

MOUND CITY COUNCIL MINUTES
October 11, 2016

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, October 11, 2016, at 7:00 p.m. in the council chambers of the Centennial Building.

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

Members absent: Jennifer Peterson

Others present: City Manager and Public Works Director Eric Hoversten, Administrative Assistant Mary Mackres, Community Development Director Sarah Smith, Consultant Planner Rita Trapp, City Engineer Dan Faulkner, Assistant City Engineer Brian Simmons, City Attorney Troy Gilchrist, Director of Finance and Administrative Services Catherine Pausche, Bolton & Menk Project Inspector Mark Onkean, Ben Bunn, Mike Dudzinski, Nicole Brodzik, Molly Emery, Shaun Tancheff, Rick Bode, Lewis Anderson, Paul Wood, Stacey Kvilvang, and Tom McDougal

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 Council Member or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.

1. Open meeting

Mayor Wegscheid called the meeting to order at 7:03 p.m.

2. Pledge of Allegiance

3. Approve agenda

Hoversten added page 2504-1 relating to the resolution adopting the assessment of delinquent utility bills and that for agenda Item 9, Stacey Kvilvang will be presenting on behalf of our municipal advisors instead of Jason Aarsvold.

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

4. Consent agenda

MOTION by Salazar, seconded by Gesch, to approve the consent agenda.
Upon roll call vote, Wegscheid, Gillispie, Salazar, and Gesch voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$395,593.84

B. Approve minutes from September 27, 2016 regular meeting

C. RESOLUTION NO. 16-121: RESOLUTION AUTHORIZING 2016 CENTRAL BUSINESS DISTRICT (CBD) PARKING MAINTENANCE ROLL TO BE CERTIFIED TO THE COUNTY AUDITOR AT 5% INTEREST, LEVY #19369

- D. RESOLUTION NO. 16-122: RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO CONSIDER ISSUANCE OF FRANCHISE**
- E. RESOLUTION NO. 16-123: RESOLUTION AUTHORIZING A CENTENNIAL BUILDING CARPET REPLACEMENT PROJECT**
- F. RESOLUTION NO. 16-124: RESOLUTION APPROVING VARIANCE FOR 4804-4820 NORTHERN ROAD, PLANNING CASE NO. 16-31**
- G. RESOLUTION NO. 16-125: RESOLUTION APPROVING VARIANCE FOR 2936 WESTEDGE BOULEVARD, PLANNING CASE NO. 16-34**
- H. Approve Pay Request No. 3 from Ryan Contracting in the amount of \$418,122.55 for the 2016 Street, Utility and Retaining Wall Improvement Project; City Project Nos. PW-16-01, PW-16-02, PW-16-03, PW-16-04
- I. RESOLUTION NO. 16-126: RESOLUTION AUTHORIZING AN ON-SITE MECHANIC SERVICES CONTRACT**
- J. RESOLUTION NO. 16-127: RESOLUTION APPOINTING ADDITIONAL ELECTION JUDGES AS RECOMMENDED FOR THE GENERAL ELECTION ON NOVEMBER 8, 2016**

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

None offered

6. Public Hearings

- A.** Action on Resolution Adopting Assessment for 2015 Street, Utility, and Retaining Wall Improvement Project - Tuxedo Boulevard, City Project No. 15-02 - Levy #19366

Dan Faulkner, City Engineer from Bolton & Menk, said the Council is required to conduct the required public hearing for the 2015 Tuxedo Boulevard project assessment.

Faulkner reviewed the steps required in the special assessment process, including authorization of the preparation of the feasibility report (August 2014), which was received by the Council in October of 2014 with the public improvement hearing set for November 2014 at which time comments were received from the public and the resolution was passed to direct Bolton & Menk to proceed with preparing the plans and specifications.

Faulkner added that in April 2015, Geislinger and Sons were the low bidder and were awarded the project for Tuxedo and Grandview. Faulkner said the Tuxedo project started in the summer of 2015 and by the end of the season substantial completion was not met as required, so the Council approved a change order to extend the completion date to the summer of 2016 with financial stipulations included to ensure the completion date was met. Faulkner added the project restarted in March of 2016 with substantial completion by June 2016 and final wear course is scheduled for June of 2017. Faulkner noted the final estimated cost is very close to what was in the contract.

