

**MOUND CITY COUNCIL MINUTES**  
**December 11, 2012**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, December 11, 2012, at 7:00 p.m. in the council chambers of city hall.

Members present: Mayor Mark Hanus; Councilmembers Kelli Gillispie, Ray Salazar, Heidi Gesch, and David Osmek.

Others present: City Manager Kandis Hanson, Finance Director/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Scott Qualle, Blaze Fugina, John Dean, Ted Tammearu, Steven Sunnarborg, Jan Olson, Micah Hallock, Blaze Vicnair, Kyle Host, Quinn Leonard, Kelly O'Brien, Steve Bona, Courtney Hallowell, Johann Chemin, Jack and Shirley Evans, Gordon Engstrand, Bernie Menz, Bonnie Gaasland, Doug Dahm, Justine Goode

*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 Hanus called the meeting to order at 7:01 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

MOTION by Salazar, seconded by Gesch to approve the agenda as submitted. 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
- B. Approve minutes: Nov 27, 2012 regular meeting
- C. Approve Application for a 1-Day Temporary On-Sale Liquor License for the Northwest Tonka Lions for Dec 30, 2012 event at the Gillespie Center
- D. RESOLUTION NO. 12-101: RESOLUTION APPROVING CONTRIBUTIONS**
- E. Approve Payment Request No. 7 by GMH Asphalt Corporation in the amount of \$500, 175.97, for work on the 2012 Street, Utility, Lift Station and Retaining Wall Project, City Project No's; PW-12-01, 12-03, 12-04.
- F. Approve Commission appointments (all three-year terms)
  - 1. Parks & Open Space Commission: Gina Nettle and Brian Roath
  - 2. Docks & Commons Commission: Mark Drahos
  - 3. Planning Commission: David Goode and Pete Wiechert
- G. Set special meeting workshops:
  - 1. Joint City Council/Planning Commission – Feb 11, 2013, 7:00pm
  - 2. Department Head Annual Reports -- Apr 2, 2013, 6:30pm
  - 3. Interviews for LMCD Representative – Dec 13, 2012, 6:30pm

**H. RESOLUTION NO. 12-102: RESOLUTION TO AUTHORIZE MOUND'S CITY FIRE DEPARTMENT TO ENTER INTO CONTRACT NEGOTIATIONS TO PROVIDE AUTOMATIC MUTUAL AID TO THE CITY OF ST. BONIFACIUS**

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

None were offered.

**6. Community Development Director, Sarah Smith, with Stephen Bona, requesting action on Resolution Declaring Adequacy of Petition for Public Improvements at Woodlyn Ridge.**

Sarah Smith, Community Development Director, 6104 Lynwood Boulevard, Woodlyn LLC, Smith gave background on the Councils' earlier adoption of a Chapter 429 Policy which allows the City to put in the public improvements (streets, water, sewer) of a private development and assess the costs to property taxes. If City accepts petition, a Letter of Credit in the amount of 125% of improvements will be received to minimize the City's risk in the event the lots do not sell. Smith noted Chapter 429 for private development has been used in the past at the City.

Smith requested action on Resolution and the City will publish the petition per State Statute.

Mayor Hanus pointed out a potential contraction in Petition Section 4, last sentence. The Mayor stated that the only reason the City would agree to Chapter 429 if it was structured in such a way that there was "zero" risk to the City. The City would be holding the bill if the developer refused to proceed.

Steve Bona of Woodlyn, LLC, agreed to work with the City Attorney to work on modifying the language. The Mayor accepted that and asked Mr. Bona if he was requesting the motion to be tabled. Mr. Bona then requested the resolution be approved subject to the removal of the language in question.

MOTION by Hanus, to approve the resolution subject to the Petition and Waiver being amended to strike the language from Section 4: "...and the developer does not hereby consent to an assessment in excess of the current estimated costs" or require the developer to return to the Council if there is other language the developer would prefer.

Seconded by Salazar to adopt the following resolution as amended. All voted in favor. Motion carried.

