has commonly seen requests for decks to encroach into wetland buffer setbacks but noted that staff decided not to allow an encroachment into those setbacks. He explained that a wetland buffer setback has a different purpose than a setback on a typical lot. He stated that the Planning

Commission also agreed to not allow an encroachment into wetland buffer setbacks. He stated that the Planning Commission limited the allowed encroachment to uncovered decks. He stated that following the public hearing in August, the Planning Commission recommended unanimous approval of the request. He stated that one resident spoke in support of the changes, as the changes would allow the resident to construct a deck on their property.

Anderson stated that throughout the proposed ordinance, the term uncovered deck is used, and asked if that term is used for definitional purposes only and, further, asked how a ground level walk-out area covered by an open deck would be treated.

Finke explained that the language exists in other portions of City Code and differentiates between a screened porch or three- or four-season porch. He explained that only an uncovered deck could encroach into the setback.

Albers stated that increased yard setback is used in the proposed ordinance and asked if that language is important or whether the language could state yard setback without the word increased.

Finke confirmed that the language serves a purpose and provided additional explanation.

Martin provided suggested grammatical changes.

DesLauriers asked if there is a difference between a ground level deck and second level deck.

Finke replied that would depend upon the type of home. He stated that a walk-out home would have a main level deck one level up, whereas a full basement home would have a main level deck that would perhaps appear to be at ground level.

Martin suggested that staff make the changes as discussed and noted that the item could then come back on the Consent Agenda.

*Moved by DesLauriers, seconded by Anderson, to direct staff to make the suggested changes to the proposed ordinance and bring the item forward on the next Consent Agenda. **Motion passed unanimously.***

D. Dale Richardson – Lot Combination – 18-118-23-24-0116 and 18-118-23-24-0117 (7:49 p.m.)

Johnson stated that the applicant would like to combine his two lots that currently do not meet the minimum lot standards. He noted that the combination of the lots would not bring the parcels into full compliance but would improve the situation.

Finke identified the properties in the Independence Beach neighborhood and reviewed the requirements of the shoreline overlay district. He stated that State Statute requires that substandard lots within the shoreline overlay district under common ownership be combined to come closer to meeting the standards. He stated that the intent of this combination would be to bring the property closer to compliance. He provided additional information on the proposed lot combination language which included vacated right-of-way for roads that were never vacated. He recommended that the Council approve the

resolution which would deny the combination request which included vacated rights-of-way that were never vacated and simultaneously approve of the vacation of Lots 1 and 2, Block 30 of Independence Beach which would create a 12,000 square foot lot bringing it closer into compliance.

DesLauriers asked if there is a goal for the property owner with the combination of lots as it does not appear to bring the lot into compliance.

Finke stated that the intent is to construct a home on the lots once combined. He provided information on setbacks, driveway space and buildable space.

Batty stated that the City's interest is to see one larger lot, although still nonconforming, rather than two very small lots.

Albers asked if the properties adjacent to these properties followed a similar exercise as those properties seem similarly sized.

Finke stated that there were originally six lots with vacated right-of-way that became parts of the northern lots. He stated that historically lots have been used across the property lines and some have combined for tax purposes.

Martin asked what would be recorded if this resolution is approved with the updated legal description.

Batty explained that the property owner would file a lot combination with the County and the resolution would be evidence that the City has approved that action with the updated legal description.

Robin Reid, 2945 Ardmore Ave., stated that she is not opposed to the lot combination as defined by the staff but is concerned that the applicant may then expect to come before the Planning Commission with variance requests to build a larger home than the lot would permit. She stated that she would oppose any variances from the setbacks and believed that other neighbors would also oppose that action. She stated that perhaps language could be added that would specify that variances to setbacks would not be allowed or supported by the neighborhood.

Anderson stated that while he understands the concern, it would be difficult to look at a hypothetical that has not come before the Planning Commission or City Council.

Pederson agreed that this would be the normal action the City would take when reviewing a request for combination.

Finke stated that he did discuss the square footage and setback requirements with the broker.

1. **Resolution No. 2019-53 Approving a Lot Combination for PIDs 18-118-23-24-0116 and 18-118-23-24-0117**

*Moved by Anderson, seconded by Pederson, to adopt resolution no. 2019-53 approving a lot combination for PIDs 18-118-23-24-0116 and 18-118-23-24-0117. **Motion passed unanimously.***

E. Resolution No. 2019-54 to Contract with a Council Member – Medina Celebration Day (8:00 p.m.)

Johnson noted that Pederson is the owner of Highway 55 Rental and each year the City contracts with the business for various items related to the Medina Celebration Day event.

Pederson abstained from the discussion and vote because of his financial interest in the contract.

*Moved by Anderson, seconded by DesLauriers, to adopt resolution no. 2019-54 to contract with a Council member. **Motion passed unanimously. (Pederson abstained)***

VIII. CITY ADMINISTRATOR REPORT (8:01 p.m.)

Johnson stated that minutes will be provided to the Council regarding the Hamel Fire transition meetings. He stated that Anderson has also requested those minutes be published on the City website and asked for input from the Council.

DesLauriers asked what the normal practice is with minutes from fire meetings.

Johnson confirmed that the quarterly fire meetings are not published on the website and noted that previous meetings related to the Fire Department have not been published on the City website.

Pederson stated that he would not have an issue publishing the minutes as it would provide transparency.

Martin stated that the information would then still be available in the Council packet.

It was the consensus of the Council to have the information included in the packet and on the City website.

Johnson advised of a recent retirement from the Hamel Fire Department, noting that staff will work with Hamel Fire to develop a resolution of recognition for this long-term firefighter of 45 years.

Martin noted that the Hamel Fire Chief should be consulted to determine if that firefighter would be comfortable with that recognition. She stated that if this would be a welcomed activity, other firefighters with significant tenure from other departments could be recognized at retirement, noting that a certain length of service would need to be identified. Council directed staff to contact the fire chiefs and request that they inform the City about fire personnel who retire with 35 years of service or more to be recognized.

Johnson confirmed that Fire Chiefs would need to be responsible for alerting the City of the retirements. He advised that the Long Lake Subwatershed demonstration event will take place on September 17th.

IX. MAYOR & CITY COUNCIL REPORTS (8:07 p.m.)

No reports.

X. APPROVAL TO PAY THE BILLS (8:07 p.m.)

Moved by Anderson, seconded by DesLauriers, to approve the bills, EFT 005202E-005217E for \$48,567.67 and order check numbers 049220-049262 for \$160,569.83 and payroll EFT 0509653-0509681 for \$52,446.80 and payroll check 020442 for \$89.03.
Motion passed unanimously.

XI. CLOSED SESSION: ATTORNEY-CLIENT PRIVILEGED DISCUSSION ON LITIGATION MATTER SPECIFICALLY WW FARM AND GEORGE WESSIN V. CITY OF MEDINA, PURSUANT TO MINN. STAT. SEC. 13D.05, SUBD.3(b)

Moved by Anderson, seconded by Pederson, to adjourn the meeting to closed session to conduct an attorney-client privileged discussion on litigation matter, specifically WW Farm and George Wessin V. City of Medina, pursuant to Minn. Stat. Sec. 13D.05, Subd.3(b) at 8:08 p.m. **Motion passed unanimously.**

The meeting reconvened to open session at 8:07 p.m.

XII. ADJOURN

Moved by Anderson, seconded by Pederson, to adjourn the meeting at 8:43 p.m.
Motion passed unanimously.

Kathleen Martin, Mayor

Attest:

Jodi M. Gallup, City Clerk