

**MOUND CITY COUNCIL MINUTES**  
**February 11, 2020**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, February 11, 2020 at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Ray Salazar; Council members Phil Velsor, Jeff Bergquist, Paula Larson, and Sherrie Pugh

Members absent: None

Others present: City Manager Eric Hoversten, Fin Dir/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Orono Police Sergeant Ken Beck, Consulting Engineer Brian Simmons, Dan Johnson, Barbara Peterson, Scott Gates, Leigh Maustad, Christopher Getz, Tim Nichols, Ben Landhauser

*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 Salazar called the meeting to order at 7:00 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

MOTION by Velsor, seconded by Bergquist, to approve the agenda. All voted in favor. Motion carried.

**4. Consent agenda**

MOTION by Bergquist, seconded by Larson, to approve the consent agenda. Upon roll call vote, all voted in favor. Motion carried.

- A. Approve payment of claims in the amount of \$1,038,415.57.
- B. Approve minutes: 01-28-20 regular meeting.
- C. Approve 1-4 Temporary On-Sale Liquor License for Our Lady of the Lake Keg & Cork Fundraiser on March 7, 2020
- D. **RESOLUTION NO. 20-19: RESOLUTION TO APPROVE WAIVER OF PLATTING FOR 1754 SHOREWOOD LANE**

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

None were offered.

**6. Orono Police Sgt. Kenny Beck presenting the Mound Activity Report for January**

Sgt. Kenny Beck gave a report on January's 173 calls for service, including 36 medicals/lift assists, 19 domestics/disturbance, 7 alarms, 23 welfare checks, 22 traffic related including 2 DWI arrests, 20 assists, 1 death, 3 animals, and 2 fire assists.

Beck congratulated Mayor Salazar for jumping in at the Polar Plunge and invited him to jump with the Police Department next year. Salazar said perhaps he will jump with both.

**7. Approve Resolution Accepting Bid for 2019 Street & Utility Project – Sherwood Drive City Project No. PW 19-01 to Kusske Construction in the amount of \$254,480.00**

Hoversten said the project was originally approved in 2018 for feasibility study, etc. for execution in 2019, but, during the process, residents of the three street projects asked not to be assessed. Hoversten said two of the street projects were abandoned, and Sherwood was bid with Fernside force main but the results were poor so they were rebid as separate projects with more contractor control/flexibility in timing, etc. Hoversten said all three individual projects came in under the engineer's estimate and all three were awarded to separate contractors. Hoversten said tonight's action acknowledges the receipt of bids and approves the award/project. Simmons arrived and said final assessments will be in 2020 with the final ware course the following year. Simmons noted there were eight bidders and that he is familiar with Kusske and recommends approval and assessment as planned. Simmons also noted even though there were more administrative costs with rebidding, the bid went from \$1.2M to \$900K. Simmons noted staff will continue to refer it to as the 2019 Street Reconstruction Project for 429 purposes.

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

**RESOLUTION NO. 20-20: RESOLUTION ACCEPTING BID FOR THE 2019 STREET & UTILITY PROJECT - SHERWOOD DRIVE CITY PROJECT NO. PW-19-01**

**8. City Manager Eric Hoversten requesting discussion and direction on next steps in the Mound Harbor District Request for Qualification and Interest process**

Hoversten noted the packet contains a written update on the RFQ/I that said the Development Committee reviewed the one response on February 4<sup>th</sup>, and the noted concerns were given to the respondent in the form of written feedback and that the respondent expressed flexibility in the proposed plan. Hoversten said other council members asked to be present for further discussion with the respondent/potential developer and tonight is to decide whether to continue with the committee structure or have future discussion in front of the full council in the form of a special meeting workshop on February 26<sup>th</sup>.

Hoversten said the response included a 55-unit luxury, residential age-restricted cooperative living development that would be independently financed with an \$800K purchase price and \$16M market value. Hoversten emphasized staff does not anticipate the unit count to come down in any amended proposals if the city sticks to the original goals of wanting to optimize the price for the land and no assistance in the form of TIF. Salazar clarified 'respondent' refers to the developer who submitted the proposal in response to the RFQ/I.

Salazar said the issue for discussion is whether to continue with the Development Committee format to work with staff to review this project and/or others prior to bringing forward to the full council. Larson said she requested via email to sit in on meeting with the Development

Committee and developer on February 14<sup>th</sup>, just to listen. Salazar said the Council discussed the development in June and November and that this is an opportunity to vet/flush out issues based on the parameters and objectives set by the full council. Salazar said he and Council Member Velsor are on the Development Committee and a similar process was followed a year ago when the Development Committee came back to recommend not to proceed with the former developer when they wanted to change the terms of the agreement.

Hoversten said once the Development Committee vets a proposal, the developer would come back to the full Council and present a concept plan. Hoversten noted each of these steps are a natural progression that provide off-ramps for either party, noting the process differs somewhat when the city owns the land vs. private development.

Pugh asked what would need to be different if the entire council participated. Smith said the City has used the special meeting workshop format in years past, particularly when we were dealing with Mound Harbor Renaissance, for informal review when concept plans come in with the more technical info being worked on by staff. Smith noted the key difference between a workshop and regular meeting is that no formal action is taken and any input is informal.

Pugh said this process has been frustrating, noting this is a big issue for the community and having the entire council allows for more brainstorming. Salazar said if the City Council prefers to return to a workshop format, he is open. Pugh said receiving one response to the RFQ/I gives the city a reality check on what is possible and this would be a good time to have this conversation. Larson said she would like to have a workshop format. Velsor said he tends to trust himself and recently took 2.5 hours off work to discuss in length, so he is a little offended that the committee is not trusted to represent the will of the Council. Pugh said she is not questioning the expertise of the Development Committee but just would rather hear for herself. Velsor asked it is the same when the Committee gives the Council feedback and Pugh said she did not think so.

Discussion ensued on meeting formats and Hoversten clarified that posting a potential quorum is more for social occasions like festivals or receptions where the intent is not to discuss official business between the members. Pausche noted special meeting workshops are open to the public to listen, but public comments are not generally taken.

Velsor said he trusts the committee format. Bergquist said there is a Development Committee for a reason, noting they have to take time out of their work day. Pugh said people expect all elected officials to know what is going on and to have the bigger picture. Pugh said she can guess what the comments were – Salazar noted they were provided in narrative form in the packet and via email – and Pugh said she has other questions as well and that the Mayor said everyone's opinion matters. Salazar acknowledged this is a big deal and it seems Pugh and Larson want to know more. Bergquist said the Development Committee does well and Staff does a great job. Larson said she has been overwhelmed with people asking the status, noting she has attended Planning Commission meetings and that she serves on the Docks Commission where other Council members have attended, so she just asked to sit in. Larson said she stood at the podium 22 years ago and she knows we have to do something to bring energy, and she just feels she can share citizens' concerns and bring some fresh ideas. Larson said she understands we need to get the ball rolling and move things forward, noting she has seen many plans and talked to many developers. Larson agreed that this is a big deal for the city and the fact that we got one response means this developer deserves the opportunity to have another meeting but she is also alarmed that there was only one response. Velsor said

the Development Committee discussed the limitations in the property due to soils and other considerations which may limit what can go there.

Larson reiterated that we owe this developer a meeting but also need to listen to what the taxpayers want. Larson said she is hearing no townhomes and no development – but she wants a jumpstart to create some vibrancy. Larson said Mound will either become a bedroom community that people pass through and businesses fail or we can do something to make it a vibrant, welcoming community but that will require an about face and she recommends a workshop. Bergquist suggested they stay the course with the Development Committee.

Salazar told Larson not to be sorry for asking questions and asking to participate as everyone has a right to their opinion, to comment, to ask questions. Salazar said he has the utmost confidence in the Development Committee and its ability to make the right decisions, but he acknowledged it is a big deal and it has been over 22 years and it is an emotional, political hot button. Salazar said some Council Members feel in the dark and he wants them to be able to answer questions and be able to feel comfortable moving forward or not. Salazar agrees we want energy in this and in order to have energy we have to feel confident and be included, so he agrees to proceed with the workshop format.

Hoversten said the plan would be to add a workshop after the Wednesday, February 26<sup>th</sup> regular meeting.

**MOTION** by Larson, seconded by Pugh, to approve scheduling a special meeting workshop of the City Council on Wednesday, February 26, 2020 immediately following the rescheduled regular meeting that begins at 7:00 pm for the purpose of discussing the Lifestyle Communities & Partners' response to the Request for Qualification and Interest in a Residential Development in the Mound Harbor District. The following voted in favor: Salazar, Larson, Pugh. The following voted against: Velsor, Bergquist. The following abstained: None. Motion carried.

Discussion ensued and it was clarified that the public can attend the workshop meeting to listen and public input would be solicited at a later date during a regular Council meeting if and when formal action is taken. Larson said we are here for the tax payers and she wonders if only receiving one response indicates the idea is stale and we need to think of something more vibrant instead. Pausche said development has been discussed long enough that everyone knows there is a contingent out there that wants it to remain green but that this will allow the Council to see if a compromise is possible that can bring additional resources in property taxes and utility revenues as well as customers for the businesses. Salazar noted everyone on the council can voice both their own and their constituent's opinions and encouraged them to be thinking of all options.

### **9. Council Member Sherrie Pugh with an update on the 2020 Census**

Pugh did a public service announcement encouraging full participation in the Census beginning April 1<sup>st</sup>, noting this is the first time it will be all online so people can do it on their personal PC or go to the library. Pugh said the results inform how \$800B in federal funds are allocated, congressional districting, plans for school districts and where businesses will relocate. Pugh said Hennepin County has Census jobs paying \$27.50 per hour.

Salazar noted there will be a public notice campaign effort to educate with personal follow-up for those who have not responded, so he encouraged listeners to be welcoming and not to be afraid.

**10. Information/Miscellaneous**

A. Comments/Reports from Council members

Hoversten highlighted the following dates:

Monday 2/17 – City Hall closed for President’s Day Holiday

Tuesday 2/18 – Joint meeting of the Planning Commission and City Council

Wednesday 2/26 – Rescheduled regular Council Meeting due to 2/25 precinct caucuses.

Hoversten noted Harbor Wine & Spirits is currently closed for remodeling through mid-day

Thursday and that a Grand Reopening event will be held on Saturday, 2/29

Tuesday 3/3 – Presidential Nomination Primary

3/20 – 3/29 Westonka School District Spring Break

B. Reports: Fire Department – December 2019

Liquor Store – January 2020

C. Minutes: Planning Commission – January 7, 2020

D. Correspondence:

**11. Adjourn**

MOTION by Larson, seconded by Pugh, to adjourn at 8:15 p.m. All voted in favor. Motion carried.

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Mayor Raymond J. Salazar

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Attest: Catherine Pausche, Clerk