Faulkner stated this was a joint project with Metropolitan Council which completed replacement of intercept sewer systems and structures from Sulgrove to Brighton Commons. Faulkner said the roadway was totally reconstructed and a 9-ton design section was included; watermains were replaced and upsized from 8" to 10", various storm sewer improvements were done and the storm water treatment pond was cleaned out. Faulkner added that a punch list of work still needs to be done and noted that Geislinger is not doing a satisfactory job with restoration work so another contractor has been hired to lay dormant seeding.

Faulkner displayed the assessment map and stated that residential properties are assessed on a per unit basis and a buildable lot equal to one equivalent residential unit regardless of linear feet, noting if a property borders two streets a ½ assessment will be incurred for each project. Faulkner said this project had 15 half units, two units at 1/3, and 36 full assessment residential lots, and noted commercial lots are assessed using a combination method.

Faulkner said the assessable cost does not include the extra street section cost for the 9-ton design as a typical street is 28' wide with 8" of rock instead of 10" for the 9-ton. Faulkner added that retaining walls and utility costs are also not included in the assessable cost and benefitting property owners pay 2/3 of the street cost with the proposed term of 15 years at 5% interest.

Faulkner presented the assessment notice letter that was sent to affected property owners which stated that property owners have until November 15 of this year to pay the assessment to avoid any interest. He added that homeowners can also make partial payments in minimum increments of \$100 with any unpaid balance going on tax rolls for 2017. Faulkner stated that if homeowners feel that the assessments are more than the value of increase to their property, they can submit a written objection to the City Clerk.

Mayor Wegscheid informed the public that if there are issues at their properties that are not quite finished, Bolton & Menk has a representative in the adjacent conference room to answer questions.

Mayor Wegscheid opened the public hearing at 7:18 p.m.

Shaun Tancheff, 5174 Tuxedo, said he intends to submit written objection to the City Clerk stating that the special assessment does not improve his property to the amount being charged. Tancheff stated that he would rather have his property treated as commercial as that would be a whole lot cheaper. The linear foot method used to charge Al & Alma's would have saved him \$2,651.

Mayor Wegscheid stated that the assessment policy and process has been in place since 2003 and that the Council must hold true to what was decided back then because if changes are made now, it would not be fair to all the others in the past.

Tancheff said that Tuxedo roadbed was good for another 20 years and that he saw no serious deterioration in the roadbed.

Faulkner stated that the engineers definitely recommended reconstruction.

Mayor Wegscheid closes the public hearing at 7:22 p.m.

MOTION by Salazar, seconded by Gesch, approving the resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-128: RESOLUTION ADOPTING ASSESSMENT FOR 2015 STREET, UTILITY AND RETAINING WALL IMPROVEMENT PROJECT - TUXEDO BOULEVARD; CITY PROJECT NO. PW-15-02 LEVY #19366

B. Action on Resolution Adopting Assessment for Delinquent Municipal Utility Bills and Certifying to the County Auditor at 5% Interest - Levy #19367

Hoversten stated that it is common practice for delinquent utility bills to be held against the property and added that this policy allows the City a way to receive unpaid monies.

Catherine Pausche stated that MN statutes allows cities to assess delinquent utility bills back to the property which allows cities to have an efficient collection process. Pausche added some people see the list of delinquent bills in the paper and believe they are paying for those that aren't paying their bills. but she added this is not the case. Pausche stated that outstanding bills incur a 10% late payment fee and notices are sent each year to property owners and renters, if applicable, for outstanding balances as of August 15th. Pausche added it is the property owner who is ultimately responsible for utility payments and they must pursue collection from any renters.

Mayor Wegscheid asked Pausche how the assessment is reflected on the property taxes?

Pausche stated that it shows as a special assessment on a separate line and noted that this is an annual process and nothing new.

Hoversten said he has taken calls regarding special assessments when properties are being sold and often settlement is negotiated at the time of sale. Pausche said the City does many special assessment searches for closing.

Mayor Wegscheid opened the public hearing at 7:30 p.m.

Lewis Anderson, lives at 5000 North Arm Drive and is the fee holder at 2631 Commerce. Anderson wanted to make the Council aware that the buyer is not taking good care of that property and said he has hired an attorney to work on getting it cleaned up.

Paul Wood, 5060 Windsor, received a delinquent utility bill notice and says he has lived there for three years and does not know what the notice is for. Pausche asked Mr. Wood to call City Hall tomorrow to discuss his situation.

Molly Emery, 2005 Sycamore, said her renters were heroin addicts and noted that it is a big problem in Mound. Emery says she knows now that she just has to pay the bill and that all of her questions have been answered in the presentation.

Mayor Wegscheid closes the public hearing at 7:32 p.m.

MOTION by Salazar, seconded by Gesch, approving the resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-129: RESOLUTION ADOPTING ASSESSMENT FOR DELINQUENT MUNICIPAL UTILITY BILLS AND CERTIFYING TO THE COUNTY AUDITOR AT 5% INTEREST - LEVY #19367

C. Action on Resolution Adopting Assessment for Miscellaneous Expenses and Certifying to the County Auditor at 5% Interest - Levy #19368

Hoversten stated that this assessment is similar to unpaid utility bills but is for property abatement services initiated by Field Officer Stewart Simon, typically forced mowing and tree removal.

Mayor opened the public hearing at 7:35 pm and closed the public hearing after receiving no comments.

Gesch asked if the tree removal amount listed is that same that was listed in the claims. Pausche confirmed they are different claims.

MOTION by Salazar, seconded by Gesch, approving the resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-130: RESOLUTION ADOPTING ASSESSMENT FOR MISCELLANEOUS EXPENSES AND CERTIFYING TO THE COUNTY AUDITOR AT 5% INTEREST - LEVY #19368

- 7. Brian Simmons, Engineer from Bolton & Menk, requesting action on a resolution receiving feasibility report for the 2017 Street, Utility and Retaining Wall Improvement Projects, City Project Nos. PW-17-01; Lynwood Boulevard from Belmont Lane to Fairview Lane and Fairview Lane from Lynwood Boulevard to Shoreline Boulevard; PW-17-02; Wilshire Boulevard from Shoreline Boulevard to Bartlett Boulevard, Maywood Road from Wilshire Boulevard to Fairview Lane and Hiddenvale Lane from Maywood Road to Shoreline Boulevard; PW-17-03; Tuxedo Boulevard from Brighton Boulevard to Clyde Road and Setting the Public Improvement Hearings.**

Brian Simmons, pursuant to MSS Chapter 429, presented feasibility study for 2017 improvement projects which includes three different project areas. Simmons showed a map of existing street conditions including existing curb and gutter and varying street widths, noting that watermain will be replaced on Maywood and Lynwood in 2017, but that it has already been done on Tuxedo and Wilshire.

Simmons noted sanitary sewer work is almost negligible and since the heavy rain events of 2014, meters have been added around the system. Simmons noted that the 2017 project includes a regional collector interface, where the City discharges into a Met Council interceptor and said Bolton & Menk is proposing to add a meter to monitor this flow. Simmons also noted that a small piece of forcemain will be replaced along Lynwood.

Mayor Wegscheid explained that the meters are very important because historically, the City was getting billed by Met Council for overages, which may not have resulted from Mound and that with the meters, the City can now monitor the system better and keep track of flow.

Simmons stated that there will be storm sewer improvements with the 2017 projects, including replacing all catch basins and improving capacity as needed, but noted the bulk of the storm sewer pipe is in good condition.

Simmons said there are retaining walls scattered throughout the project area that will be repaired or replaced and noted that pedestrian improvements include sidewalk and trail reconstruction with spot repair being the bulk of the repairs as well as pedestrian ramps being brought up to current standards. Simmons said the assessment portion will be brought to the Council at a later meeting.

Reviewing the project cost section of the presentation, Simmons explained that the project will be broken out into three sections and noted that any additional costs associated with the extra depth and width for 9-ton sections will not be part of residents' assessment responsibility. In addition, trench costs will go to utility street costs. Simmons talked about the Met Council street costs, explaining that this is the second of two projects where Met Council participated which allows for the street to only be rebuilt once. Parking lot improvements at the Public Works Shop on Lynwood will also be reconstructed at the same time, also saving costs.

Simmons reviewed the project costs, stating for Project Area 1, the total assessable cost will be \$295,000, with a total project cost of \$1.6 million. For Project Area 2, total assessable cost will be \$534,000, with a total project cost of \$1.77 million. Simmons stated that they also plan to repair some cracked concrete in front of the Fire Station, which is not an assessable cost but attributed directly to the City. For Project Area 3, total assessable cost will be \$581,000, with a total project cost of \$1.074 million.

Gesch inquired if these three projects' costs put together are similar to other past projects. Simmons confirmed they are comparable to past years' project costs.

Simmons also showed a proposed schedule for the project.

