

**MOUND CITY COUNCIL MINUTES**  
**October 8, 2019**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, October 8, 2019 at 7:00 p.m. in the council chambers of the Centennial Building.

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

Members absent: None

Others present: City Manager Eric Hoversten, Director of Finance & Admin Services Catherine Pausche, City Engineer Brian Simmons, Mary Davis, Bruce Stillman, Joe Bruns, Floyd Doering, Jess Schooner, Josh Fallen, Dan Saatzer, Margie Saatzar, Norm Leger, John Bittle, Eileen Bittle, Derrick Haase, Catherine Bohne, Brittany Reyes, Alex Flemal, Alyssa Cruse, Maddie Steanl, Zachary Babb, Allan Moran, Bill Edgeworth, Lauren Beauchamp, Alex Owens, Dianna Shandorf, Greg Dettlaff, Nancy Selle, Diana Wigland, David Kalin, Isiah Dempsey, Seth Anderson, Tyler Stevenson, Jayden Mclinchman, Nicole Hollins, Dillon Somnes, Jameson Sexton, Dylan Albert, Noah Lietsan, Nichole Kelley

*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, with any amendments**

Hoversten noted additional information for Item 6D, which is a list of those property owners who have submitted written objections to the street project special assessment as of 1:00pm that day.

**MOTION made by Bergquist seconded by Pugh to approve the agenda. All voted in favor. Motion carried.**

**4. Consent agenda**

Pugh asked to pull item 4H from the Consent agenda for discussion.

**MOTION made by Larson, seconded by Bergquist, to approve the consent agenda as amended. All voted in favor. Motion carried.**

**\*A.** Approve payment of claims in the amount of \$351,482.92

**\*B.** Approve minutes:     09-10-19 Regular Meeting  
                                  09-24-19 Regular Meeting

**\*C. RESOLUTION NO. 19-70: RESOLUTION DESIGNATING POLLING PLACES**

- \*D. APPROVE 1-4 DAY TEMPORARY ON-SALE LIQUOR LICENSE FOR NWTL NOVEMBER 16, 2019 BACON FEST FUNDRAISER AT THE GILLESPIE CENTER
- \*E **RESOLUTION NO. 19-71: RESOLUTION AMENDING RESOLUTION NO. 19-44 AUTHORIZING CONTRACT WITH Z SYSTEMS FOR PURCHASE OF COUNCIL CHAMBERS HIGH DEFINITION VIDEO RECORDING EQUIPMENT**
- \*F APPROVE CONTRACT IN THE AMOUNT OF \$ 11,885 WITH AMERICAN ENGINEERTESTING INC. (AET) FOR COMPLETION OF PHASE II ENVIRONMENTAL STUDY AND SOILS INVESTIGATION FOR WITHIN THE HARBOR DISTRICT AREA
- \*G APPROVE PAY REQUEST #1 IN THE AMOUNT OF \$16,733.44 TO KAMCO INC. FOR THE 2019 CRACK SEAL CONTRACT PW-19-07
- \*H REMOVED

4H. **(Removed) Approve Resolution approving public lands permit for 5000 ENCHANTED ROAD**

Pugh requested item 4H be pulled from the consent agenda and referred to the Docks Commission and Planning Commission due to some concerns expressed by the neighbor who believes it is unnecessary and has repercussions as to water drainage to the lake, potential to becoming space for extra parking and lack of any water retention strategy for it. Pugh explained it is an important piece of property, it is part of our commons that we need to preserve, and the turnaround is not necessary on the street. Pugh noted these are relatively new houses and most are maximized on the site, and the City already has significant potential water drainage issues into the lake. Pugh said she visited the site and the homeowners were not there, but the neighbor was, who expressed her objections and said she had met with Staff.

**MOTION** made by Pugh, to remand the public lands permit back to the Docks Commission and Planning Commission. Seconded by none. Motion did not carry.

**MOTION** made by Bergquist, seconded by Velsor, to approve the following resolution. The following voted in favor: Salazar, Bergquist, Velsor. The following voted against: Pugh, Larson. The following abstained: None. Motion carried.

**RESOLUTION NO. 19-72: RESOLUTION TO APPROVE A PUBLIC LANDS PERMIT FOR PROPERTY AT 5000 ENCHANTED ROAD**

5. **Comments and suggestions from citizens present on any item not on the agenda.**  
(Limit to 3 minutes per speaker.)

None were offered.

Pugh said she was appointed last week to serve on the Hennepin County Community Action Program (CAP) commission as an elected official representative.