**RESOLUTION 12-103: RESOLUTION DECLARING ADEQUACY OF PETITION FOR PUBLIC IMPROVEMENTS AT WOODLYN RIDGE**

**7. Sarah Smith, Community Development Director, with Scott Qualle, requesting action on Agreement and Contract for Inspection Services with MNSpect.**

Sarah Smith introduced proposed continuation of contract with MNSpect for inspection services (building, mechanical, electrical, fire). The current contract expires 12/31/12. Proposed contract has minimal changes and will be 3 years in duration. Smith is very pleased with their

performance, noting MNSpect is very responsive to emergency inspection requests and provide shorter turnaround time of electrical permits versus sending to the State.

Smith highlighted proposed changes to maintenance type permits in response to customer demand. Many communities moved from valuation based to flat fee, which staff is recommending.

MOTION by Salazar, seconded by Gesch, to approve the Agreement and Contract for Inspection Services with MNSpect. All voted in favor. Motion carried.

Scott Qualle thanked the Council for the opportunity to serve the City and its residents.

**8. Sarah Smith, Community Development Director, requesting action on Ordinance Amending Chapter 101 of the Mound City Code as it relates to general and administrative provisions**

Smith introduced the companion document to MNSpect contract. Per statute, the fee schedule is required to be in ordinance form, and the proposed changes reflect the changes from a valuation based fee to a flat fee for the maintenance type permits. A replacement ordinance was provided that correct some typos on the original.

MOTION by Salazar, seconded by Gesch, to approve an Ordinance Amending Chapter 101 of the Mound City Code as it relates to general and administrative provisions. All voted in favor. Motion carried.

**9. Catherine Pausche, Finance Director, with discussion/action on 2013 Budget**

- A. Pausche provided an overview of the 2013 proposed budget and levy, highlighting the changes from the Preliminary Budget and Levy approved in September. The 3% preliminary general fund levy increase was reduced to 2% for the final. Increased the use of reserves for 2013 primarily due to eliminating the equipment certificates. Added \$50,000 back to fund the seal coat program. Unassigned fund balance 20.55% with a City property tax rate estimated at 56%.
- B. City Manager, Kandis Hanson, gave a report on Internal Staffing and Policy Evaluation stating that the Finance Department will assume the duties of the City Clerk Department as of 12/3/12 with the Finance Director/Treasurer assuming the title of Finance Director/Clerk/Treasurer. The Public Works Department will reduce the number of supervisors from 3 to 2 in 2013. The Fire Chief will assume the role of the Emergency Management Director assisted by the Community Service Officer serving as Emergency Management Coordinator in 2013.
- C. The Mayor invited comments and suggestions from citizens present on the 2013 budget. Johan Chemin, 6039 Beechwood Road, questioned the layoff of the City Clerk and suggested other areas for potential reductions prior to reducing staff. Mayor responded that he values the City Manager. Osmek stated the other areas mentioned are necessary uses of technology to be efficient. Gordy Engstrand, 1754 Jones Lane, questioned tax increase. Justine Goode, 5116 Edgewater, questioned 15% increase to

valuation. Ed Rockwall, 4888 Edgewater, questioned 27.3% increase in City taxes. Opposite side of street had no or minimal change. Shirley Evans, 2025 Arbor Lane, questioned 32.1% increase in City taxes. Justine Goode, 5116 Edgewater, questioned 34% increase in City taxes. Bernie Benz, 3035 Bluffs Lane, questioned valuation down, but City tax increases. Bonnie Gaasland, 4936 Edgewater, came to the May open book and received a reduction, but was told the area will go up another 20% next year. Steve Sunnarborg, 4924 Edgewater Dr, City taxes increased 40% in recent years for a 1 bedroom, 1 bath. Janice Olson, 5016 Edgewater Dr, 40 year resident being taxed out of home.

Osmek discussed the formula to distribute the taxes and the relative impact of changes in valuations. Pausche mentioned the impact of the Market Value Homestead Exclusion program dictated by the State in 2011. Mayor Hanus and Hanson agreed to request a special meeting with the County Assessors to talk about the issues specifically related to Arbor Lane and Edgewater Drive valuation changes, targeted for December 19, 2012, for which concerned residents will be notified by mail to confirm date and time.

**D. HRA Levy**

MOTION by Osmek, seconded by Salazar to adopt the following resolution. All voted in favor. Motion carried.

**RESOLUTION NO. 12-104: RESOLUTION APPROVING A LEVY NOT TO EXCEED \$191,194 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 2013**

**E. Action on Resolution Approving 2013 Final General Fund Budget and Levy.**

MOTION by Osmek, seconded by Salazar to adopt the following resolution. All voted in favor. Motion carried.

