

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 3, 2019

The City Council of Medina, Minnesota met in regular session on December 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 Finance Director Erin Barnhart, City Planning Director Dusty Finke, Public Works Director Steve Scherer, and Chief of Police Ed Belland.

II. PLEDGE OF ALLEGIANCE (7:00 p.m.)

III. ADDITIONS TO THE AGENDA (7:00 p.m.)

The agenda was approved as presented.

IV. APPROVAL OF MINUTES (7:01 p.m.)

A. Approval of the November 19, 2019 Special City Council Meeting Minutes

Martin noted that Anderson provided comments to be incorporated into the regular City Council meeting minutes.

*Moved by Anderson, seconded by DesLauriers, to approve the November 19, 2019 special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the November 19, 2019 Regular City Council Meeting Minutes

*Moved by Anderson, seconded by DesLauriers, to approve the November 19, 2019 regular City Council meeting minutes as amended. **Motion passed unanimously.***

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

A. Resolution No. 2019-74 Accepting Resignation of Rashmi Williams from the Planning Commission

B. Resolution No. 2019-75 Accepting Resignation of Public Works Maintenance Technician Austin Roerick

C. Appoint Ivan Dingmann as Part-Time Seasonal Employee

D. Resolution No. 2019-76 Providing for the Prepayment and Redemption of the City's General Obligation Improvement Bonds, Series 2010A

E. Resolution No. 2019-77 Providing for the Prepayment and Redemption of the City's Taxable General Obligation Improvement Bonds, Series 2011B

F. Resolution No. 2019-78 Providing for the Prepayment and Redemption of the City's General Obligation Refunding Bonds, Series 2012B

*Moved by Pederson, seconded by Anderson, 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

Park Commissioner Morrison thanked the Council for the support of the park maintenance fund that will be included in the budget. She stated that the Commission reviewed and provided comments on the Adam's Pest Control application at its last meeting and made the determination that there is not an interest in an active park/trail system in that area. She noted that there was one high quality wooded area on the site that the Commission was interested in preserving.

C. Planning Commission

Finke reported that the Planning Commission will meet the following week to consider a series of applications related to the OSI addition as well as a possible amendment to the sign ordinance.

VII. NEW BUSINESS

A. 2020 Budget (7:05 p.m.)

1. Budget and Tax Levy Presentation – Public Comment

Barnhart reported that the City is proposing a balanced budget in 2020 of \$4,807,123 which is an increase from 2019 and would result in a levy increase of 9.7 percent which includes a 3.3 percent general levy increase. She recognized that this is a larger than normal increase that has been discussed in detail. She noted that the increases in the general fund budget are a result of contracted expenses, elections, and staff compensation. She highlighted the proposed 2020 staffing changes and proposed increases for staff compensation and health insurance. She stated that there have been decreasing and depleting revenue trends and provided additional details. She explained that the expenses previously funded from those depleting funds will need to be planned for through the general fund or equipment fund. She reviewed the general fund expenditures broken down by department with the top three highest ranking departments as public safety, general administration, and public works. She stated that the property tax levy is proposed to increase by 9.7 percent, noting that the main reason for that increase is the addition of the municipal park fund and the increase to the capital equipment fund. She stated that the City will be prepaying eligible bonds in February that will provide an interest savings of about \$15,000. She stated that the municipal park fund levy has a proposed \$98,000 tax levy increase from 2019 to 2020. She stated that the hope is that this will be a budgeted item each year to help maintain the park replacement needs over the next 30 years. She provided details on the capital equipment fund increase proposed which will help to plan for future equipment expenses.

DesLauriers referenced the shared ditch mower with Loretto and asked if the price of that piece of equipment included in the CIP is the total cost.

Barnhart confirmed that to be the total price for the mower. She stated that the equipment purchase was moved forward in the CIP because of the poor condition of the current ditch mower and it is not yet known if Loretto will be able to contribute to the purchase.

Scherer stated that over \$20,000 has been spent on repairs of the ditch mower in the past six years and therefore it not financially responsible to continue to repair that item. He stated that Loretto staff is bringing the request to its Council as well in an attempt to have that cost-share purchase approved.

Barnhart recognized that the ideal situation would be for the equipment purchase to be shared but the City would have the necessary funds if the City needs to purchase that piece of equipment on its own. She reviewed the equipment purchases planned for 2020. She compared the proposed 2020 rates of Medina to the adjacent communities. She provided information on market value and tax rate for 2020 including the information from Hennepin County related to market value changes and tax capacity. She explained how property tax funds are allocated between the City, Hennepin County and the School District. She reviewed the proposed increases to the different utility funds. She noted that the City continues to strive to share services across departments and staff. Fire services discussions, sharing of equipment with neighboring communities, and attempting to obtain grant funds will continue in 2020.

Pederson stated that he would like to see the City continue to strive to lower its fees the best it can and believes that this proposed budget does that.

DesLauriers stated that he is happy with the information presented. He stated that there has been discussion on creation of a document that projects five years to help the City prepare for the future.

Martin stated that the Council members bring a variety of background and expertise which is helpful to ensure that different points of view are considered.

Albers stated that a lot of good work was put into the proposed budget. He recognized that it is not easy to make decisions that increase the budget and taxes but noted that the intent in making these decisions now is to plan for the future needs that are important to the community.

Anderson echoed the comments made by his fellow council members.

2. Resolution No. 2019-79 Approving 2020 Final Tax Levy

*Moved by Anderson, seconded by Albers, to adopt Resolution No. 2019-79 Approving the 2020 Final Tax Levy. **Motion passed unanimously.***

3. Resolution No. 2019-80 Approving 2020 Final Budget

*Moved by Anderson, seconded by Albers, to adopt Resolution No. 2019-80 Approving the 2020 Final Budget. **Motion passed unanimously.***

**B. Ordinance No. 651 Adopting an Amended Fee Schedule – Public Hearing
(7:36 p.m.)**

Barnhart asked if there were any questions from the Council on the redlined version distributed. She noted that the changes are consistent with the budget and regulatory requirements.

Martin asked if the noxious weed mowing includes buckthorn, noting the cost of \$150.

Scherer explained that staff replies on a complaint basis and provided additional details on the invasive species that staff looks for on properties. He explained how the cost was determined.

Martin stated that perhaps the newsletter prior to spring could provide details on noxious weeds and how to prevent those from spreading.

Scherer confirmed that information would also be made available at clean-up day.

Pederson asked if the City's schedule is compared to neighboring cities.

Barnhart stated that recently a neighboring city reached out to Medina and other cities to gather information on a fee structure. She confirmed that community building comparisons were used for certain fees. She noted that other fees are based on departmental needs and determinations.

Pederson referenced a \$15 fee listed and stated that perhaps staff should review the schedule in the future to determine if those lower fees are adequate.

Martin opened the public hearing.

No comments.

Martin closed the public hearing.

*Moved by Anderson, seconded by Pederson, to adopt Ordinance No. 651 Adopting an Amended Fee Schedule. **Motion passed unanimously.***

1. Resolution No. 2019-81 Authorizing Publication of Ordinance No. 651 by Title and Summary

*Moved by Anderson, seconded by Pederson, to adopt Resolution No. 2019-81 Authorizing Publication of Ordinance No. 651 by Title and Summary. **Motion passed unanimously.***

C. Dave and Angie Raskob – 4585 Balsam Street – Variance to Exceed Impervious Surface Maximum in Shoreland Overlay District – Public Hearing (7:41 p.m.)

Finke presented a variance request for a property located within the Independence Beach neighborhood. He stated that the property is within 1,000 feet of Lake Ardmore and Lake Independence and therefore falls within the shoreland overlay district which has a restricted hardcover requirement. He stated that the subject property was platted in 2005, but the lot is smaller than the minimum lot size required within the shoreland overlay district. He stated that the subject property is about 9,500 square feet in size, whereas the minimum size would be 15,000 square feet. He stated that the proposed hardcover would be slightly over 30 percent, which would be a 5.78 increase in the allowed hardcover. He stated that the site has topography falling from west to east and the design of the house will use concrete construction to be built into the hillside. He noted that the proposed drainage for the site would hopefully improve the existing drainage not only on the subject site but also adjacent sites. He stated that there was discussion related to a deck within the staff report. He noted that as it stands there would be no additional hardcover approved for a deck. He stated that the applicants

have not requested a variance for additional hardcover for a deck but instead have provided information on a pervious deck option. He noted that staff would support that option as long as additional hardcover is not found under the deck. He reviewed the criteria that must be considered when reviewing a variance. He stated that staff recommends approval of the request as presented.

Martin opened the public hearing.

Pederson asked if a future request for a deck would come back as a separate request.

Finke explained that if the deck was pervious, that would simply require a building permit that could be issued administratively. He noted that an impervious deck request would need to come through as a separate variance.

Pederson commented that the stormwater improvements seem to be a large benefit.

Finke explained that the stormwater benefits would not have been gained without the variance, as that could not have been required if the applicant met the hardcover limitations.

DesLauriers stated that he did not see a difference between a wooden deck or grated deck.

Finke explained the difference in how the water concentrates and runs off of the area.

Martin closed the public hearing.

*Moved by Anderson, seconded by Pederson, to direct staff to prepare a resolution approving the variance, subject to the conditions noted in the staff report. **Motion passed unanimously.***

D. Jan Har, LLP (Adam's Pest Control) – Rezoning, Preliminary Plat, Site Plan Review, Conditional Use Permit – PIDs 04-118-23-21-0001 and 04-118-23-24-0001 – North of Hwy 55, West of Willow Dr. (7:52 p.m.)

Finke presented requests from the application for rezoning, Preliminary Plat, site plan review and Conditional Use Permit. He noted that the requests should be considered in that order as the later actions would be dependent upon the earlier actions being approved. He identified the southern portion of the site proposed for development, along with a northern portion that would remain vacant for future development opportunity. He reviewed the adjacent land uses. He stated that of the 43 acres of the subject site, half of the southern parcel is encumbered by wetland as well as a wooded area and there is also an eagle's nest on the property, therefore construction within 660 feet must follow regulations from the U.S. Fish and Wildlife Service. He displayed renderings of the proposed buildings including the office and restaurant as well as the warehouse/shop building. He stated that the proposed office building would be along the wetland edge while the shop building would be located on the other edge, with parking between the two.

Finke explained that a rezoning of this site was always anticipated as it is currently zoned rural business holding. He stated that the question would be which district the property should be zoned to, noting that the property is guided for business within the

Comprehensive Plan. He explained the differences between business and business park, noting that the Planning Commission recommended rezoning both the northern and southern lots to business. He provided details on the applicant's plan to provide access from Willow Drive. He noted that acquisition of right-of-way would be needed for that and there have been discussions to obtain that necessary right-of-way. He explained that if that easement cannot be gained there would need to be different discussions related to access. He stated that the applicant is requesting a three-year temporary right-in access from Highway 55. He stated that the Park Commission did not request active parks or trails. He noted that the wooded area on the site was identified as a high-quality resource by the City and while the Park Commission did not require dedication of that area, it did suggest that perhaps there could be some type of credit given against park dedication, or other fees, for the preservation of that area. He stated that there are ongoing discussions with the property owner related to that element. He asked the Council if there is a desire to acquire a portion of the wooded area in lieu of a portion of the park dedication. He stated that the Planning Commission recommended approval of the Preliminary Plat subject to the conditions noted in the staff report.

Finke moved to the site plan review application. He stated that there are no wetland impacts proposed with the development, although there may be some impact to access the northern lot in the future. He referenced the parking requirements, noting that the applicant is proposing live music as an option for the restaurant use. He noted that the parking for the restaurant would be shared with the office use, as the peak times for those uses would not conflict. He provided details on the architectural details, noting that there would be more modifications proposed for the office building with less proposed for the warehouse use as that building would be more screened from Highway 55. He stated that the final request would be the Conditional Use Permit that would apply to certain uses such as live music and vehicle repair. He stated that specific details for each use were included in the staff report. He referenced the added condition related to access, as the plan would be dependent upon the ability to connect to Willow Drive. He noted that the applicant has stated that the restaurant may not be constructed immediately and therefore staff has suggested a condition that would allow that construction to be delayed up to four years.

