

**MOUND CITY COUNCIL MINUTES  
APRIL 12, 2011**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, April 12, 2011, at 7:00 p.m. in the council chambers of city hall.

Members present: Mayor Mark Hanus; Councilmembers Kelli Gillispie, Ray Salazar, Heidi Gesch, and David Osmek

Others present: City Attorney John Dean, City Manager Kandis Hanson, City Clerk Bonnie Ritter, Community Development Director Sarah Smith, Fire Chief Greg Pederson, Finance Director Catherine Pausche, Amanda Schwarze, Maureen Michalski, Ellen Higgins, Karly Curtis, Johann Chemin, Cheryl Martin, Michael Regan, Jeff Andersen, Travis Baldwin.

*Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Councilmember or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.*

**1. Open meeting**

Mayor Hanus called the meeting to order at 7:08 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

Hanus requested the addition of Item 10.1, Banner approval for Step To It Program, and Item 10.2, Police Cooperative Services Study.

MOTION by Osmek, seconded by Gesch to approve the agenda as amended. All voted in favor. Motion carried.

**4. Consent agenda**

Gillispie requested the removal of item 4D(3) for discussion.

MOTION by Osmek, seconded by Gesch to approve the consent agenda as amended. Upon roll call vote, all voted in favor. Motion carried.

- A. Approve minutes from March 22, 2011 regular meeting
- B. Approve payment of claims in the amount of \$319,826.49
- C. Approve application to conduct Excluded Bingo from Mound Fire Department Auxiliary
- D. Approvals for Our Lady of the Lake Catholic School "Blast"
  - (1) Application/permit for Temporary on-sale liquor license for May 21, 2011
  - (2) Application for public dance/live music for May 21, 2011
  - (3) (removed)
- E. **RESOLUTION NO. 11-23: RESOLUTION TO AUTHORIZE THE PRE-ORDER OF STREET LIGHT POLES FOR THE 2011 STREET LIGHTING REPLACEMENT PROJECT (PW-11-07)**
- F. **RESOLUTION NO. 11-24: RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS**
- G. Approve Pay Request, First and Final, by Noble Conservation Solutions for energy upgrades to the lighting at Harbor Wine & Spirits and HVAC at City Hall, in the amount of \$20,650.00

**4D(3) Approval of temporary sign permit for Our Lady of the Lake “Blast”**

Gillispie asked if there are numerous sign permits being approved from different groups, for the same site at Caribou Coffee. Smith stated that there are, and that groups are notified that others are using the same site. Hanus expressed concern that the decorative fences in the City will become billboards and if banners should be allowed past the 15 days, or if the 15 days should even be shortened.

MOTION by Osmek, seconded by Gesch that the temporary sign permit for the Our Lady of the Lake Blast be approved, from April 23, 2011 through May 23, 2011, or 30 days. All voted in favor. Motion carried.

**5. Comments and suggestions from citizens present on any item not on the agenda.**

None were offered.

**6. Action on Resolution Accepting Proposal of the Sale of \$6,405,000 GO Bonds, Series 2011B.**

Stacie Kvilvang of Ehlers & Associates, presented the results of today’s bond sale to finance the costs of the 2011 Street, Utilities and Retaining Wall Project, including the SW Island and Highland Areas. There were eight bidders with the lowest being Piper Jaffrey of Leawood, Kansas, with a true interest cost of 3.5099%, and an adjusted price of \$6,315,000.

MOTION by Osmek, seconded by Salazar to adopt the following resolution. All voted in favor. Motion carried.

**RESOLUTION NO. 11-25: RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$6,315,000 GENERAL OBLIGATION BONDS, SERIES 2011B, PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS AND NET REVENUES AND LEVYING TAX FOR THE PAYMENT THEREOF**

**7. Lake Minnetonka Association request for funding for milfoil treatments on Phelps Bay**

Dick Osgood, representing Lake Minnetonka Association, appeared before the Council with a request for \$6,000 for continued milfoil treatments in Phelps Bay. He presented an accounting of income and expenses for the Phelps Bay treatment, along with projected revenues and costs for 2011. There was discussion as to the amount of payments being made versus the amount of benefit received. Hanus would like to see how the DNR contribution is allocated and also how the money is allocated to each of the five bays, by shoreline footage or area, and like to see that the Mound City and private contributions are staying in Mound and not being sent elsewhere. Osgood will get information that Hanus is requesting and report back.

MOTION by Osmek, seconded by Salazar to table action on the contribution for milfoil treatment until more information is received. All voted in favor. Motion carried.

**8. Discussion/Action on CUP for Class III Restaurant submitted by Michael Regan on behalf of Porta del Sol**

This discussion is continued from the February 8, 2011 Council meeting, where the Council held a public hearing for the review of the application from Michael Regan for a Conditional Use Permit for a Class III restaurant (classification) for Porta del Sol at 5309 Shoreline Drive. Action on the request was tabled at that meeting so as to evaluate the building’s seating capacity related to the minimum 50-seat requirement in the City’s liquor regulations, dual conditional use permits, and other issues.

Fire Chief Greg Pederson stated that, according to the Fire Code, the current seating arrangement is at maximum capacity for approximately 31-33 guests (15 sq. ft/occupant). The current City code for 3.2 beer is a minimum capacity of 50. Smith stated that there are two issues: What does the Council want to do about the required number of people and square footage; and is a CUP to allow beer and wine appropriate. She also stated that Staff is recommending that the Council consider amending the definition of the Class III restaurant in the zoning ordinance to include that a Class III restaurant may include a pick-up window. It was also noted that if the CUP is granted, the liquor ordinance would still have to be altered to accommodate for less than the stated minimum capacity of 50 guests. Hanus stated that he is not in favor of changing our liquor ordinance to accommodate this request.

Gillispie stated she feels this is a reasonable request and maybe the code should be looked at, and suggested that the capacity follow the fire code rather than have a specific minimum number of guests stated. Hanus stated that if a code change is desired, it should be done globally, not just for one business. Osmek stated he is open to talk about the pick-up window concept, but action needs to be taken on this specific case. Chief Pederson stated that there is an issue with the current City Code, in that the requirement for a minimum capacity of 50 guests does not match up with the stated minimum size of 254 sq. ft., and feels that this should be addressed and corrected. John Dean stated that he believes that many years ago the ordinance read that you couldn't have one room smaller than 254 sq.ft. in size if there were a series of dining rooms in the restaurant, but somehow part of that got lost.

Michael Regan, applicant, asked what he needs to do to make this work. If he has to change the building, he will. Osmek stated he is willing to look at changing the drive through to a pick-up window in the code, but the seating is still an issue. Regan asked if he needed 750 sq. ft. to get to the 50 guest minimum and Hanus answered that he did.

Smith brought up that the deadline for action on this CUP request is May 6 and if it is denied, there is a one-year waiting period to re-apply. Hanus stated that as long as the request changes, that one-year is waived.

MOTION by Osmek, seconded by Salazar to direct staff to prepare a resolution of denial of the CUP request for consideration at the next meeting. The following voted in favor: Salazar, Hanus, Gesch, and Osmek. The following voted against: Gillispie. Motion carried.

#### **9. Discussion/Action on 2011 Farmers' Market & More seasonal use approvals**

Sarah Smith reviewed the request to allow interim placement of an architectural shed in the market area, to be located on the south side of the Dakota Regional Trail in a 12' x 12' green space located immediately to the east of the market area, which will be used for vendor display and storage.

Travis Baldwin and Karly Curtis presented a picture of the proposed shed and informed the Council that they are also requesting permission to put a banner on the shed advertising the Market, along with the shed vendor's advertising. This banner would be displayed from May 1 through October 15.

MOTION by Osmek, seconded by Gesch to approve the permit requests per the April 5, 2011 request memo from Farmers' Market & More, adding to Item 3 (Banner Permits) that the banner to be placed on the shed needs to receive Council approval prior to display, and that the Council is requesting that the shed vendor's advertising take up no more than 20% of this signage. All voted in favor. Motion carried.

**10. Proposal for possible future reuse of a portion of Commerce Place Center**

Maureen Michalski of Schafer Richardson, along with Ellen Higgins of Common Bond Communities appeared before the Council with a preliminary concept plan for possible future redevelopment of the north portion of the existing Commerce Place shopping center for multi-family residential use to include (52) rental units.

Osmek stated that he is not in favor of turning that commercial area over to residential, and asked if they considered the apartments on Belmont & Basswood. Michalski stated that they already own this property and are not looking to purchase more, but to redevelop what they have. No Council needed at this time.

**10.1 Banner approval for Step To It Program**

Sarah Smith appeared on behalf of the City to request approval of a temporary sign permit to allow placement of a temporary banner on the decorative fence in front of Caribou Coffee from 4/13 to 6/5 to promote Mound's participation in the Step To It Challenge program.

Hanus stated that all three requests for banners this evening were for more than the 15-day requirement and suggested that the ordinance be looked at for possible amendment. Osmek stated that after the program begins, the signage may be not as important as before it starts.

MOTION by Osmek, seconded by Gesch to approve the temporary sign request for the Step To It Challenge, from April 13 through May 13, and to waive the fee. All voted in favor. Motion carried.

**10.2 Police Cooperative Services Study**

Hanus reported that a study group met and determined the feasibility of having an outside group perform a cooperative services study for the possible merging of the Minnetrista and Mound Police services. It was noted that a cost estimate was received from Emergency Services Consulting International in the amount of \$35,757. This cost would be shared equally with Minnetrista.

MOTION by Osmek, seconded by Salazar to approve funding not to exceed \$17,878.50 for a Police Cooperative Services Study, to be taken from the general fund. All voted in favor. Motion carried.

**11. Executive Session for the purpose of the City Manager's performance evaluation**

Hanus announced that the Council would be going into Executive Session for the purpose of the City Manager's performance evaluation.

Upon return the Mayor stated that the performance evaluation had been completed and no action is necessary.

**12. Information/Miscellaneous**

- A. Comments/reports from Councilmembers/City Manager: Hanson reported on the progress of the liquor store sump pump and drainage tile installation.
- B. Reports: Finance 2010 Preliminary Year-end, as of April 2011
- C. Minutes: Parks & Open Space Commission – March 3, 2011  
Planning Commission – March 1, 2011  
Docks & Open Space Commission – March 17, 2011
- D. Correspondence: Mediacom letter on pricing  
Xcel rate increase notice

**13. Adjourn**

MOTION by Osmek, seconded by Salazar to adjourn at 10:53 p.m. All voted in favor. Motion carried.

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Mayor Mark Hanus

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Attest: Bonnie Ritter, City Clerk