

**MOUND CITY COUNCIL MINUTES
APRIL 16, 2019**

The City Council of the City of Mound, Hennepin County, Minnesota, met in special session on Tuesday, April 16, 2019, at 6:30 p.m. in the council chambers of the Centennial Building.

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

Members absent: None

Others present: City Manager/Public Works Director Eric Hoversten, Community Development Director Sarah Smith, Public Works Superintendent Ray Hanson, Liquor Store Manager John Colotti, Fire Chief Greg Pederson, Finance Director/Clerk/Treasurer Catherine Pausche, City Engineer Brian Simmons.

1. Open meeting

Mayor Salazar called the meeting to order at 6:30 p.m.

2. Approve the agenda

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

3. Department Head Annual Reports

Annual reports were presented by Department Heads with discussion following.

A. Orono Police Department – Police Chief Correy Farniok

Hoversten said Police Chief Farniok was not present due to a conflict with an awards ceremony and that he will present at the April 23, 2019 regular meeting.

B. Liquor Store – Manager John Colotti

Colotti said he wanted to focus on 2020 and beyond and what staff is doing to sustain and improve success. Colotti said initiatives include a target of maximum of \$325K in inventory on a month to month basis, opening hours were moved back one hour Monday through Saturday since it is the slowest time of day in order to create payroll savings, the Tuesday/Friday Senior discount was changed to Friday only, print advertising has been reduced and emphasis will be placed on social media, including website, Twitter, Snap Chat, and Facebook.

Colotti noted revenues essentially flat and that product is constantly changing so the focus is on demand and gross profit generated. Colotti said regular in-store tastings take place in addition to all the other special events noted in the annual report. Colotti said his team is planning a store reset in conjunction with new flooring to be installed in January and that emphasis will be to combine high traffic with high profit products. Colotti summarized his experience prior to coming to the City of Mound over 16 years ago.

Salazar asked if the remodeling will result in a purge of dead stock and if the emphasis is on “turns and earns.” Hoversten said they are trying different layouts and the ability to create flexible spaces. Salazar asked about the impact of Total Wine & More and Colotti said everyone has been impacted. Colotti said St. Anthony’s muni was down \$1.8M or 42% initially

but there has been an uptick lately. Bergquist asked what is in the miscellaneous category and Colotti said things like ice and bar supplies.

C. Fire & Rescue/Emergency Response/Emergency Management – Fire Chief Greg Pederson

Chief Pederson listed the primary **accomplishments** for the department including: #1. Staff - 11,600 hours in 2018, 602 calls, 33% of firefighters have less than five years in department, there were 5 promoted to captain or lieutenant as of January 1st #2. Budget – survived the loss of Minnetonka Beach, long term financial plan updated through 2029 #3. Programs – duty officers – all overnights 6 pm Friday to 6pm Sunday every 5th weekend – 37% of calls duty officer is first to arrive on scene since they do not go to station – saves 700 staff hours. Pension \$5.8M 97% funded so retirees granted an increase this year, fire fighter health, wellness and safety emphasized and grants received to fund changing protocols. Pederson then listed the primary **challenges**, including: #1. Recruiting Volunteers – Velsor asked why – Pederson said long hours/big commitment for little pay but noted Mound is lucky as it has been tradition for generation of families, local small businesses support daytime response, and the department has a great reputation. Salazar concurred that there is strong leadership, moral and traditions #2. Training and development and managing volunteer staff time – Pederson gave example of the increasing number of lift assists at Presbyterian Homes and working with them on changing protocols so that the appropriate number of responders are mobilized between ambulance, police and fire – Pugh asked the reason for the increase and Pederson said their staff only assists if the resident is paying for that level of service #3. Capital plan calls for two apparatus replacements possibly with a combined unit. Pederson said challenge is to determine if enough capacity to transport fire fighters and equipment to scene.

Pugh asked what are the hazards? Pederson said the number of structural fires are down with new building codes but the stress of the job of always being ready, the protective gear and even the risk of being hit on the road pose hazards. Salazar asked about Minnetonka Beach's new contract with Long Lake Fire and Pederson said it is a 10-year with no fault cancellation clause. Peterson said the area covered with still expand with the growth of Minnetrista.