Pederson asked if the access to Highway 55 would begin immediately or when the restaurant is constructed.

Finke stated that once the first building is complete the three years would begin, whether or not the restaurant is constructed at that time. He clarified that the temporary access would be only a right-in access.

Martin stated that the rezoning request seems to be straightforward. She asked if the Council would prefer the northern parcel to be business park rather than business. She noted that she does not have a concern with the proposed zoning.

Pederson asked how access would be provided to the wooded area, or whether that would simply be preserved.

Finke stated that if the wooded area is taken as public property there would need to be access provided and that could be done through easement.

Martin confirmed the consensus of the Council to permit the rezoning to business for both the northern and southern parcel. She asked for input on the issue of park dedication and preservation of the wooded area. She noted that the wooded area is five acres in size while the park dedication would equate to 2.4 acres.

Anderson commented that he would prefer that the City not publicly take the wooded area, as long as an agreement can be reached with the property owner to preserve a portion of the wooded area.

Finke stated that part of the consideration is that there are parks and trails plans with identified costs. He explained that there should be a balance of prioritization of natural resources with identified parks and trails needs that would be funded through park dedication. He noted that the City does have a forestry fund and some of those funds could be used for preservation, if desired.

Albers asked for clarification on the size of the wooded area.

Finke replied that the developable part of the site is about 24 acres while the wooded area is about five acres. He stated that a portion of the wooded area may be preserved simply because of development challenges.

DesLauriers stated that it would seem that the reason for the temporary access would be for the restaurant, but if that is not constructed within the three-year period, there would not seem to be a need for that right-in access.

Anderson asked how the time period of three years was chosen.

Finke explained that the three-year period was negotiated between the applicant and MnDOT.

Todd Leysee, Adam's Pest Control, stated that they chose three years thinking that would be acceptable to MnDOT. He explained that they believe the right-in option would be important in making the restaurant element viable. He explained that they do not want to own/operate a restaurant and therefore they will be marketing that use for sale. He stated that if they do not have an operator for a restaurant after one year, they may not go forward with that element and may instead use that area for a training room.

Martin asked for input on the preservation of the trees.

Mr. Leysee stated that they would hope to have honeybees on the site, similar to their current location. He noted that it would also be unique to harvest syrup from the maple trees. He stated that it would be nice to have the wooded area preserved but they intend to sell the northern parcel for development in order to help finance the access road to Willow. He stated that he could attempt to handcuff the potential buyer to preserve a portion of the wooded area but would not want to tie up the entire five acres as that could be needed for development because of the topography. He believed that they could work out a deal with the City to preserve a portion of the wooded area. He provided background information on Adam's Pest Control in Medina, noting that they have been in Medina for many years. He stated that they have continued to grow for the past 49 years and would like to continue to grow in Medina.

DesLauriers referenced the private road agreement within the narrative and asked for additional input.

Mr. Leysee stated that the private road agreement sort of contemplated development to the north and south. He stated that in his opinion the agreement does not force the other properties to pay for anything on the construction of the road, even though those properties would benefit. He stated that they are still awaiting reply from the other property owner on a new agreement.

Pederson commented that it would seem that the other property owner would benefit from the construction of the road.

Batty commented that the agreement was written in 1993, specifically related to Twinco, noting that this property was not part of the contemplation at that time. He stated that the expectation was that the other lots would develop soon, and that development would prompt private parties in that development to pay for the road. He stated that 26 years later those events have not occurred. He agreed that the other property owner stands to benefit from this deal, as that would relieve the obligation for that property owner to build the road.

Anderson referenced the northern parcel that will be sold in the future, and voiced concern over the preservation of the wooded area. He asked if rural business holding (RBH) would provide more protection for the northern parcel compared to rezoning that parcel as business. He asked the width of the access road to Willow.

Finke stated that the road width was proposed at 28 feet, which would allow shoulders for biking as there are not trails in this area. He stated that the setback requirements would be the same between RBH and business.

DesLauriers asked what would happen if the road to Willow is not constructed.

Finke explained that ultimately all the approvals would be contingent upon each other and the Final Plat would be contingent upon the development agreement. He confirmed that part of the conditions would be securing the easement for the construction of the road.

Martin provided proposed language for the additional conditions.

Albers asked if the applicant would consider removing the parking along Highway 55 in front of the restaurant as that is closest to the eagle's nest.

DesLauriers commented that even with those stalls removed the site would still meet the parking requirement.

Mr. Leysee stated that he likes the eagle's nest and has witnessed people stopping on Highway 55 to take photos. He stated that he did not see how a parking lot would be more disruptive than the traffic on Highway 55. He stated that he does want that quantity of parking stalls and would not want to decrease the number of stalls.

Martin noted that she would assume that the construction noise would be more disruptive than parking.

Mr. Leysee stated that they will comply with the regulations from Fish and Wildlife as required and did not think it would be necessary for the City to have the overlapping condition.

Martin noted that it is common practice for the City to require the applicant to comply with the other regulatory bodies.

Pederson stated that he serves on the Highway 55 Coalition, which is opposed to adding access onto Highway 55. He asked when the three-year period for the temporary access would expire.

Mr. Leysee confirmed that the three-year period would begin when the certificate of occupancy is issued for the first building and is not related to the timing for the restaurant.

Albers commented that he is unsure that he could support the Highway 55 access as he believes safety is more important than business.

Pederson commented that the business is investing a large amount of money on its site and it would be hard to disagree with what they are asking for.

Mr. Leysee stated that if they do not build the access road, if the other property owners do not build the access road, and the City does not build the access road, MnDOT would grant the business an access from Highway 55. He stated that this would be a compromise.

David Kozlak, 4545 Wichita Trail, stated that he did not believe Mr. Leysee could speak for MnDOT on that matter. He agreed that the business would need access, but he could not guarantee what that access would be. He stated that the lighting by the eagle's nest would most likely deter the eagles from being there.

Martin summarized the items there seemed to be consensus on regarding the different approvals and conditions.

Finke stated that he could include options for preservation of the wooded area in lieu of part of the cash for park donation.

Pederson noted that preservation of trees could possibly occur if the northern site develops under a PUD.

Martin agreed that could be a possibility but would be hard to predict as it would be dependent on the type of development proposed for that site. She asked for input on the idea from Albers to limit the parking and lighting near the eagle's nest.

Pederson asked if the parking lot could have less lighting in that area.

Finke stated that Medina does not have minimum lighting requirements.

DesLauriers commented that the lighting seems less disturbing than the construction activity that will occur prior to that.

Albers stated that his point is that if there is an opportunity to disturb the eagles less that should be observed.

Martin stated that perhaps staff could be directed to follow up with Fish and Wildlife to gain additional input on whether less lighting or other limitations would provide benefit. She stated that she would be hesitant to move the parking not knowing if doing so would protect the eagles.

Anderson stated that this cannot be the first time there will be construction near an eagles' nest and therefore Fish and Wildlife will most likely have input that would be helpful.

Pederson asked if the applicant would be comfortable with less lighting in that area.

Mr. Leysee confirmed that they would follow the guidelines and requirements from Fish and Wildlife.

Martin stated that she likes the idea of protecting the eagles' nest but was unsure of the appropriate measures to take. She reviewed the proposed changes to the conditions as she determined through the discussion tonight.

Pederson stated that he would think the lift station would be dependent upon the access road and asked if the City could be a part of the discussions with the neighboring property owner related to the acquisition of the easement needed for the roadway.

*Moved by Martin, seconded by Anderson, to direct staff to prepare documents approving the rezoning, preliminary plat, site plan review, and conditional use permit subject to the conditions noted in the staff report and the additional conditions discussed tonight including amending condition one, amending condition three, and adding conditions 20, 21, 22, and 23 as detailed by Martin during the meeting. **Motion passed unanimously.***

E. Ken and Marquita Thurber – Lot Combination – 2885 Ardmore Avenue (9:09 p.m.)

Finke stated that the subject properties are located along Ardmore Avenue in the Independence Beach neighborhood and fall within the shoreland overlay district for both Lake Independence and Lake Ardmore. He noted that combining the two lots would create one lot of about 12,000 square feet which would be considered buildable. He stated that the applicant owns one more adjacent lot that complies with the minimum lot standards but does not have excess property to combine with this property. He stated that staff is working with the applicant on related Lake Ardmore stormwater improvements and necessary easements.

Martin stated that she had no issues with the proposal.

Anderson stated that it seems this is the third lot combination in the Independence Beach neighborhood this year, which improves the neighborhood.

1. Resolution No. 2019-82 Approving Lot Combination of Lots 3, and 4, Block 29, Independence Beach

*Moved by Pederson, seconded by Anderson, to adopt Resolution No. 2019-82 Approving Lot Combination of Lots 3 and 4, Block 29, Independence Beach. **Motion passed unanimously.***

VIII. OLD BUSINESS

A. Willow Drive/Highway 55 Regional Lift Station Project (9:12 p.m.)

Johnson noted that the Council last discussed this at the November 17th Council meeting. He stated that staff requests accepting the feasibility report and directing staff to proceed with plans and specifications based on appropriate timing of proposed development.

Martin asked the cost to develop plans and specifications.

Stremel stated that the previous cost was about \$12,000 for the feasibility study which leaves \$57,700 for the design and bidding. He provided details on the estimated shelf life of the plans of three to five years, unless there are significant changes in the industry or land use.

Martin asked when staff would come back on the Adam's Pest Control applications.

Finke stated that staff would monitor the timing of Adam's Pest Control between preliminary and final approvals in an attempt to move forward in the best bidding climate, if that project continues to move forward.

Anderson asked how much Adam's Pest Control is relying on the lift station construction.

Finke stated that the lift station would be needed for Adam's Pest Control to operate.

Martin asked the construction timeline for the lift station.

Stremel estimated about three months with active construction.

Martin stated that she would feel comfortable giving staff the authority to move forward if they feel it appropriate.

DesLauriers agreed that the City has the funds available for this and should move forward.

Anderson agreed that this would show good faith to Adam's Pest Control and noted that there are others in that area interested in development as well.

1. Accept Feasibility Report and Authorize Plans and Specs

*Moved by Anderson, seconded by Pederson, to accept feasibility report and direct staff to proceed with plans and specifications based on appropriate timing of proposed development. **Motion passed unanimously.***

IX. APPROVAL TO PAY THE BILLS (9:20 p.m.)

*Moved by Anderson, seconded by Albers, to approve the bills, EFT 005316E-005329E for \$52,614.41 and order check numbers 049566-049616 for \$49,019.20 and payroll EFT 0509862-0509889 for \$54,763.10. **Motion passed unanimously.***

X. CITY ADMINISTRATOR REPORT (9:20 p.m.)

Johnson confirmed a change of date for the 2020 goals session to January 7, 2020 at 5 p.m.

Finke stated that he emailed the options for the Weston Woods neighborhood meeting and asked the Council to respond.

Martin stated that she would like to see discussion and dialogue between the neighbors and developer along with City staff speaking to the need for the new infrastructure for the water system and road system. She stated that it would be nice if some of the Council could attend and participate if possible.

Anderson stated that perhaps the developer setup a series of meetings/discussions which would allow more people to participate.

XI. MAYOR & CITY COUNCIL REPORTS (9:23 p.m.)

No comments.

XII. ADJOURN

*Moved by Anderson, seconded by Albers, to adjourn the meeting at 9:23 p.m. **Motion passed unanimously.***

Kathleen Martin, Mayor

Attest:

Jodi M. Gallup, City Clerk