Salazar recognized the large crowd and asked one student introduce and represent the

class and share the name of the teacher.

Zackery Babb, said the group is in Mr. Kiel's Advanced Government or Government class.

6. **Public Hearings**

**A Action on Resolution Adopting Assessment for Delinquent Municipal Utility Bills and Certifying to the County Auditor at 5% Interest – Levy #20286**

Pausche noted she is here to request the annual public hearings on delinquent utility bills and miscellaneous assessments. Pausche said notices are sent to property owners and renters, if applicable, informing them of any outstanding balances as of the July billing and the potential for any unpaid amounts as of November 15<sup>th</sup> to be assessed to property taxes. Pausche said the \$460K assessment roll is typical with about half being paid before the 11/15 deadline in order to avoid interest and being rolled to taxes. Pausche noted State Statute allows cities to assess delinquent utility bills to taxes which is very helpful for a small city not to have to pursue collections or shut off water to get paid. Pausche said this is a public hearing, which will allow anyone to speak on the matter, and otherwise the resolution is on page 1911.

Mayor Salazar opened the public hearing at 7:10 p.m. and upon receiving no comment, closed the public hearing at 7:11 p.m.

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

**RESOLUTION NO. 19-73: RESOLUTION ADOPTING ASSESSMENT FOR DELINQUENT MUNICIPAL UTILITY BILLS AND CERTIFYING TO THE COUNTY AUDITOR AT 5% INTEREST – LEVY #20286**

**B. Action on Resolution Adopting Assessment for Miscellaneous Expenses and Certifying to the County Auditor at 5% Interest – Levy #20285**

Pausche said this is also an annual assessment for any miscellaneous abatements that are done, including mowing grass on vacant properties and occasionally more significant abatements requiring construction remediation. Pausche said this year is low key and the owners have been notified that they have the opportunity to pay before November 15 to avoid it being rolled onto the taxes.

Mayor Salazar opened the public hearing at 7:14 and upon receiving no comment, closed the public hearing.

**MOTION** by Bergquist, seconded by Larson, to approve the following resolution. All voted in favor. Motion carried.

C. **RESOLUTION NO: 19-74: RESOLUTION ADOPTING ASSESSMENT FOR MISCELLANEOUS EXPENSES AND CERTIFYING TO THE COUNTY AUDITOR AT 5% INTEREST – LEVY #20285**

**Action on Resolution Adopting Reassessment for 2013 Street & Utility, and Retaining Wall Improvement Project for PID 30-117-23-22-0027 Levy # 20288**

Pausche said this is an unusual situation where the property could not be assessed as part of the 2013 street and utility retraining wall improvement project because it was in tax forfeit status and the County asked for it to be reassessed now that it sold. Pausche stated the person who bought it was made aware of the assessment and that this is just housekeeping.

**MOTION** by Pugh, seconded by Bergquist, to approve the following resolution. All voted in favor. Motion carried.

**RESOLUTION NO. 19-75: RESOLUTION ADOPTING REASSESSMENT FOR 2013 STREET, UTILITY, AND RETAINING WALL IMPROVEMENT PROJECT FOR PID 30-117-23-22-0027 LEVY # 20288**

D. **Action on Resolution Adopting Assessment for 2018 Street & Utility Improvement Project – Westedge Blvd, City Project No. PW-18-01, Levy # 20287**

Brian Simmons, City Engineer, addressed the Council with an overview of the history of capital improvement projects to reconstruct streets and utilities in Mound since 2004. Simmons stated that according to the City of Mound Assessment Policy the City has been using assessments to fund the street portions of those projects. Simmons added that originally the Westedge street project was programmed for reconstruction in 2017 and the City and Metropolitan Council were meeting since 2015-2016 to ramp up a cooperative project for 2018 in order to gain some efficiency, cost savings and to cause a lower impact to residents and drivers in the area. Simmons said Westedge Blvd. was past its usable life and was in need of reconstruction and the project was delayed so construction would only happen once. Simmons' presentation included a map representing the years specific streets were reconstructed since 2003. Simmons presentation showed before and after pictures of Westedge Boulevard, noting it was in pretty rough shape compared it to what it looks like now.

Simmons explained to the Council that Minnesota State Statute 429 allows municipalities to assess for improvements. Simmons said homeowners in the area have been properly noticed with a preliminary assessment and also the final assessment which is what tonight's final assessment hearing is addressing. Simmons explained the purpose of the final assessment hearing is to present the final project costs, the proposed actual assessments and request action to approve the assessments. Simmons said if approved, the assessments are certified to the County Auditor to the property taxes or owners can choose to pay them in full prior to November 15<sup>th</sup>. After November 15 unpaid balances are certified to the County at 5% interest over 15 years, beginning with the 2020 property taxes.