**RESOLUTION NO. 12-105: RESOLUTION APPROVING 2013 FINAL GENERAL FUND BUDGET IN THE AMOUNT OF \$4,907,761; SETTING THE LEVY AT \$5,513,960; AND APPROVING THE FINAL OVERALL BUDGET FOR 2013**

**F. Action on Resolution Adopting Fee Schedule for 2013**

MOTION by Osmek, seconded by Salazar to adopt the following resolution. All voted in favor. Motion carried.

**RESOLUTION NO. 12-107: RESOLUTION ADOPTING FEE SCHEDULE FOR 2013**

**10. Kandis Hanson, City Manager, requesting action on Ordinance Amending Chapters 2 and 34 of the City Code Regarding Departments and Administrative Organizations**

MOTION by Salazar, seconded by Gillespie to approve an Ordinance Amending Chapters 2 and 34 of the City Code Regarding Departments and Administrative Organizations. All voted in favor. Motion carried.

**11. Kandis Hanson, City Manager, requesting discussion/action on proposal to relocate City Hall to the Public Safety Facility**

Hanson gave update on parking proposal. Early voting will take place at the new City Hall, but actual elections will take place at the precincts used for 2012 election. Mayor would like to continue to assess will parking be sufficient during early voting. Salazar discussed HVAC and security implications of remodel and whether space needs for public safety would increase in the future. Hanus stated Fire Department would expand to a satellite station, if anything. Advantages of moving City employees closer together were mentioned. Gesch requested the counter/entry remodel be relooked at. Hanus indicated he took a recent tour to review the plans and although other options may be considered, he believed customer service would be impacted if no changes are made. Hanson promised to review and work to keep the costs down.

MOTION by Osmek, seconded by Hanus to approve move of City Hall to the Public Safety Facility. All voted in favor. Motion carried.

**12. Catherine Pausche, Finance Director, requesting discussion/action on Resolution to Approve a Memorandum of Understanding between the City of Mound and WeCab**

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

**RESOLUTION NO. 12-108: RESOLUTION TO APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MOUND AND WECAB.**

**13. Approve Mound representatives (2) to the Orono Police Department Advisory Committee**

Mayor requested the Council Members who served on the Police Study Committee in 2012 continue to participate on the advisory committee, in addition to the City Manager's participation.

MOTION by Osmek, seconded by Gillespie, to appoint Heidi Gesch and Mark Hanus to the Orono Police Advisory Committee. All voted in favor. Motion carried.

**14. Action on Resolution Recognizing David Osmek for His Years of Service on the Mound City Council.**

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

**RESOLUTION NO. 12-106: RESOLUTION RECOGNIZING DAVID OSMEK FOR HIS YEARS OF SERVICE ON THE MOUND CITY COUNCIL.**

Mayor Hanus read resolution and highlighted that Osmek served on 3 commissions, including the EDC when it was active. City Manager Kandis Hanson read a statement at the podium and presented Osmek with a time clock in recognition for his years of service to Mound. Hanson noted he took office by appointment and his replacement will be filled by appointment as well. John Dean, former City Attorney, personally thanked Osmek for his quality service to Mound. Gesch, Salazar, and Gillespie expressed thanks and well wishes. Osmek then spoke and reflected on the accomplishments of his 11 year tenure, including redevelopment, public safety building, and work as the budget liaison. Osmek thanked numerous current and former council members and staff and committed to attending a council meeting every single year to solicit feedback.

**15. Information/Miscellaneous**

- A. Comments/reports from Councilmembers/City Manager
- B. Minutes: Planning Commission – Oct 2 and Oct 16, 2012
- C. Reports: Finance Department – Nov 2012  
Fire Commission agenda – Nov 21, 2012  
WAFTA meeting agenda – Nov 29, 2012  
Preliminary Housing Score from Metropolitan Council
- D. Correspondence: Nov 14, 2012 letter to Watershed District on AIS  
End of employment – Jim Fackler & Shirley Hawks  
Thank you from WeCAB  
Emails re: Exterior storage agreement with Minnetrista

**16. Adjourn**

MOTION by Osmek, seconded by Gesch to adjourn at 9:57 p.m. All voted in favor. Motion carried.

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Mayor Mark Hanus

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Attest: Catherine Pausche, Clerk