D. Finance & Administration/Docks Administration – Finance Director/Clerk/Treasurer
Catherine Pausche

Pausche said between budget discussions and the presentation of the annual financial report that occurs at other council meetings, she wishes to spend this time focused on proposed changes to the Dock Program. Discussion ensued about the proposed policy on dock structures and dimensions intended to provide guidelines for dock sites with a Dock Use Area (DUA) of 32' or less. Pausche used the charts in the packet to show that the number of exceptions/current non-conforming sites to the proposed policy were low and it would be good to implement the policy before that number grows. Pausche said Dock Administration has had a moratorium on changes the past two years and official action is really needed.

Pugh asked why any winter storage was allowed on the commons. Pausche said it is costly to transport and may mean people will store in their yards, which would be more unsightly than near the lake shore. Pausche said the proposal is to limit storage to one lift and the dock structure on commons.

Pausche said staff suggested the proposed policy just apply to non-abutters but the Dock Commission recommended that it apply to both abutters and non-abutters. Discussion ensued about the composition of the Dock Commission, which includes 2 abutters and 3 non-abutters,

and Pausche noted that one of the abutters was not present at the commission meeting and the only audience member was a non-abutter, so that should be taken into consideration in whether to accept this change. Pausche said staff felt abutters are only impacting their view if they have a dock cover and would be better able to monitor their open/uncovered watercraft and accessories. Hoversten added that the extent of use for abutters impacts the value of their land directly.

Bergquist asked about the possibility of more multi-slips. Pausche said there are only 1 – 2 possible sites for a 4 slip complex but other improvements will be necessary and parking may be an issue. Pausche also noted staff suggested the 6 sites at Ridgewood be converted to a multiple slip complex to clean up the area and create uniformity, but the existing site holders objected so it did not move forward. Velsor said it costs \$1,000 to have a lift moved and stored. Hoversten said that is an example of over-regulating by requiring off-site storage and eroding the affordability of the program. Pausche said enforcement will also be a challenge. Bergquist asked if a lift could fit at a multiple slip. Hoversten said the lift size would have to be set which may impact what lift or watercraft could be used at the site. Pausche noted that outboards like pontoons aren't as susceptible to AIS so not every site will need to accommodate a lift.

Hoversten said the open design and lifts discussion go together as it is a matter of managing restricted space. The policy is saying for dock sites with ≥ 32 linear feet, dock covers (also referred to as boat houses) are not allowed, only one BSU will be allowed for open design docks, and up to two lifts for straight dock designs but only one can be stored on shoreline during winter. The Council agreed with the suggestions adding that it should only apply to non-abutters as originally suggested.

E. Community Development/Planning/Zoning/Building Inspections –
Community Development Director Sarah Smith

Smith said the updated 2040 comprehensive plan was the largest endeavor of 2018, including multiple open houses and surveys. Smith said the City will have 9 months to put into place once the Met Council approves the plan. Smith said short-term home rental ordinance also took considerable effort to study other cities policies and evaluate current legal non-confirming operations to set a baseline for future legal non-conforming use. Smith said other priorities set by the Planning Commission and Council were to inventory tax forfeit properties and determine whether any are candidates for disposal, e-permitting, digitizing records, and nuisance enforcement. Smith said Harrison Bay was a significant development in Mound in 2018 and other development proposals are anticipated.

Bergquist asked to clarify if we are licensing and inspecting the legal non-conforming short-term rentals. Smith said only monitoring for compliance with the baseline, actual utilization because if it ceases for 1 year, the legal non-conforming designation goes away, and monitoring violations by holding property owner responsible. Discussion ensued on Julia Way parking issues and Hoversten said the one property has legal non-conforming status for both short term rental and for having no driveway and that both statuses run with the land. Hoversten said there is no parking on the lakeside and at the end. Bergquist said he has observed three cars parking strait in at the end.

F. Public Works (Parks) Operations & City Projects - Public Works Superintendent
Ray Hanson and City Manager/PWD Eric Hoversten

Hanson said new road and utilities have been completed on Westedge, the last of the major street projects. Hanson said future major projects include lift station reconstruction and conversion to natural gas generators and implementing water system best management practices. Hanson said the Department of Health complemented the city on being proactive about its water supply. Hanson said smaller projects include electronic upgrades for the water and SCADA system and better diagnosis of Inflow and Infiltration (I&I).

Bergquist complemented Public Works for the great job plowing all winter. Simmons said now that the major street projects are complete, the focus will shift to maintenance. Hoversten noted there is still some water infrastructure under non-city roads that will need to be upgraded in addition to the lift stations and lining projects. Hanson thanked the Council for supporting projects and investing in equipment that makes the department more efficient.

4. Long Term Financial Plan

Pausche said the City Council took a significant step in 2018 by approving a 10+ year Long-Term Financial Plan (LTFP) designed to provide for the remaining and future infrastructure investments while managing tax and utility rates in light of Mound's current above average rates. Pausche said it is a living document with assumptions that need to be reviewed and updated in conjunction with discussion on the levels of service expected and appetite for development.

Pugh remarked that Mound owns a lot of stuff compared to other lakeshore cities. Pugh said she liked the concept of funding reserves. Pugh said she would like to rethink the development of the Harbor District and the use of public spaces. Salazar said the plan was to develop 2.3 of the 5 acres with luxury high-end townhomes to increase the tax base and rooftops with disposable income, leaving the remainder as public space and/or a restaurant pad. Pugh said she didn't like the site plan and removal of Auditor's Road and Old Shoreline. Salazar said Auditor's Road is mainly serving as a short cut. Pugh said it is good for community events and the farmers market is an attraction. Velsor noted that could be staged anywhere. Hoversten said Staff met with organizers to brainstorm alternate locations and to discuss the benefits of creating a more intentional, purposeful environment of public space than exists today. Hoversten noted development also gives relief to the levy which can then be used to help fund public improvements.

Salazar asked Pugh what she would do differently and Pugh said commercial along Commerce. Hoversten noted prebuilding vacant commercial space won't work and that many sites are available today. Pugh said she recognizes retail is diminishing but that at-home businesses may want store front as they expand. Salazar noted the cost to rent commercial vs. working from home makes that difficult. Salazar said a large insurance company bought the Mist and paid pennies on the dollar which is why they could discount the commercial space and finally fill it. Pugh asked if we should look at Wayzata projects and Salazar said that Wayzata is really a different animal.

Hoversten said the townhome concept was in response to feedback received that people do not like high density, existing businesses do not want more competition and want to maintain a path to lake and that assembling all the parcels has been a challenge. Larson noted she never received a firm offer for her commercial building and she struggles with what is the right answer. Pausche noted that housing is leading the recovery and that the City has many unmet needs and should be open to development, without actually doing the building. Pausche also noted the townhome concept was complementary to the Villas on Lost Lake project. Pugh noted Hennepin County is going to rebuild the library and perhaps it could be relocated in the process.

Pausche agreed that definitely should be looked into. Hoversten said the process has not begun yet, but that he thought the county would be open to it. Pugh mentioned the library in the Rondo neighborhood has housing above it.

Pausche asked for feedback on the level of service expected. Salazar said he has lived here since 1992 and that this team currently handles everything with expediency and accuracy, and he does not feel anything is missing.

Hoversten said staff will continue to work on earning that reputation and he thanked the staff for the hard work to get it done. Salazar thanked staff for doing the heavy lifting and information to help the Council make good decisions. Salazar thanked Larson for flying back from Florida just to attend this meeting. Larson said she appreciates being appointed, is thoroughly enjoying it and takes it very seriously.

5. Adjourn

MOTION by Pugh, seconded by Larson, to adjourn at 9:25 p.m. All voted in favor. Motion carried.

Mayor Raymond J. Salazar

Attest: Catherine Pausche, Clerk