Simmons presented a snapshot of the project timeline, noting items in red font are the MN State Statute 429 requirements. Simmons added the list of dates include project items which delineate the planning of the project, the proposal to use assessments to pay for the project, the construction of the project and the final assessment hearing for the project. Simmons next addressed the City Assessment Policy which shows how assessments are calculated for standard street projects which do not take into account costs for an extra wide street or streets which are designed to accommodate heavier traffic. Simmons said the street assessments are based on the actual construction project costs for a 28-foot-wide standard street section, with any cost related to sewer or water main construction subtracted. Simmons said 1/3 of the cost of the street project is then assumed by the City with the other 2/3 being paid through the street assessment. Simmons added that residential properties assessments are calculated based on Equivalent Residential Units (ERUs) method per the City's assessment policy which has been used since 2003. This method is considered a more equitable method than other methods, which may incorporate property size, taxable value, front footage, etc. Simmons stated that City Policy also states that each assessment is capped at a total assessment of \$6,600.00 per ERU.

Simmons explained there can be no property which is assessed at more than one ERU. Simmons said some properties are assessed at less than 1 ERU and those properties could be a corner lot which may have already been assessed a ½ ERU on a past project. The final assessments could include other improvements such as a concrete driveway apron if one didn't exist before the project and Simmons stated some owners have asked for additional utility services or minor improvements to benefit their individual properties, which explains some of the assessments higher than a full or 1/2 ERU. Simmons said commercial assessments are based on a combination method, which combines the front footage on the lot area. Simmons noted there was only one commercial property in this project and that assessment cost was removed before assigning the residential ERUs.

Simmons directed anyone in the audience who has issues with the project other than the amount of the assessment, including issues with the completeness of work, or issues with the quality of work, to meet with Mr. Mark Onken in the back Conference Room.

Simmons stated they have a running punch list of items that are unfinished on the project, noting the contractor is still active and the warranty period has not begun, so if there are any issues with the work, that is what Onken is here for, and that is not what the public hearing is for.

Simmons restated that those who object to the assessment must put it in writing either at or before the meeting and if the assessment roll is adopted, anyone who wants to continue objecting to their assessment has to file in District Court within 30 days after the assessment roll is adopted, which the deadline would be no later than November 7<sup>th</sup>. Simmons noted this recourse is specified in Minnesota State Statute 429 if property owners continue to object to the assessment after the hearing and adoption.

Simmons stated the estimated project costs are typically going to be reduced when

used for the final assessment. Simmons added the estimated number of ERU which were used to calculate the final assessment increased from 32.5 ERU's to a final roll 34.5 ERU's due to lot splits.

Mayor Salazar opened the Public Hearing at 7:29 p.m.

Bruce Stillman, 6200 Westedge Blvd, stated there was no benefit to his property from this project. Stillman noted the road was old but was fine. Stillman noted the Met Council pipes needed to be put down was through taking out the entire street but Eric Hoversten said that it didn't have to happen. Stillman disputed the costs for the projects and stated he felt the City cost was nearly nothing. Stillman said a base property tax should be assessed everyone in the City and other residents wouldn't notice a \$14.00 increase if assessed through the City. Stillman said a major tree was lost on the property line that was the buffer from having to see my neighbors dilapidated shed. Stillman stated the original rollover neighborhood curb was replaced with an institutional city-style curb. Stillman argued the property value did not go up and that the streets were fine before, or at best the streets just needed resurfacing and that a project has to put back what they ruin so in certain ways the street was completely paid for.

Stillman stated the assessment does not fit this situation because it is not a normal street since everybody uses it and there wasn't a choice on curb styles. Stillman argued for a base property tax to be put on everyone's property to pay for the street improvement, with rebates for those who already paid assessments, which would be similar to the water and sewer utilities, where when everybody uses something, everybody should pay for it.

Stillman said the only way for the City/Met Council to properly do the project was to dig up the entire street to put the pipes down and address the old water lines and is not clear how much footage had to be replaced because the waterlines were in the way of the project. Stillman stated because the waterline was in the way the partnership was a good way of doing it, but that he does not believe the argument that the project could be done without tearing up the streets, and argues it would have cost the Met Council close to a million dollars or more to do it that way. Stillman said according to the paperwork, Met Council gave Mound utilities \$899,000. Stillman argued it cost \$5000 to put the water pipe in and believes Mound has a budget for redoing the waterline on the street and it seems to have cost Mound nothing to put in the waterline.

Margie Saatzer 2625 Westedge, said she has lived here 35 years. Saatzer noted at around 2006 there was a notice sent out about this project and several of them who attended a meeting at City Hall were told what Saatzer considers an oral contract that people were not going to have to pay for the road. Saatzer said they were told the project could start in the next 5 but most likely 10 years in the future. Saatzer recalled many of those in attendance that night were told it's going to be a big mess and explained what was going to happen, everything would need to be torn up for months and months, but that they would not have to pay for the road. Margie also recalls around 2006, there was also a proposed project on the island and that island people were at that meeting too.

Saatzer agreed with Stillman that there was no benefit or any improvement from the road, noting the neighborhood was totally demolished, big trees taken out even when they didn't use the land. Saatzer stated the project totally ruined the look of the neighborhood and that she absolutely hates the industrial curbs, noting her husband said their street should be called Industrial Boulevard now.

Saatzer stated her biggest concern is the new street did not just affect those on Westedge, but everyone in Mound benefitted, and she asked why are they paying for what all people in Mound benefited from.

Saatzer said there are two reasons the road was in rough shape, construction traffic from the Saunders development and all the construction traffic for that and the construction of the new treatment plant from construction traffic. Saatzer said for years all those big trucks tore up and down the road nonstop from early in the morning till dusk and it doesn't seem like Mound is taking any responsibility for ripping up their road.

Bruce Stillman, 6200 Westedge Blvd, said it is a big detriment to the neighborhood that they took seven feet wider than the street itself resulting in loss of trees and landscape. Stillman argued against the assessment options and suggested a study to explain the choices and impact on property rights, not just trying to sell the existing system of assessments and keep it going, but create a better system. Stillman stated the council has the ability to adopt a new system right now, saying they just have to be creative and make it fair that if everybody uses the streets, everybody should pay for it.

Stillman wants the old curve back and argues the numbers in the presentation were not correct and don't match up with the numbers he has, saying Bolton and Menk left out things and there are other ways this project could be looked at. Stillman said the study should be explained and instead of assessing them, let them use their money to put the character back into the street while the council creates a better system.

Stillman further explained the document he's referencing the feasibility study for the project which came in at an estimated cost of \$2,683,000.00 which included \$899,000.00 of City improvements paid for by the MCES.

Hoversten explained the costs relayed in the Feasibility Report for the project. Hoversten said all things in the Feasibility Report may or may not have been a part of the City-only project which was contemplated when Westedge was originally identified as a street that needed to be rebuilt. Hoversten added that combining with the Met Council lessened the impact of multiple projects being done on the street rather than what took place in the project which was smart for the City to do when there was already going to be construction going on under the street which is part of what the City took into account when the design became a systematic street improvement project which included the under the street utilities. Hoversten said the Met Council paid for portions of the project which was not included in the initial Feasibility Study because the Met Council needed those completed before doing their under the street portion of the construction.

Stillman said in order to get the benefit, when the agreement was made, the entire street had to be used up, gone, and because those two utilities made a beneficial agreement for that benefited them, it took out the entire street, they have to have the capital for replacing the street, they have to put the street back, they saved a ton of money. Stillman argues it shouldn't cost the residents money and it was turned into two projects, which would at least be able to drive to our houses on half the street instead of having to walk through mud, a half a block carrying groceries, and every so often you can't go this way, addresses close down, it's a lot extra inconvenience doubling up this partnership and the partnership had to take out the entire street and those two utilities are responsible for putting the street back, the normal utility would take 1/3 of the street and the 2/3 of the neighbors would have to pay for it, this was not a normal project.

Hoversten said a number of utility costs were born by the Met Council and the procedure of the street assessment is for 1/3 of costs going to the City General Fund and the other 2/3 to the benefitting property owner. Hoversten said the City needed to sell bonds to get the financing for the project and the costs for the financing and administrative costs for the financing needs to be paid.

Stillman said the new street is defective. Hoversten directed Stillman to speak with Mr. Onken if there are defects in the street.

Salazar stated City streets like Westedge hasn't been repaired since the 1970's and the City needed to address the quality of the streets at a time when the City didn't have the funds reserved so the 1/3 and 2/3 Assessment Policy was created to fund needed projects.

Norm Leger, 6221 Westedge Boulevard, asked if a neighborhood is to be assessed, shouldn't be a discernible improvement to the neighborhood, and noted the City needs to articulate what the benefits to the neighborhood were.

Leger agreed with Saatzer that any damage to the road was due to excessive truck traffic caused by the water treatment reconstruction and the Saunders Lake development and that everybody knows that heavy truck traffic causes hundreds of times more damage to a road than residential traffic and that is was caused the resurfacing to be needed. Leger pointed out that the water and sewer is something that the entire community benefits from, which is the only discernible improvement, so why should one neighborhood have to pay for it. Leger asked the city to please articulate what the improvements to the neighborhood were because all they see are the downgrades that took place, including removal of trees, shrubs, and new grass that was planted in soil that was apparently planted in gravel extracted from a weed infested gravel pit and some cheap curbs. Leger requested that it be stated for the record, what improvements were that we specifically on Westedge are paying for.

Gary Erdman, 2606 Westedge Boulevard, said he has lived 53 years in the same place and that this is the worst job he's ever seen moneywise. Erdman said if you took a picture of Westedge 10 or 15 years ago before they built all the housing in Saunders and the sewer plant, you would have fallen over, and noted he paid for it once before for the same thing. Erdman complained about the work and was directed to discuss it with Onken in the conference room.

Allan Moran, 6155 Evergreen, stated one side of his lot is on Westedge, and asked if the gas company work during the project is paying for anything.

Simmons said the gas company exists in Mound under a franchise agreement and that they often replace their utilities ahead of the construction projects. Simmons said the curb and gutter installed on Westedge is a City standard and is effective at retaining rainwater and is very durable.

Dan Saatzer, 2625 Westedge Boulevard, said he is not opposed to getting assessed with projects that are explained in a straight forward manner. Saatzer said the Met Council sewer line/regional upgrade project that happened to be in our street and the plant just happens to be on our street and the line continues all the way to Shakopee.

Saatzer questioned where the sewer line ends up because he thinks a project of this magnitude should have accounted for a new street behind them but Mound volunteered to pay for the street part and assess their residents.

Gary Erdman, 2606 Westedge Boulevard, asked why Westedge is considered a County Road. Hoversten said Westedge, from County Road 110 to County Road 15, is a City Street.

Mayor Salazar closed the public hearing at 8:28 p.m. and brought the Assessment back to the Council for discussion.

Bergquist asked Simmons what the average life expectancy of a street? Simmons said it is 35-45 years if properly cared for.

Pugh asked if the City has engaged the Met Council in street projects previous years. Simmons said near 2015 on Tuxedo near Al and Alma's and parts of Wilshire Blvd. and Bradford Lane.

Larson asked if Mound residents on the Island were assessed in a similar manner for projects that the City worked in tandem with the Met Council and Simmons said yes.

Larson asked if the Westedge project goes from the sewer plant on the edge of Lake Langdon and Simmons clarified it is not a sewer plant but rather a pump station which pumps regional flows out of Mound towards Blue Lake.

Larson asked if the pump station goes down Westedge Boulevard and continues down County Road 44 and hooks up to the line at Highway 7 and Simmons said yes.

Larson asked if Simmons is suggesting that it was time for a new road on Westedge and Simmons said yes. Simmons added the maps of the capital improvement plan from 2003 or 2004 showed Westedge improvement around 2017 when it was assumed Westedge would need reconstruction.

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

**RESOLUTION NO. 19-76: RESOLUTION ADOPTING ASSESSMENT FOR 2018 STREET & UTILITY IMPROVEMENT PROJECT – WESTEDGE BOULEVARD CITY PROJECT NO. PW-18-01, LEVY #20287**

7. **Information/Miscellaneous**

A. Comments/Reports from Council members

City Manager Hoversten highlighted the following dates:  
October 15, at 6:30 Budget Workshop

November 9, Rotary Brewfest  
Harbor Wine and Spirits is providing All You Can Eat products

November 4 - City Hall Staff resume Winter Hour Schedule

November 15 – Winter Parking Restrictions

Harbor Wine and Spirits announcements:  
Ron Gust has been selected as a Liquor Store Manager  
Kyle Christiansen has been promoted to Assistant Manager

B. Reports: Finance Department – August 2019 YTD  
Liquor Store – September 2019

C. Minutes

D. Correspondence: MPCA – Notice of Intent to Adopt Rules –  
Water Quality Standards Class 2 and 7 Use Designations

8. **Adjourn**

MOTION made by Larson, seconded by Bergquist, to adjourn at 8:40p.m. All voted in favor. Motion carried.

---

Mayor Raymond J. Salazar

---

Attest: Catherine Pausche, Clerk