

MOUND CITY COUNCIL MINUTES
February 23, 2016

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, February 23, 2016, at 7:00 p.m. in the council chambers of the Centennial Building.

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

Members absent: Jennifer Peterson

Others present: City Manager and Public Works Director Eric Hoversten, Community Development Director Sarah Smith, Consultant Planner Rita Trapp, Director of Finance and Administration Catherine Pausche, Katie Morford, Kim Rawleigh, Kelly Josephson, Roger Fink, Dave Goode, Bob Koegler, Paul Huber, Karen King, Tim King, Mark Hanus, Pat Maund, Kristin Beise, John Beise.

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 7:02 p.m.

2. Pledge of Allegiance

3. Approve agenda

Hoversten requested the addition of item 12.1 Action to approve a Resolution Authorizing Purchase of Emergency Preparedness, Code Enforcement, and Fire Duty Vehicle

MOTION by Salazar, seconded by Gesch, 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, all voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$346,587.92

B. Approve minutes:

1. Jan 26, 2016 Regular Meeting
2. Feb 9, 2016 Regular Meeting

C. Approve 1-4 Day Temporary On-Sale Liquor License for Northwest Tonka Lions for a WeCAN fundraiser on March 10, 2016 at the Gillespie Center, with fees paid

D. RESOLUTION NO. 16-21: RESOLUTION DECLARING APRIL 2016 AS TEEN HOMELESSNESS AWARENESS MONTH

E. Approve special meetings for 2016:

1. Supervisors' Annual Reports to the City Council: Apr 19, 2016, 6:30 pm
2. Rescheduled Aug 9, 2016 regular meeting due to primary election: Wed, Aug 10, 2016, 7:00 pm
3. 2017 Budget Workshop: Oct 18, 2016, 6:30 pm
4. Rescheduled Nov 8, 2016 regular meeting due to general election: Wed, Nov 9, 2016, 7:00 pm

F. RESOLUTION NO. 16-22: RESOLUTION APPROVING PROPOSED APPLICATION FOR 2016 URBAN HENNEPIN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS AND AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT WITH URBAN HENNEPIN COUNTY AND ANY THIRD PARTY AGREEMENTS

G. RESOLUTION NO. 16-23: RESOLUTION APPROVING EXPANSION PERMIT FOR 5000 TUXEDO BOULEVARD, PLANNING CASE NO. 15-26

H. RESOLUTION NO. 16-24: RESOLUTION APPROVING EXPANSION PERMIT FOR 4948 EDGEWATER DRIVE, PLANNING CASE NO. 16-01

I. RESOLUTION NO. 16-25: RESOLUTION AFFIRMING THE COMMUNITY DEVELOPMENT DIRECTOR'S DETERMINATION OF THE LOT ORIENTATION FOR THE PROPERTY AT 4730 GALWAY ROAD AND DENYING APPELLANT'S APPEAL

J. Approve Pay Request No. 3 from Pember Companies, Inc. in the amount of \$20,162.17 for the 2015 Lift Station Improvement Project, City Project No. PW-15-04

K. RESOLUTION NO. 16-26: RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE 2016 STREET, UTILITY AND RETAINING WALL IMPROVEMENT PROJECT - BARTLETT BOULEVARD; TUXEDO BOULEVARD, PHASE II; CYPRESS LANE/MAYWOOD ROAD

L. RESOLUTION NO. 16-27: RESOLUTION ORDERING PREPARATION OF REPORT ON LIFT STATION REPLACEMENT PROJECT FOR 2016

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

None offered.

6. Presentation by Senator Osmek regarding forthcoming MN Legislative Session

Osmek said the state surplus increased to \$1.4 billion and will go into a rainy day fund. Last year "lights on" tax bill for 2016 included an allocation of *new* Municipal State Aid (MSA) funds for cities with populations less than 5,000. First bill sponsored by Osmek was passed, which was 'Colton's Law' in honor of Colton Gleason, a youth killed by juvenile offender who's monitoring bracelet was not functioning.

Osmek said future efforts include a bill to improve Highway 12 safety from CR 15 to Delano, which has had a high level of head on collisions/deaths. In addition, there is a bill to extend small cities MSA funds beyond 2016 and a request for funding for Excelsior Commons Park in the bond bill.

Osmek is seeking reelection for State Senate in the fall. Wegscheid questioned recent letters to the editor and asked if Osmek wished to comment. Osmek said federal 111-D provisions were suspended but Minnesota has to decide on our energy mix now. Osmek said 33% of energy comes from nuclear power plants and noted that no plants have had license extensions in the past so new capacity is necessary since there is not enough solar, wind and hydro to replace the current level of nuclear energy.

Osmek said he has received a third consecutive year of Friend of the Taxpayer Award, which is unprecedented for a new Senator. Gillispie asked about changes to the Met Council structure and Osmek said fellow senators are working toward a hearing, which is the first step.

7. Presentation by Pam Myers, representing Westonka Historical Society, and providing a bi-annual update of historical society activities for the period July 2015 through December 2015

Myers highlighted facts on the July through December 2015 bi-annual report hand-out. Meyers noted there were 3,400 volunteer hours and 486 visitors, including 200 local, 230 from greater Minnesota, and the remainder from other states and Europe.

The Mayor complimented the society on continuing to increase their services and financial viability.

8. Sarah Smith, Community Development Director requesting discussion and action on Planning Commission recommendations

Rita Trapp provided an overview and noted that rezoning is a permanent decision and can't be modified. Trapp noted the proposed land use and housing goals seem consistent with those of the surrounding properties. The comprehensive plan guidance for R3 multi-family (from B2 General Business) will limit the density of development. Rapp noted the intended use is for an assisted living and memory care facility and stated that the applicant is here. Trapp said the Planning Commission recommended approval.

- A. Public Hearing - Rezoning Application (Planning Case No. 16-02)
Location: 1861 Commerce Boulevard
Applicant: Trident Development, LLC
Owner: Great Southern Bank

The Mayor opened the public hearing at 7:25pm.

Roger Fink, Senior Vice President with Trident Development, said rezoning is the first step and other land use applications will follow. Fink said Trident is about 10 years old, is based in St. Cloud, and has developed 13 properties with 43 – 138 units each. Fink said Mound has some unmet need and that they develop, construct, own and operate all of their properties.

The Mayor thanked Fink for Trident's interest in Mound and continued efforts to find the right location.

The Mayor closed the public hearing at 7:30 pm.

- B. Action to adopt Ordinance 02-2016 Approving Rezoning of Certain Properties

from B-2 General Business District to R-3 Multiple Family Residential

MOTION by Salazar, seconded by Gesch, to approve the following ordinance. All voted in favor. Motion carried

ORDINANCE NO. 02-2016: ORDINANCE APPROVING REZONING OF CERTAIN PROPERTIES FROM B-2 GENERAL BUSINESS DISTRICT TO R-3 MULTIPLE FAMILY RESIDENTIAL

9. John Beise, Spirit of the Lakes Festival, requesting action on an Agreement for Provision of Community Services Organization of Annual Community Festival

Beise, 3124 Tuxedo Boulevard, read from a prepared statement and noted that he is retiring from the festival board. Beise noted the agreement represents much discussion and compromise and he is requesting approval of the agreement.

Mayor Wegscheid thanked Beise, the committee and the volunteers that make the festival a success. Wegscheid said the agreement provides for the continued quality of the event.

Salazar thanked Beise and the members of the festival committee.

Mark Hanus, 4446 Denbigh, current board chair, emphasized the festival committee is in this for the long haul noting that the committee has signed a three year contract for the fireworks. Hanus presented the new medallion for the 2016 hunt.

MOTION by Salazar, seconded by Gesch, to approve the agreement. All voted in favor. Motion carried.

10. Catherine Pausche, Director of Finance and Administrative Services, requesting discussion/action on implementation of GASB 67/68 and participation in the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program

Pausche discussed the additional costs for implementing GASB 67/68 and said that the Fire Relief Association already complies with Minnesota State Statute funding valuation standards. Pausche noted that the majority of generally accepted accounting principles (GAAP) and the Government Accounting Standards Board are useful, but that she feels the City should have the option not to comply with all of them if there is no real benefit to the users of the financial statements. Pausche said the independent audit is the key and that no longer applying for the Certificate of Achievement for Excellence in Financial Reporting will have no impact on the bond rating.

Wegscheid questioned how difficult it is to achieve the award and whether it really just equates to membership dues. Pausche noted there is an extensive list of required information to obtain the award, but that the independent audit is the key.

Council member Salazar left the meeting at 7:48 p.m. due to a family emergency.

MOTION by Gesch, seconded by Gillispie, to direct staff to prepare a resolution authorizing staff to no longer participate in the Certificate of Achievement program due to the cost of compliance. All voted in favor. Motion carried.

11. Action on a resolution approving a public gathering and musical concert permit for 2016 Moonlight Trail Night.

Gillispie noted that she is no longer a board member of Westonka Community and Commerce and it was agreed that there is no longer a need to recuse herself because she does not receive any monetary benefit.

Smith noted the 7th annual Moonlight Trail Night will take place on March 5th and additional activities and entertainment will be included this year.

Karen King, 6307 Alwin Circle, said the additional features include a food truck, River Valley Church's acoustic band, and fire dancers. King highlighted the date of March 5th from 5 pm to 8pm and said there will be 352 luminaries lighting up the trail. King thanked the volunteers, including DECA and the Boy Scouts.

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

RESOLUTION NO. 16-28: RESOLUTION APPROVING PUBLIC GATHERING PERMIT AND MUSICAL CONCERT PERMIT FOR 2016 MOONLIGHT TRAIL NIGHT WITH A REDUCED PUBLIC GATHERING PERMIT FEE DUE TO PUBLIC PURPOSE OF GATHERING

12. Eric Hoversten, Director of Public Works, and Brian Simmons, Assistant City Engineer presenting follow up information requested by Council to continue discussion on Inflow and Infiltration (I/I) in the City Public and Private Sewer Lines

Hoversten introduced the topic and emphasized the importance of dealing with inflow and infiltration (I/I), particularly with the impact it has on how the Met Council bills the City for wastewater treatment. Hoversten gave an overview of the Met Council's rate calculation and noted that Mound was assigned 0.33% of the total metro area flow with 0.3% of the population and paid approximately \$670K. In comparison, Hoversten showed that due to excessive I/I in 2014, Mound was 0.40% of the total metro flow and paid \$770K in 2015. Mound's experience was a 40% increase compared to a 7% increase over normalized annualized flows metro-wide. This is an indication that Mound has a much bigger problem than other cities.

Hoversten said an exceedance cost/penalty is charged by the Met Council which can be spread out over four years and can be reinvested in projects to mitigate I/I within Mound or paid directly to the Met Council. Hoversten showed estimates of the true costs of I/I, including exceedance charges, higher rates, and ramifications of not addressing I/I as Met Council's excess capacity shrinks due to the growing population.

The Mayor clarified the City doesn't "sell" water but rather charges for the infrastructure to deliver it. In addition, it was noted that the Met Council changed from measuring the overages on a daily basis to an hourly basis, which will result in more exceedance events.

Simmons noted that Hoversten is participating on the Met Council task force which is very valuable to keep the City close to the conversation in order to learn from it. Simmons said the level of collaboration with the Met Council is increasing and based on direction received from the Council, the 2007 analysis/maps have been updated with more current data for I/I

rankings by sewer shed. Simmons said sewer shed areas in the City have been ranked for gallons pumped per foot of pipe and noted that the areas with 100 or more gallons per foot of pipe (marked in red) will be targeted for mitigation. Simmons showed pictures of the amount of sewer infrastructure that is under the water table during normal lake levels and then during the high water lake levels, which will also help to prioritize where to mitigate. Simmons noted these areas need to be water tight as they are constantly surrounded by clear/ground water, depending on the lake level/ground water table levels. Simmons said the L38 lift station is the lowest and has recently been lowered. Hoversten said the ideal is to have everything go downhill to the sewer pipe which should be a minimum of 7.5 feet below the ground surface.

Simmons noted much of the trouble is where the sewer is run between the house and the lake and not the house and the road. Simmons said additional meters have been installed in targeted areas to collect even more data. Simmons reviewed the next steps, including public outreach and awareness and a potential private sewer lateral ordinance since 51% of the total length of sewer pipes are private (from homes down to the sewer main).

Wegscheid discussed the many considerations to developing a policy, just as the street assessment policy had to take into competing factors, and noted that depending on where a home is situated, it may cost more than neighboring properties to remediate. Wegscheid said determining what is fair will be a challenge.

Simmons said the objective of tonight's discussion was to continue the discovery and education process. Wegscheid agreed and noted that the current investment is helping.

12.1 (Added) Eric Hoversten requesting action to approve a Resolution Authorizing Purchase of Emergency Preparedness, Code Enforcement, and Fire Duty Vehicle

Hoversten talked about the challenges of finding a good used public safety vehicle and the corresponding financial risks associated with it. Hoversten said a new vehicle with the necessary outfitting will exceed budget by \$5,100. Hoversten talked about some other possible funding sources, including trading in two older vehicles, emergency preparedness grants, contributions from the Mound Crime Prevention Fund, and an allocation to the fire department.

Wegscheid asked for the timing of the grants to be clarified and Hoversten noted the vehicle order has to take place by February 29.

MOTION by Gesch, seconded by Gillispie, to approve the resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-29: RESOLUTION AUTHORIZING PURCHASE OF EMERGENCY PREPAREDNESS, CODE ENFORCEMENT, AND FIRE DUTY VEHICLE

13. Information/Miscellaneous

- A. Comments/reports from Council Members
- B. Reports: Finance Dept - 12/31/15 PRELIMINARY Reports
- C. Minutes: 1/14/16 Parks and Open Spaces Commission
- D. Correspondence: LMCC HD Broadcast Announcement Memo

Hoversten highlighted the following upcoming events on the calendar:

- 2/25 Volunteer Appreciation Dinner
- 5/5 Moonlight Trail Night
- 5/15 Met Council Environmental Services Open House at the Gillespie Center
- 4/19 Department Heads Annual Reports to the Council

14. Adjourn

MOTION by Gesch, seconded by Gillispie, to adjourn at 8:42 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk