

**MOUND CITY COUNCIL MINUTES  
December 10, 2019**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, December 10, 2019 at 7:00 p.m. in the council chambers of the Centennial Building.

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

Members absent: Phil Velsor

Others present: City Manager Eric Hoversten, Director of Finance & Admin Services Catherine Pausche, Mary Davis, City Engineer Brian Simmons, Orono Police Sgt. Kenny Beck, Catherine Bohne, Noah Zietzer, Arthur Witschorik, Tyler Stevenson, Annabelle Wiskus, Lauren Beauchamp, Isabelle Ayaz, Tom Skramstad, Jon Ciatti, Olivia Duggan, Sophia Oherba, Shulay Spriger

*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 amendments**

Hoversten stated there are replacement pages for Item 8A, Fee Schedule for 2020, including changes to Fire and Emergency Services on page 2516 and 2520 and Item 8C, 2020 budget, replacement pages 2523 and 33 and 35 of the separate budget packet.

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

**4. Consent agenda**

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

**A.** Approve payment of claims in the amount of \$319,707.65

**B.** Approve Minutes: November 26, 2019 regular meeting

**C. RESOLUTION NO. 19-87: RESOLUTION APPROVING CONTRIBUTIONS FOR 2019**

**D. ORDINANCE NO. 03-2019: AN ORDINANCE AMENDING CHAPTER 18 OF THE MOUND CITY CODE AS IT RELATES TO CEMETERIES**

**E.** Approve appointments to the Docks and Commons Commission:

1. Susan Gardner (Abutter) re-appointment to a 3-year term
2. Derrick Hentz (Non-abutter) re-appointment to a 3-year term

- F. Approve appointments to the Planning Commission:
  1. David Pelka re-appointment to a 3-year term
  2. Jake Savstrom re-appointment to a 3-year term
  3. Jon Ciatti appointment to a 3-year term
  4. Sue Pilling appointment to a 1-year term
  
- G. **RESOLUTION NO. 19-88: RESOLUTION ACCEPTING BID FOR FERNSIDE LANE FORCEMAIN IMPROVEMENTS AND BAY RIDGE SEWER SERVICE PROJECTS CITY PROJECT NOS. PW-19-05 & PW-19-11**
  
- H. **RESOLUTION NO. 19-89: RESOLUTION ACCEPTING BID FOR COMMERCE WATERMAIN IMPROVEMENTS CITY PROJECT NO. PW-19-04**
  
- I. Approve Pay Request #1 in the amount of \$103,041.28 to Midwest Asphalt Inc. for the 2019 Swenson Park Tennis Court Replacement project, PW 19-06
  
- J. Approve 1-4 Day Temporary On-Sale Liquor Licenses to the Knights of Columbus Shrimp Fry Fundraising Events on 02-28-20 & 04-03-20
  
- K. Approve Official Dock Map Addendum
  
- 5. **Comments and suggestions from citizens present on any item not on the agenda.**  
(Limit to 3 minutes per speaker.)  
None were offered.

Mayor Salazar invited a representative of the students in the room to introduce themselves. Arthur Witschorik, 4769 Gordon Rd., class of 2020, said the course name is Government and Mr. Kuehl is the teacher. Witschorik said he is having a great time and learning a lot about government.

Mayor Salazar encouraged the students who have questions during the meeting to come up and ask them and thanked them all for being there.

- 6. **Orono Police Sgt. Kenny Beck presenting the Mound Activity Report for November**  
Orono Police Sergeant Kenny Beck gave the Mound activity report for November stating there were 136 calls for service, including 36 medicals, 19 mental health welfare checks, 14 miscellaneous assist/civil, 14 traffic related, including accidents, 10 burglary/theft related, 8 assist the fire department/lift assist, 8 alarms, 7 adult or child protection cases, 6 domestics or disturbance calls for assaults and 3 relating to animal calls. Beck reminded the audience winter parking restrictions are in full effect and they gave out more than 20 citations during the last two snow falls.
  
- Beck stated the Police Chief extends an invitation for the Council to jump with Team Cop-Sickles, led by Chief Farniok, at the January 25th Polar Plunge at Surfside Park & Beach or to sponsor the team to raise money for Special Olympics. Beck said last year they rose over \$3,000 and the goal this year is to get closer to \$3,500.

7. **City Engineer Brian Simmons presenting the Engineering analysis final report for the 2020 J-1 Lift Station Replacement project, PW 20-01 and requesting action on a Resolution receiving report and authorizing preparation of plans and specifications and ordering advertisement for bids for the 2020 lift station improvements projects.**

City Engineer Brian Simmons noted the rebids on other projects resulted in approximately \$100K in savings and reiterated it was a smart move to re-examine those projects and put them back to the market at a more competitive time.

Simmons said lift station J-1 at Avalon Park is the likely candidate for replacement in 2020, including a new underground structure/concrete can, new pumps, new control panel, new SCADA (ie., radio system used to control the lift stations), and new natural gas generator backup.

Simmons stated the lift station study looks at size and capacity, what the necessary pumps are going to be, what the capacity of the underground can needs to be in order to determine a proposed cost, and that the resolution today is to accept the study, order plans and specs and set a date for bidding the project. Simmons said upon approval, Staff will move forward with designing the project and putting it out to market, trying to get things early and as competitive as possible.

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

**RESOLUTION NO. 19-90: RESOLUTION RECEIVING REPORT AND AUTHORIZING PREPARATION OF PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE 2020 LIFT STATION IMPROVEMENTS PROJECT**

8. **2020 Final Budget and Levy Discussion/Approval**

**Note: Public will be invited to comment before taking action on the budget resolutions.**

**Catherine Pausche, Director of Finance and Administrative Services, presenting an overview of the 2020 budget and levy and requesting discussion and/or action on the following**

*(Also see separate budget packet for more content):*

Pausche's presented slides summarizing the budget and exhibits from the budget packet and explained the preliminary levy was approved in September which sets the ceiling for the final levy because that is what is used to send the proposed property tax statements that were mailed to property owners in November.

Pausche explained the proposed general fund revenue and total levy increases of 3.5% and 3% are the same as the preliminary levy. Pausche said the general fund levy is used for administration, streets, parks, public safety, and capital reserves to ease the impact of timing differences and to prepare for the next generation of streets to avoid the need for special assessments.

Pausche stated the capital plan includes the liquor store renovation that was pushed to January, a slower time of year, and a new multiple slip for 4 boats and stairway at Idlewood which will replace two dock sites that haven't been accessible since the lift station rehab.

Pausche explained the proposed changes to the dock fees and the Depot rental fees, noting the dock fees were last changed in 2014 and that the Docks and Commons Commission approved a recommendation to increase the fee for a secondary/share dock from \$175 to \$325, the same as the primary dock user.

Bergquist said he is on the Parks Commission, and he is opposed to the two tier system for different seasons/days of the week, but is okay with adjusting the Depot fee very slightly for Mound residents. Discussion ensued and the Council came to agreement for the need to raise the fee to cover improvements and upkeep thereby increasing the peak season/summer to \$150 (7 days a week) and leaving the off-season months at \$125 (7 days a week) for Mound residents and implementing the increases for non-residents/non-profits. Mayor Salazar asked about the \$10 fee for storing boats on land and Hoversten said that is unique to commercial dock holders.

**A. Action on Resolution Adopting Fee Schedule for 2020**

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

**RESOLUTION NO. 19-91: RESOLUTION ADOPTING FEE SCHEDULE FOR 2020**

Mayor Salazar asked if anyone in the audience wanted to comment on the budget/levy.

Tom Skramstad, 2968 Pelican Point Circle, said he moved to Mound about three and a half years ago and the value of his home has gone up by 56% in three years, and the property taxes have gone up in kind.

Pausche explained there are two things at play, one is the property value that is determined by the Hennepin County Assessor's Office and the other is the City Property Tax Levy, which is the amount the city requires to provide the services. The City doesn't control the changes in values and those changes differ by property type. Pausche said there were big swings during the recession but most values have rebounded. Hoversten said in either case, recession or not, the City needs to generate roughly the same revenues but much work has been done to contain increases. Salazar noted the City is only one of the taxing districts making up the property tax and Bergquist noted the school district has gone up significantly in recent years.

**B. Action on a Resolution Approving a Levy not to Exceed \$248,555 for the Purpose of Defraying the Cost of Operation, Pursuant to the Provisions of MSA 469, of the Housing and Redevelopment Authority of and for the City of Mound for the Year 2020**

Pausche explained the state statute allows cities to have a special levy of a maximum of 1.8% of total market value to fund redevelopment activities and the City has always taken advantage of this to help pay for the parking deck bonds and to help fund the gap for the Harbor/Transit District where the TIF did not materialize.

**MOTION** made by Bergquist, seconded, by Larson to approve the following resolution. Motion carried.

**RESOLUTION NO. 19-92: RESOLUTION APPROVING A LEVY OF \$248,555 FOR THE PURPOSE OF DEFRAYING THE COST OF OPERATION PURSUANT TO THE PROVISIONS OF MSA 469 OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF, AND FOR, THE CITY OF MOUND FOR THE YEAR 2020**

**C. Action on Resolution Approving the 2020 Final General Fund Budget in the amount of \$5,620,150; Setting the Final Levy at \$5,993,083; and Approving the Overall Final Budget for 2020**

Pugh asked about the special levy for the TIF and whether the \$100K is a final payment. Pausche stated this is reinstating the levy that was suspended in hopes the Harbor District redevelopment would materialize, but now we're at least two years out again, so it is prudent to put it back in.

Larson said she has many questions about the budget. Larson said she would like to discuss this further at another time and asked if she abstained from voting tonight what would happen. Pausche said if the majority approves, it will still pass.

Pugh confirmed the amounts for the liquor store fund. Pausche said the sales of \$3M and \$2.8 Cost of Good Sold is not presented on all schedules as some schedules just focus on operating costs (payroll, supplies, etc). Pausche said the store contributed \$125K to tax relief in 2018 and \$175K in 2019 and 2020. Salazar said the \$650K includes the remodel. Pausche said there will be a few days of closure during the remodel but it is imperative as the store is over 15 years old.

Pugh asked about the capital expenditures on page 2509 and how they relate to the capital reserve funds. Pausche explained the current year capital expenditures for the General Fund (streets, parks, etc) will be charged to the capital reserve funds that were created (Fund 403, 405, etc), and the difference between that and the levy amount will become reserves for future expenditures. Special revenue (fire, docks, Harbor District) and enterprise (water, sewer, storm) funds are charged directly for their capital expenditures.

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

**RESOLUTION NO. 19-93: RESOLUTION APPROVING THE 2020 FINAL GENERAL FUND BUDGET IN THE AMOUNT OF \$5,620,150; SETTING THE FINAL LEVY AT \$5,993,083; AND APPROVING THE FINAL OVERALL BUDGET FOR 2020.**

**9. Information/Miscellaneous**

**A. Comments/Reports from Council members**

Pugh said State Representative Kelly Morrison helped pass a bill to help people make their yard a good location for pollinators, and a grant program for both individual homeowners and cities was created called "Lawns to Legumes." Pugh shared information on the

program and said it is being operated by “Blue Thumb” who are the Master Gardeners in charge of the program.

Pugh stated the grants for individual homeowners are up to \$350 for transforming their yards by planting natural flowers and a Clover like ground cover instead of grass, and noted applications are being taken now and then there will be another round of applications in April of 2020.

Pugh stated there is also a grant program for cities and given that Mound is the largest city on Lake Minnetonka, has the longest lakeshore, a number of parks, and recreational values, this maybe something that could be done for several of the parks and perhaps even the Harbor District.

Hoversten added the program appears to dovetail onto a number of programs that the DNR has available in Hennepin County and agreed it is a great program. Hoversten directed people to the right hand side of the City’s webpage for Resident Resources that includes links to sites that help homeowners make decisions, do planning and find resources. Hoversten said this information regarding “Lawns to Legumes” will be added there.

There was further discussion about the possibility of the city working with the program and Hoversten said he thought the “Lawns to Legumes” program could go well with the work the City has programmed for the boat launch parking lot area a Surfside Park, where there is a desire to create some separation between where people swim and beached boats/motors. Hoversten said he passed on the program information to the Parks Commissioners and noted the City has already done something similar to this with the Watershed District at Carlson Park.

Pugh reiterated the need for the water to go down to the aquifer and not drain into the lake, but most importantly, that we preserve the environment for our children, noting this is why youth are leading the climate change movement.

Larson thanked those in charge of the holiday lights this year, noting the holiday tree and the wrapped trees around it were spectacular. Hoversten recognized the cooperative efforts of the Westonka Community and Commerce association, city public works staff and a specialized vendor that created the environment.

Mayor Salazar thanked staff for all the hard work this year, administratively and Public Works, who did a fine job with the removal of snow last year and may have a lot more this year. Mayor Salazar wished everyone a Merry Christmas and a happy holiday season.

- B. Reports:           Engineering – BMI – 09-30-19 YTD  
                          Liquor Store – November 2019  
                          Fire Department Activities – November 12019
- C. Minutes:           Planning Commission - October 1, 2019
- D. Correspondence: Mediacom Rate Notification Letter

10. Adjourn

**MOTION** made by Bergquist seconded by Larson, to adjourn at 8:28 p.m. All voted in favor.

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Mayor Raymond J. Salazar

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Attest: Catherine Pausche, Clerk