

MOUND CITY COUNCIL MINUTES
May 24, 2016

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, May 24, 2016, at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Mark Wegscheid, Council Members Heidi Gesch, Kelli Gillispie, and Jennifer Peterson

Members absent: Council Member Ray Salazar

Others present: City Manager and Public Works Director Eric Hoversten, Community Development Director Sarah Smith, Consultant Planner Rita Trapp, City Attorney Melissa Manderschied, Administrative Assistant Mary Mackres, Director of Finance and Administrative Services Catherine Pausche, Steve McDonald, Alex Teplitski, Max Teplitski, Alexandra Teplitski, Don Woytcke, Sandi Woytcke, Arvin Senne, Linda Senne, Rich Hirstein, Mike Otto, Lynda Smith, Joannie Meelin, Deb Gatz, Joe Simons, John Simons

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 7:00 p.m.

2. Pledge of Allegiance

3. Approve agenda

MOTION by Gesch, seconded by Gillispie, to approve the agenda.

All voted in favor. Motion carried.

4. Consent agenda

MOTION by Gesch, seconded by Gillispie, to approve the consent agenda.

Upon roll call vote, all voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$264,428.12

B. Approve minutes: May 10, 2016 Regular Meeting

C. RESOLUTION NO. 16-60: RESOLUTION APPROVING PUBLIC GATHERING PERMIT FOR 2016 FISHERS OF MEN WEST SPECIAL EVENT AT CENTERVIEW BEACH BEING HELD ON SATURDAY, JUNE 11, 2016

D. RESOLUTION NO. 16-61: RESOLUTION APPROVING MUSICAL CONCERT PERMITS FOR MOUNT OLIVE CHURCH, 5818 BARTLETT BOULEVARD WITH FEE WAIVED DUE TO PUBLIC PURPOSE OF GATHERING

E. RESOLUTION NO. 16-62: RESOLUTION APPROVING AMENDMENT TO PUBLIC GATHERING PERMIT AND MUSICAL CONCERT PERMIT APPROVED BY RESOLUTION NO. 16-44 FOR 2016 MUSIC IN THE PARK CONCERT SERIES

F. RESOLUTION NO. 16-63: RESOLUTION AWARDDING CONTRACT FOR 2016 BITUMINOUS SEAL COAT IMPROVEMENT PROJECT

5. Comments and suggestions from citizens present on any item not on the agenda.
None offered.

6. Jay Green, City representative to the Lake Minnetonka Conservation District (LMCD), requesting discussion, with any necessary action

A. 2017 LMCD Budget

Jay Green, the City of Mound's representative to the Lake Minnetonka Conservation District (LMCD), and chair of LMCD addressed the council. Green stated the LMCD Board created a budget working group in early 2016 to deliver on three tasks: 1) review the 2015 audit and budget actuals; 2) prepare projections for 2016; and 3) establish the budget for 2017.

Green reported that the LMCD was over the 2015 budgeted amounts. Green said that LMCD was over budget by \$23,000 due to reduced revenue from fines, license fees and other areas. The LMCD also lost \$34,000 in grant revenue from the MN Department of Natural Resources (DNR) due to state budget decisions. Green stated in response to this the LMCD consciously decided to use reserves.

Green stated that there were other extraordinary events that occurred this year that adversely affected the budget, including the departure of the LMCD Executive Director and large legal costs for two lawsuits.

Green addressed the 2017 budget. He stated there will be a \$306,000 levy request for next year which is a 6.3% increase. Green stated the levy is 50% of the LMCD budget. The LMCD Board has looked at reserve funds and is determining if there is a need for separate fund and reserve accounts for AIS control and Administration. Green responded to Mayor Wegscheid's question regarding transparency in budgeting and Green stated the LMCD will still itemize revenues which will be recorded in the 2017 budget.

Green added that the current LMCD staffing includes three staff; two who are full-time and the other staff is part-time. Green stated the LMCD will look to using contract employees and review the budget quarterly to review LMCD resources. He added that the LMCD doesn't want to be reliant on grants going forward and will have to take \$8,000 from reserves for 2017.

Green stated the LMCD meeting on June 2nd will offer the opportunity for cities to give their input on the 2017 budget.

B. 2016 Watercraft Inspection Program and Cooks Bay Access

- i. 1. Addressing concerns from 2015
- ii. 2. Right of Entry document

C. Update on LMCD activities

Green reviewed the LMCD Watercraft inspection program and ways to better spend education funds. He stated the LMCD contracted with the Three Rivers Park District which supplemented the MN DNR inspection program. Green stated Three Rivers took over the program last year it went well. He added the LMCD AIS education programs have been up-to-date on best practices and have been able to provide timely information.

Wegscheid and Gillispie stated that education is important but thought that the compliance rate is based on individual's action employing best practices and not formal education programs such as boat launch inspections.

Green responded that the inspection programs have evolved to be education programs and boaters have changed behavior due to the inspection programs. Wegscheid asked about education efforts and Green said the LMCD relies on partners to create the content and they are focused on funding the inspections.

Green stated Jim Brimeyer will be the interim Executive Director and the search for a new Executive Director has started.

Mayor Wegscheid thanked Jay Green for his involvement and contributions to the LMCD.

7. Sarah Smith, Community Development Director, requesting action on Resolution approving amended and restated Conditional Use Permit approved by Resolution No. 02-68 for property at 4831 Shoreline Drive - tabled from May 10th meeting

Kellie Gillispie recused herself due to a potential conflict of interest.

Sarah Smith, City Community Development Director, proposed a modified resolution that will amend and restate the Conditional Use Permit (CUP) in place at Main Street USA. Smith stated that at the last Council Meeting on May 10, a Public Hearing was held regarding this CUP. The Council tabled the Resolution to make revisions to the CUP. She added the important issues addressed were the total number of vehicles allowed on the site (which is 25 vehicles) and some housekeeping changes to the CUP.

Mayor Wegscheid asked what has occurred at the site since the last Council Meeting. Smith listed the number of vehicles on Main Street site since the last meeting. She said since May 17 there has been as few as 22 vehicles and to up to 30 vehicles on site daily. Smith said there were 28 vehicles on site at 4:50 p.m. today and that staff has observed work being done at the site on vehicles which constituted more than detailing.

Wegscheid said the intent of the original CUP, which was 20 cars on site, was not being followed and Smith added there was some vagueness in the CUP regarding the total number of vehicles allowed on the site. Smith added that the CUP amendment request from the Teplitski's was to allow for 29 total vehicles on the site.

Gesch stated that the number of vehicles which was agreed to at the May 10 meeting was 25 and added the owners did not follow the number of vehicles allowed 65% of the time since the last meeting. She added that the expectations from the May 10 meeting are not being followed.

Wegscheid was concerned about increasing the number of total cars on the lot to 29.

Manderschied added that the Resolution could be amended to approve the CUP with alteration to the number of cars which would be 25 total cars on the lot.

Manderschied added the amendment to the Resolution could reflect a specific date that the site improvements must be made by.

Wegscheid added that there was a similar experience in the city which gave a business 12 or 18 months to do site improvements and felt Main Street USA needed a similar amount of time to get the work completed.

Manderschied amended the CUP to require completion of the lot improvements by Nov. 30, 2017. Other amendments included reducing the number of total vehicles allowed on the lot to 25 from 29 until the improvements to the lot are completed.

Max Teplitski addressed the Council and stated that the field inspections by the City don't reflect the accurate number of cars on the property and that the site plan will be amended to remove four parking spots on the site which are south of the building on the lot.

Manderschied also amended the CUP to include the revised site plan submitted on May 24, 2016 and also to strike motorcycles from the approved vehicles for sale.

Rita Trapp, City Planning Consultant, asked if the owners of Main Street USA can change the site plan in the future. Manderschied responded that the amended site plan dated as May 24, 2016 cannot be changed.

MOTION by Wegscheid, seconded by Gesch, to approve resolution as amended. The following voted in favor: Wegscheid, Gesch and Peterson. The following voted against: none. The following abstained: Gillispie. Motion carried.

RESOLUTION NO. 16-64: RESOLUTION APPROVING AMENDED AND RESTATED CONDITIONAL USE PERMIT APPROVED BY RESOLUTION NO. 02-68 FOR PROPERTY AT 4831 SHORELINE DRIVE, PID NO. 13-117-24-44-0014

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

Trapp presented to Council the expansion permit request for 1729 Gull Lane. Trapp explained the expansion permit is for the construction of the basement, a two-story chimney and two replacement decks. The house was built in 1900 and there is foundation work which needs to be done including a lift of the home and basement work.

Trapp said there was a variance approved in 2008 for a second story addition at the property. This was for a deck which is now in need of being replaced.

Trapp added that the Planning Commission reviewed the plans and recommended approval. A neighbor did express concerns about the plans and those concerns were addressed in the Resolution. Trapp added four conditions to the Resolution since the Planning Commission review.

Lynda Smith, 4007 Queen Avenue, Minneapolis, MN is the owner of the property. Smith stated she purchased the property in 2008 and there was a remodel done in 2006. The foundation issues are not due to the age of the house but the footings used in 2006 were not correct and the house has settled. Smith added that to solve problem she would need to raise the house. Joanie Meehan, owner of 1733 Gull Lane, addressed the Council. Meehan stated she is a neighbor and is concerned with the construction and the amount of traffic on her property. Meehan stated she does not approve the use of her property during the construction project.

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

RESOLUTION NO. 16-65: RESOLUTION APPROVING EXPANSION PERMIT FOR PROPERTY AT 1729 GULL LANE, PLANNING CASE NO. 16-09

9. Catherine Pausche, Director of Finance and Administrative Services, requesting action on a resolution authorizing the City Manager to enter into a contract with Republic Services for residential curbside recycling services

Pausche stated the City has completed the 10th year of single-sort curbside recycling in the City and that the agreement with Republic Services expires at the end of the year. The City sent out an RFP to four vendors and received responses back from Randy's Sanitation and Republic Services. Pausche added the City has been satisfied with the services provided by Republic.

Pausche noted that Randy's has embraced organic recycling, but said she did not factor that into the recommendation because it is a more involved thing for residents to participate in and at this point she did not feel it was something the City needs to coordinate. Pausche said organics recycling can happen through garbage services and the City will work to educate residents on the options and that the City needs to discourage any mandates from the state or county.

Pausche recommended approval of Republic Services Option A which is to replace recycling carts as needed and that this will result in a slight reduction from the current flat rate for years 1 - 5, with an option to extend another 5 years for a slight increase. She added the City is mandated to provide residential curbside recycling services and noted that the City receives approximately \$30,000 from Hennepin County to assist with the City recycling program.

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

RESOLUTION NO. 16-66: RESOLUTION TO AUTHORIZE CITY MANAGER TO ENTER INTO A CONTRACT WITH REPUBLIC SERVICES FOR RESIDENTIAL CURBSIDE RECYCLING SERVICES

10. Steve McDonald, representing Abdo, Eick & Meyers, LLP, presenting the 2015 Comprehensive Annual Financial Report and Management Letter, and requesting action receiving the same (see separate report)

Steve McDonald of Abdo, Eick and Meyers CPA firm presented highlights from the Management Letter for the audit of the 2015 financial statements. McDonald stated the audit went smoothly and a qualified opinion was issued because the City decided to not implement the new GASB Statement No. 68 on pensions. McDonald added that the audit found no

instances of non-compliance or disagreements or difficulties. McDonald said the City does a good job with separation of duties for such a small accounting department.

McDonald added that the General Fund has had 30-50% of expenses in reserves in the last 5 years to achieve good cash flow. He said the special revenue funds include the fire, dock, and HRA funds also have healthy fund balances and that the City capital improvement funds increased by \$788,000 from last year. The City has good internal processes to close capital project funds when projects are completed. McDonald added that the Debt Service fund has \$32 million in bonds outstanding and there is positive cash in this fund which will allow the City to repay those debts. He added the enterprise funds also have positive fund balances and noted that the liquor fund had gross profit of 26.3% of sales. McDonald added that profits have improved each year and that the fund is performing well compared to other municipal liquor stores across the state.

McDonald reviewed the enterprise funds, including water, sewer, storm water, and recycling. McDonald said the challenge is to ensure rate increases keep pace with the additional debt service from projects.

McDonald said that compared to cities with a similar population, the City is in a good financial position.

Wegscheid complimented the finance department on the successful audit.

MOTION by Gesch, seconded by Peterson, to accept the 2015 comprehensive annual financial report and management letter. All voted in favor. Motion carried.

11. Information/Miscellaneous

A. Comments/reports from Council Members

Hoversten said the LMCD is offering a youth boater safety awareness course on June 13th and noted City offices are closed for Memorial Day.

Hoversten announced the Fire Department Fish Fry and the Westonka Historical Society's Grand Reopening will be held on June 4th.

B. Reports:

C. Minutes: Parks and Open Spaces: April 14, 2016 Regular Meeting

D. Correspondence:

12. Adjourn

MOTION by Gesch, seconded by Gillispie, to adjourn at 9:35 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk