

MOUND CITY COUNCIL MINUTES
December 12, 2017

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, December 12, 2017 at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Mark Wegscheid; Council Members Kelli Gillispie, Ray Salazar, Jeff Bergquist and Jennifer Peterson

Members absent: None

Others present: City Manager Eric Hoversten, Fin Dir/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Field Officer Stewart Simon, City Attorney Troy Gilchrist, Greg Severson, Christina Schindler, Jaime Hovell, Ian McHale, Amanda McHale, Art Anthony, Patty Anthony, James Dahl, Alex Sivtsova

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 Wegscheid called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance

3. Approve agenda

Hoversten requested removal of 4F as it was on a previous agenda, added agenda item 6.1 Action on a resolution authorizing extension of City of Minnetonka Beach's termination notice requirement from January 3 to June 1, noted replacement page of 3458 and additional page 3462.1, both for Agenda 10A related to fire service fee schedule.

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

4. Consent agenda

MOTION by Salazar, seconded by Gillispie, to approve the consent agenda as amended. Upon roll call vote, all voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$430,574.55.

B. Approve minutes: November 14, 2017 regular meeting
 November 28, 2017 regular meeting

C. RESOLUTION NO. 17-161: RESOLUTION APPROVING CONTRIBUTIONS FOR 2017

D. Approve a 1 Day to 4 Day Temporary On-Sale Liquor License for Our Lady of the Lake Catholic Church Knights of Columbus Friday Shrimp Fry Fundraisers on February 16, 2018, February 23, 2018, March 9, 2018, and March 16, 2018 with fees paid

E. RESOLUTION NO. 17-162: RESOLUTION AUTHORIZING SUBMITTAL OF COMMENTS TO THE CITY OF MINNETRISTA FOR THE 2040 MINNETRISTA COMPREHENSIVE PLAN

- F. ~~Approve Pay Request No. 1 from Schneider Excavating & Grading Inc. in the amount of \$102,006.99 for the 2016 Storm Drainage Improvement Project, City Project No. PW-16-09-REMOVED~~
- G. Approve Pay Request No. 15 and Final from Geislinger & Sons, Inc. in the amount of \$59,962.88 for the 2015 Street, Utility & Retaining Wall Improvements – Grandview Blvd. & Tuxedo Blvd., City Project Nos. PW-15-01, PW-15-02, PW-15-03
- H. Approve Pay Request No. 9 and Final from Ryan Contracting Company in the amount of \$149,507.04 for the 2016 Street, Utility and Retaining Wall Improvements – Bartlett Blvd., Tuxedo Blvd. Phase II, and Cypress/Maywood, City Project Nos. PW-16-01, PW-16-02, PW-16-03, PW-16-04
- I. Approve Pay Request No. 3 Widmer Construction in the amount of \$79,960.73 for the 2017 Lift Station and Forcemain Improvement Project, City Project No. PW-17-05
- J. Approve Pay Request No. 8 from Park Construction Company in the amount of 264,636.08 for the 2017 Street, Utility and Retaining Wall Improvements – Lynwood Blvd/Fairview Ln, Wilshire Blvd/Maywood Rd/Hiddenvale Ln, Tuxedo Blvd Phase III, City Project Nos. PW-17-01, PW-17-02, PW-17-03, PW-17-04

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

Greg Severson, 5636 Elder Road, said Dock Administration has proposed he participate in the building of a stairway leading to his dock and he does not agree with it. Severson said the stairway built by Norlings next to his site is an over improvement and he does not need that level of investment. Pausche said he may want to attend the January 18, 2018 Docks and Commons Commission meeting to discuss and he will be notified before any decisions are made.

James Dahl, 2116 Belmont Lane, asked for a flashing cross walk at the Belmont and Shoreline crossing.

Ian McHale, 2623 Kerry Lane, said he is new to Mound and would like to know where the utility bill revenues go. Mayor Wegscheid said there is a lot of information that has been discussed and is available on the website, but that basically Mound's utility fees are a result of the streets and utility infrastructure improvement projects over the past 15 years, in addition to the operating costs.

6. Jay Green, City of Mound representative to the Lake Minnetonka Conservation District providing an update on 2017 operations and activities.

Jay Green, Mound representative to the LMCD, introduced Vickie Schleuning, the new executive director. Green presented a Power Point showing the LMCD was created by the legislature in 1967 and gave a summary of the 2018 budget. Green noted Minnetonka pays the maximum of 20% and Mound pays less (approximately \$20K). Green said changes were made when revenues were declining. Green said the LMCD has had staff vacancies and almost a complete turnover with one vacancy for the office clerk still open. Green said the strategic plan has been adopted and is available on the website and the recodification process will begin in 2018 to make it more user friendly. Green said there is also an effort to improve education and communication to make it more accessible and understandable. Green said ordinance updates addressed reconfiguration of non-conforming structures and underage drinking to increase accountability.

Green discussed the AIS programs, including harvesting. Gillispie asked if there is a requirement as to where people must dispose of the harvested materials as there were reports that private firms were dumping further out in the bays. Green said he also heard those reports and they are looking into it.

Green noted the Save the Lake fundraising efforts have diminished, but the LMCD still funds a Water Patrol Deputy for dedicated coverage. Green said the buoy solar lights were bought by the fund but that the charter boat companies do the maintenance. Green said Jay Soule from Al & Alma's put on the 2017 boater safety courses and they were very popular.

Green said the LMCD has moved to a complaints based inspection system and the numbers are way up, in addition to people just coming to the staff for general information. Green said the LMCD has been trained to identify Starry Trek, a new invasive species which has yet to be found in Minnetonka, but the process helped researchers identify other native plants.

Green said the operating budget is down but the levy is up due to the loss of grants and permit revenue. Green said the watercraft inspection program has been cut for 2018 and the harvesting program resources may diminish as well. Green said Mound's share is going up 4.6% to \$21K. Gillispie said the detail of the budget is less so than in the past. Green said a more detailed budget will be shared in the near future.

Mayor Wegscheid thanked Green for coming and encouraged him to come more often.

6.1 (Added) Request action on a resolution authorizing extension of the City of Minnetonka Beach's termination notice requirement from January 3 to June 1

Hoversten said Fire Chief Pederson has met with the City of Minnetonka Beach with regard to the fire services cost allocation formula because they have some concerns. Hoversten said that they have asked for more time to evaluate and Staff believes it is to our advantage not to force a rushed decision as it is in our interest to keep as many partners as possible. Therefore, Hoversten asked for the termination notification date be extended to June 1.

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

RESOLUTION NO. 17-163: RESOLUTION AUTHORIZING EXTENSION OF THE CITY OF MINNETONKA BEACH'S TERMINATION NOTICE REQUIREMENT FROM JANUARY 3 TO JUNE 1

7. Field Officer Stewart Simon requesting action on an Ordinance amending Chapter 14 of the Mound City Code as it relates to Animals

Simon said Staff recommended repeal and replace vs. revise and amend due to outdated language in code. On November 14th, the City Council directed staff to revise 4 areas: (1) Definitions – add appeals process similar to nuisance language (2) Animal bites and rabies – unclaimed animals will be tested for rabies (3) Require posting of warning sign for potentially dangerous dogs similar to the dangerous dogs (4) 14-24(a) Add ability to declare dangerous dog without having to be declared potentially dangerous first.

Mayor Wegscheid noted that the City has to follow state law. Attorney Gilchrist affirmed that the City has to be careful because although it can be more restrictive than State statute, it has to avoid being in conflict with State statute. Gilchrist said language should be based on the animals actions/behavior and not based on breed, adding the sign requirement for potentially dangerous dogs does not appear to be in conflict while allowing the City to make an effort to respond.

Art Anthony, 1732 Bluebird Lane, said in November he asked that the City prohibit wolf cross-hybrid breeds and that this is the only action that will adequately address this situation. Anthony said the City Council sets the laws for enforcement by the police and that this approach seems to produce an unenforceable ordinance.

Mayor Wegscheid said the City has gone to great lengths to address this issue within our statutory authority. Anthony said the neighbor has four dogs back at his house and that the animal control officer said he would give him a call, but they are still there.

Patty Anthony, 1732 Bluebird Lane, said the proposed ordinance does nothing to do to address hybrid dogs. Gilchrist said Staff did investigate ways to prohibit hybrids but felt it was not feasible from a practical and legal standpoint to prosecute it. Hoversten said the test kits have been submitted but results have not been received and noted the City has decided to focus on behavior and not breed. Anthony said a Michigan girl was maimed by a wolf hybrid and that Michigan and Minneapolis prohibit hybrids.

Peterson asked what is the process once an animal is declared dangerous and Simon said the owner is required to register the animal(s), carry insurance and pay a steep license fee. Simon said the actual reports to date on these dogs only warrant a potentially dangerous designation. Gillispie asked whether the new language could be applied to a previous incident. Hoversten said the ordinance can not be enforced retroactively.

Salazar asked if Minneapolis does in fact prohibit hybrids and why they can and we can't. Gilchrist said he could not find it in the Minneapolis code and that state wide he saw one or two references to hybrids but not prohibition.

Ian McHale, 2623 Cary Lane, agreed you can't prohibit based on breed, but asked what happens once it is declared potentially dangerous or dangerous and whether training or a fence are required. Peterson said there are provisions for the fence. Salazar said he likes the idea of training. Gilchrist said both statute and the code specifies the required actions, including microchip, notification if owner moves to a new area, signage, more restraint when animal

outdoors, registration, sterilization, and insurance, on a stepped-up basis. Gilchrist said caution has to be used not to overreact to one minor bite. Wegscheid said the purpose of the insurance requirements is to make it difficult to own a dangerous dog and questioned whether we could require additional steps to provide for greater security. Hoversten said there is a current maximum of 6 feet for fence height in residential districts for side and rear and 4 feet in front. Peterson said she questions the aesthetics and thinks we should emphasize other options. Wegscheid said he thinks we should adopt the changes and still consider additional requirements and/or penalties to create barriers. Gilchrist said he thinks fencing requirements could be considered but cautioned that you can't put enough ordinances in place to eliminate fear and that you do have to consider the zoning ordinance. Gilchrist did encourage the Council to adopt the changes and continue to fine tune it. Salazar would like to see more requirements to emphasize security.

MOTION by Salazar, seconded by Peterson, to adopt the following ordinance. Discussion ensued on the sign requirements being more restrictive than State statute and that it could not be applied retroactively. All voted in favor. Motion carried.

ORDINANCE 06-2017: AN ORDINANCE AMENDING CHAPTER 14 OF THE MOUND CITY CODE AS IT RELATES TO ANIMALS

8. Field Officer Stewart Simon requesting action on a Resolution to Allow for Publication of Ordinance No. 06-2017 by Title and Summary

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

RESOLUTION NO. 17-164: RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE NO. 06-2017 BY TITLE AND SUMMARY

9. Catherine Pausche, Director of Finance and Administrative Services, requesting discussion and action on dock program related issues.

A. Action on an Ordinance amending Chapter 78 of the Mound City Code as it relates to Waterways

Pausche said the proposed changes to Chapter 78 are basically housekeeping with more significant changes to be discussed in 2018. Pausche said the current changes consolidate the slip and dock language to streamline and simplify the code, clarify the definition of immediate family needing to be in the same household, eliminate paper licenses to increase efficiency, eliminate the option for Villa townhome owners to have a second slip, and require any names on the DNR to be Mound residents.

Pausche asked the Council whether language should be considered to require non-abutting dock holders to moor a boat, just like the multiple slip holders are required to. Pausche said there are 180 residents on the wait list and Staff often gets complaints that sites are underutilized. Pausche also said the more use the less enforcement issues with squatting. Mayor Wegscheid said he thinks this is a good idea. Salazar asked for the numbers and Pausche said 3 non-abutters had no dock and 10 had no boat all season long.

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

ORDINANCE 07-2017: AN ORDINANCE AMENDING CHAPTER 78 OF THE MOUND CITY CODE AS IT RELATES TO WATERWAYS

- B. Action on a Resolution to Allow for Publication of Ordinance No. 07-2017 by Title and Summary

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

RESOLUTION NO. 17-165: RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE NO. 07-2017 BY TITLE AND SUMMARY

- C. Action on a Resolution authorizing staff to submit an application to the LMCD to convert 10 Lost Lake transient slips to overnight slips

Pausche said the resolution was updated to give option to leave the slips as transient if the townhomes do not use them.

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

RESOLUTION NO. 17-166: RESOLUTION AUTHORIZING STAFF SUBMIT APPLICATION TO THE LMCD TO CONVERT 10 LOST LAKE TRANSIENT SLIPS TO OVERNIGHT SLIPS

- D. Action on a Resolution approving slip use agreement between the City of Mound and the Villas on Lost Lake

Pausche said Staff has met with the homeowners association and the Dock Commission has also approved of the agreement. Pausche said the agreement clarifies that the City owns and is responsible for the Lost Lake slips and that it gives the City some greater flexibility with its approach to maintenance.

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

RESOLUTION NO. 17-167: RESOLUTION APPROVING SLIP USE AGREEMENT BETWEEN THE CITY OF MOUND AND THE VILLAS ON LOST LAKE

10. 2018 Final Budget and Levy Discussion/Approval

Pausche said very little has changed since the preliminary budget was approved in August with the exception of all the discussion on utility rates. Pausche presented a history of the financial milestones since 2000, including a Key Financial Strategies study by Ehlers and Associates that showed the deferred needs and that at the time, our tax and utility rates were very low

compared to peer cities. Pausche said the early 2000's was a period of significant expansion in both the tax base and projects. Pausche said one weakness of the studies performed during this period were that they did not look at all operating and infrastructure needs, which will be emphasized in the next long term plan to be developed in 2018 so that priorities and fiscal impacts can be better evaluated.

Pausche said the street projects were initially suppose to be completed in 5 years and that the studies failed to predict the recession, which shrunk the tax base 40% between 2009 and 2014. Pausche said the 2007 water study and inflow and infiltration study were also not incorporated, so the level of investment dropped off after 2010. Even so, Pausche said the utility rate study projected a 8% increase in water fees and 6.6% in sewer fees from 2008 - 2017. Pausche said one study projected the General Fund levy doubling to \$6.6M in 2017 and that through cost reduction initiatives, the average increase to the General Fund levy was actually 0.04% between 2009 and 2018, with the actual 2017 levy at \$3.5M.

Pausche said she became Finance Director in 2008 and that is when the City moved to the 5 year rolling Capital Improvement Plan that focused on street and utility improvements. Pausche said many other projects were vetted during this time and did not move forward due to financial constraints. Pausche highlighted the cost reduction initiatives, including a 23% reduction in full-time employees, benefit concessions by non-union staff, the contract for police services with the City of Orono, and the transfer of Indian Knoll Manor to Aeon.

Pausche said the annual audit compares Mound to peer cities and that our debt and taxes are higher because of the level of investment. Pausche emphasized the utilities only pay for water, sewer and storm improvements and that choosing to assess a portion of the street improvements helped to steady property tax increases.

Pausche walked through the budget and levy highlights, noting that the infrastructure replacement reserve fund has been established that will allow the City to more evenly fund equipment and improvements while the actual expenditures may fluctuate from year to year. Pausche said the total levy increase is 2% and that the City tax rate is projected at 47.485%. Pausche said the residential street light and storm water fees have been reduced and there is a 3% increase to sewer, with no change to the water rates. Pausche said if no more debt is issued, debt in the utility funds will peak in 2019. Pausche said the plan will be to finance the remaining improvements with interfund loans with the payback being deferred to such time we will begin the next generation of street improvements. Pausche said the minimum utility bill for all residential properties will go down 14.5%.

Mayor Wegscheid thanked Pausche for the historical details. Wegscheid said that going forward, Staff and the engineers should always relate any proposed projects back to the financial plan. Hoversten agreed that all projects will show the financial implications.

Pausche noted there were some changes on the Fee Schedule that were distributed at the meeting.

A. Action on Resolution Adopting Fee Schedule for 2018

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

RESOLUTION NO. 17-168: RESOLUTION ADOPTING FEE SCHEDULE FOR 2018

B. Action on a Resolution Approving Changes to the Debt Service Levy Schedules (TIF 1-2 & 1-3, IRRF)

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

RESOLUTION NO. 17-169: RESOLUTION AUTHORIZING CHANGES TO DEBT SERVICE LEVY SCHEDULES AND TO APPROPRIATE FUNDS IN THE DEBT SERVICE FUND FOR BOND SERIES 2009D AND 2013B

C. Action on a Resolution Approving a Levy not to Exceed \$218,404 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 2018

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

RESOLUTION NO. 17-170: RESOLUTION APPROVING A LEVY OF \$218,404 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 2018

D. Action on Resolution Approving the 2018 Final General Fund Budget in the amount of \$5,624,597; Setting the Final Levy at \$5,704,456; and Approving the Overall Final Budget for 2018

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

RESOLUTION NO. 17-171: RESOLUTION APPROVING THE 2018 FINAL GENERAL FUND BUDGET IN THE AMOUNT OF \$5,624,597; SETTING THE FINAL LEVY AT \$5,704,456; AND APPROVING THE FINAL OVERALL BUDGET FOR 2018

11. Discussion and Action on a Resolution Opposing Reorganization and Administration Changes to the Hennepin County Crime Lab

Hoversten said the City was notified by the Sheriff's office last week about a county study about a possible merger between the county and Minneapolis crime lab. Hoversten said information was provided in the packet including concerns raised by Orono Police Chief Corey Farniok. Hoversten said the proposed budget amendment for 2018 has been withdrawn by the County

Administrator, but that it will continue to be studied. Hoversten the resolution was requested by Chief Farniok to request additional transparency and more information on the pros and cons of this decision on our community.

Mayor Wegscheid agreed that it came up very fast without a lot of communication, so it seems appropriate to ask for more information and analysis.

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

RESOLUTION NO. 17-172: RESOLUTION FROM THE CITY OF MOUND OPPOSING REORGANIZATION AND ADMINISTRATION CHANGES TO THE HENNEPIN COUNTY CRIME LAB

12. Information/Miscellaneous

A. Comments/reports from Council Members

Hoversten noted the regular meetings have been cancelled on December 26th and that they will resume on January 9th, with HRA meetings as needed. Hoversten said City Hall will be closed December 22 and 25 and December 29 and January 1.

Council Member Salazar wished everyone a Merry Christmas.

- B. Reports: Bolton & Menk Engineering - September 30, 2017 YTD
Liquor Store - November, 2017
Fire Department - November, 2017
- C. Minutes: Planning Commission - October 3, 2017
- D. Correspondence: Metro Mosquito Control District 2017 Work Summary

13. Adjourn

MOTION by Bergquist, seconded by Gillispie, to adjourn at 8:54 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk