

**MOUND CITY COUNCIL MINUTES**  
**December 10, 2013**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, December 10, 2013, at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Mark Hanus; Council members Mark Wegscheid, Heidi Gesch, Kelli Gillispie and Ray Salazar

Members absent: None.

Others present: City Manager Kandis Hanson, Fin Dir/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Courtney Cashman, Sydney Rudy, Jacob Herde, Paul Locker, Mason Kenny, Travis Holbway, Sam Nee, Max Nagel, Chris Tienes, Jordan Fuglati, Katie Henning, Tanner Staerkel

*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 7:00 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

MOTION by Salazar, seconded by Wegscheid, to approve the agenda. All voted in favor. Motion carried.

**4. Consent agenda**

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

- A. Approve payment of claims in the amount of \$206,931.01
- B. Approve minutes of the November 26, 2013 regular meeting.
- C. **RESOLUTION NO. 13-108: RESOLUTION APPROVING CONTRIBUTIONS**
- D. Approve dock location map addendum changes for 2014.
- E. Approve a cable franchise agreement with Mediacom Minnesota, LLC.
- F. **ORDINANCE 11-2013: AN ORDINANCE AMENDING CHAPTER 66 OF THE MOUND CITY CODE AS IT RELATES TO TELECOMMUNICATIONS**
- G. **RESOLUTION 13-109: RESOLUTION AUTHORIZING PUBLICATION OF AN ORDINANCE BY TITLE AND SUMMARY**

- H. Approve Pay Request No. 7 from GMH Asphalt, Inc. in the amount of \$59,983.10 for the 2013 Street, Utility, and Retaining Wall Improvement Project, City Project No. PW-13-01.
- I. Approve for the Northwest Tonka Lions Temporary On-Sale Liquor Licenses for the following events with fees paid:
  - December 29, 2013 – Chili Feed at the Gillespie Center
  - January 18, 2014 – Fundraiser for the Gillespie Center at the Gillespie Center
  - February 8, 2014 – Benefit at the Gillespie Center
- J. **RESOLUTION 13-110: RESOLUTION APPROVING VARIANCE FOR 5308 THREE POINTS BOULEVARD PID NO. 13-117-24-21-0041 – PLANNING CASE NO. 13-33**

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

None were offered.

**6. Catherine Pausche, Finance Director/Clerk/Treasurer, with 2013 year-end forecast and proposed amendments to the 2014 Preliminary Budget and requesting action on the budget resolutions.**

Pausche stated that the Council approved the preliminary budget and levy at the August 28, 2013 regular council meeting. Pausche reviewed the fund balance assumptions and reviewed a summary of changes to the General Fund budget since the preliminary budget approval that is recommended by Staff. Pausche stated the net effect is \$3,355 and that the individual adjustments are needed to more accurately depict anticipated revenues and expenditures.

Council Member Wegscheid and Gesch questioned the addition of the Metro Cities membership of \$1,886, which would be double that in year 2 and beyond. Hanus stated although he did not feel the City had benefited from past membership, he understands staff feels the City could benefit. City Manager Hanson highlighted recent examples of issues with the Met Council that she felt membership in Metro Cities could have been beneficial, including comp plan issues and transportation. Gesch said she still questions the benefit and is concerned about "lobbying." Gesch questioned the fact that they are already doing what they say they will do without our membership. Hanus questioned would they be representing the City's position on issues or perhaps a contrary position but he would be willing to try membership for one year and evaluate after that. Hanus is concerned about affordable housing mandates without the proper infrastructure investments by the Met Council. Salazar asked why bus service has been reduced. Hanus stated ridership is one factor but more funds are being funneled to developing light rail. Gillispie stated she is open to a trial year with no contractual agreement to extend a second year. Salazar asked what neighboring communities are members and Hanus responded the majority of area cities belong.

Pausche stated staff will audit code updates before requesting Municode perform the work. Wegscheid asked the cost, and Gesch responded \$19 per page. Pausche stated this is a one-time catch up and that future updates will be done in-house by City staff. Gesch clarified the contract had been previously approved and that Staff is just asking for the expense to take place in 2014. Pausche confirmed City staff will confirm what changes are needed before proceeding.

Hanus asked if the changes on the list are reflected in the budget or not. Pausche stated they have been updated in the proposed budget. Wegscheid stated he supports the Municode

expenditure, but not the Metro Cities membership. Salazar questioned why janitorial is increasing. Pausche stated a part-time employee used to clean the public safety building and we have to contract with a janitorial service going forward. The intensity of use is different between City Hall and the police operation and the cost has increased. Staff will continue to solicit proposals as well.

Pausche highlighted the following: (1) A 21% reduction in full-time employees has occurred since 2008, excluding the impact of the police contract (2) General Fund expenditures have increased less than 2% per year over the past six years (3) The City significantly reduced its severance pay liability through staff concessions and the contract for police services (4) The City is optimizing the use of its facilities and rent from the Centennial Building is providing a new revenue stream (5) It is anticipated that 2013 will be the last year of a diminishing tax base for Mound as the housing market continues to recover (6) The City used the Local Government Aid allotted to reduce the tax burden on its residents (7) The City has saved on interest costs by refunding debt to take advantage of lower rates.

Hanus stated his only remaining concern was the dock fund. Hanus had analyzed how rip rap was funded previously. Hanus stated \$50,000 has been proposed for rip rap, half of which came from cost savings, and half of which came from fee increases. Hanus questions whether the City should eliminate the proposed \$50 increase, reduce it, or keep it. Hanus proposed reducing the proposed fee increase from \$50 to \$25 across the board, which would result in a total of approximately \$36,000 a year to be available for rip rap projects. Hanus stated the objective was not to do a project every year, but to save and periodically do a project. Hanus requested any unused amount for rip rap be assigned fund balance for financial reporting purposes. Hanus proposed cutting the proposed dock fee increase in half. Gillispie stated it would have been beneficial for the Council to see the shoreline study before making this decision because there is pent up need and reducing the increase will draw it out.

Mayor Hanus invited anyone in the public to come forward and give feedback to the Council on the budget.

Tanner Staerkel, 2395 Robin Lane, asked if the reduction in bus services would impact the usefulness of the parking ramp. Hanus said public transportation was only one of the uses. It is also meant to serve downtown redevelopment.

MOTION by Gesch, seconded by Wegscheid, to remove the Metro Cities membership from the 2014 budget. The following voted in favor: Gesch, Wegscheid, Gillispie, and Salazar. The following voted against: Hanus. Motion carried.

MOTION by Hanus, seconded by Gesch, to reduce the proposed dock fee increases by half and a line item be created to isolate rip rap funds in the budget and fund balance. The following voted in favor: Gesch, Wegscheid, Hanus, and Salazar. The following voted against: Gillispie. Motion carried.

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

**RESOLUTION NO. 13-111: RESOLUTION TO APPROVE THE 2014 FINAL GENERAL FUND BUDGET IN THE AMOUNT OF \$4,994,672; SETTING THE FINAL LEVY AT \$5,448,864; AND APPROVING THE FINAL OVERALL BUDGET FOR 2014**

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

**RESOLUTION NO. 13-112: RESOLUTION APPROVING A LEVY OF \$182,728 FOR THE PURPOSE OF DEFRAYING THE COST OF OPERATION PURSUANT TO THE PROVISIONS OF MSA 469 OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF, AND FOR, THE CITY OF MOUND FOR THE YEAR 2014**

Salazar questioned the second watercraft fee and discussion ensued.

MOTION by Gesch, seconded by Wegscheid, to adopt the following resolution as amended. The following voted in favor: Hanus, Gesch, Salazar, Wegscheid. The following voted against: Gillispie. Motion carried.

**RESOLUTION NO. 13-113: RESOLUTION ADOPTING FEE SCHEDULE FOR 2014**

**7. Information/Miscellaneous**

- A. Comments/reports from Council members/City Manager  
City Manager Kandis Hanson reminded the council and audience that the second council meeting in December was cancelled due to the Christmas Eve Holiday.
- B. Minutes: Docks & Commons Commission – November 21, 2013  
Planning Commission – November 3, 2013
- C. Reports: Harbor Wine & Spirits – November 2013 & YTD  
Finance – 2013  
Public Works – Bolton & Menk 3rd Quarter Billing Summary
- D. Correspondence: Letter from Mediacom – November 26, 2013

**8. Adjourn**

MOTION by Gesch, seconded by Salazar, to adjourn at 8:13 p.m. All voted in favor. Motion carried.



Attest: Catherine Pausche, Clerk

  
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Mayor Mark Hanus