MOTION by Wegscheid, seconded by Salazar, to receive the feasibility report, and set the public hearing date for November 9, 2016. All voted in favor. Motion carried.

8. Discussion/action on Ordinance amending City code Chapter 113 at it relates to Floodplain Management.

Requested Actions

- A. Action on Ordinance amending City Code Chapter 113 (Floodplain Management)

Rita Trapp, Planning Consultant, informed the Council that in May of this year, the City was notified of new FEMA flood insurance maps for Hennepin County, which are maps produced in 2005 and are now in effect. Trapp said cities in Hennepin County were required to amend or update their current floodplain ordinances to ensure they were in accordance with the national regulations in order to continue to participate in the national flood insurance program. Trapp said Staff is recommending that the Council rescind existing chapter of the ordinance pertaining to floodplain and replace with the new chapter reflecting FEMAs changes.

Trapp noted floodplain regulations are in the City code, instead of in the zoning ordinance. Trapp brought a sample of maps for the Council to review and said that Staff reviewed the model ordinance and requested conditional approval from the DNR, which was granted, and noted some adjustments were made to the model in order to make it more reflective of Mound. In addition, Staff compared maps to the City's current floodplain maps and did not note any new structures in the floodplain with the new maps, but noted some properties that were already in the floodplain are now a little bit more into the floodplain due to boundary changes. According to Trapp, there are not a lot of significant changes in the floodplain map.

Trapp stated that the focus is on the adoption of the new floodplain ordinance, so that Mound can continue to participate in the national flood insurance program and noted that there is no change to the base elevations any significant changes on the implementation side.

MOTION by Gesch, seconded by Salazar, approving the ordinance.
All voted in favor. Motion carried.

ORDINANCE NO. 13-2016: AN ORDINANCE AMENDING CHAPTER 113 OF THE MOUND CITY CODE AS IT RELATES TO FLOODPLAIN MANAGEMEN

- B. Approve Resolution to allow for publication of Ordinance by title and summary (requires 4/5s vote of City Council to approve)

MOTION by Salazar, seconded by Gesch, approving the resolution. All voted in favor.
Motion carried.

RESOLUTION NO. 16-131: RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE 13-2016 BY TITLE AND SUMMARY

- 9. Jason Aarsvold, Ehlers' Municipal Advisor, requesting action on a resolution providing for the sale of \$6,075,000 General Obligation Bonds Series 2016A and \$2,295,000 General Obligation Refunding Bonds, Series 2016B

Stacey Kvilvang from Ehlers presented to Council in Jason Aarsvold's stead, and said Bond Issue 2016A will fund the 2016 utility improvements, street and retaining wall improvements over 15-20 years, with benefitting property owners being assessed \$735,000 over 15 years at 5%. Kvilvang noted the City assumed about 20% in prepaid assessments and the bond size was reduced accordingly. Improvement bonds are for 16 years and utility bonds are for a 21-years and are paid from utility fund revenues. Lastly, Kvilvang said 10 year bonds will be issued to pay for the new aerial ladder fire truck which will be repaid by tax levy.

Kvilvang said bond issue 2016B will refund the 2006-2007-2008B bond issues for a total of \$305,610 in interest savings over the remaining life of the bonds and noted that the sale of both bond issues is expected to occur on November 8.

MOTION by Salazar, seconded by Gesch, approving the resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-132: RESOLUTION PROVIDING FOR THE SALE OF \$6,075,000 GENERAL OBLIGATION BONDS, SERIES 2016A AND \$2,925,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B

Salazar recognized a friendly amendment, accepted by Gesch, changing the date of Nov. 8 to Nov. 9 due to the General Election and change in meeting date.

10. Information/Miscellaneous

A. Comments/reports from Council Members

Hoversten noted the following meetings/special events:

- Oct 13, Mound Fire Dept. open house. New fire truck, North Memorial air ambulance on site
- Regular City Hall hours resume on October 31, 2016 (M-F 8:00 - 4:30)
- Special meeting workshop set for November 1, 2016
- Early voting has started and you can vote at City Hall
- November Council Meeting is rescheduled to November 9, due to the General Election
- Planning commission meeting for November will be moved to November 18

B. Reports: Liquor Store - September 2016
 Bolton & Menk - September 30, 2016 YTD
 Mound Fire Dept - September 2016

C. Minutes:

D. Correspondence: LMCD - September 29, 2016

11. Adjourn

MOTION by Gesch, seconded by Gillispie, to adjourn at 8:06 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk