

MOUND CITY COUNCIL MINUTES
December 13, 2016

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, December 13, 2016, at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Mark Wegscheid; Council members Jennifer Peterson, Heidi Gesch, Kelli Gillispie and Ray Salazar

Members absent: None

Others present: City Manager/Public Works Director Eric Hoversten, Finance Director/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Administrative Assistant Mary Mackres, Dave Osmek, Jeff Bergquist, Cheryl Johnson, Jesse Johnson, and Suzanne Dolder.

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 noted an error on Item #9. The alpha sub-categories need to be re-alphabetized to read A., B., C., and D.

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

4. Consent agenda

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

- A. Approve payment of claims in the amount of \$282,815.18.
- B. Approve minutes: November 22, 2016 regular meeting
- C. **RESOLUTION NO. 16-161: RESOLUTION APPROVING CONTRIBUTIONS FOR 2016**
- 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 March 3, 2017, March 17, 2017, March 24, 2017, and April 7, 2017 with fees paid
- E. Approve Policy FIN-012 - Utility Billing for New Construction Accounts

- F. Approve Pay Request No. 5 from Ryan Contracting in the amount of \$303,622.80 for the 2016 Street, Utility and Retaining Wall Improvement Project; City Project Nos. PW-16-01, PW-16-02, PW-16-03, PW-16-04
- G. Approve Pay Request No. 12 from Geislinger & Sons, Inc. in the amount of \$35,993.60 for the 2015 Street, Utility and Retaining Wall Improvements - Grandview Boulevard and Tuxedo Boulevard, City Project Nos. PW-15-02 and PW-15-01
- H. **RESOLUTION NO. 16-162: RESOLUTION AMENDING RESOLUTION 16-91 ORDERING PREPARATION OF REPORT ON LIFT STATION AND FORCEMAIN IMPROVEMENT PROJECT FOR 2017**
- I. **RESOLUTION NO. 16-163: RESOLUTION APPROVING VARIANCES AND AN EXPANSION PERMIT FOR 3185 PRIEST LANE**
- J. **RESOLUTION NO. 16-164: RESOLUTION APPROVING MINOR SUBDIVISION FOR 6385 BAY RIDGE ROAD**
- K. **RESOLUTION NO. 16-165: RESOLUTION APPROVING RELEASE OF FINANCIAL SECURITY FOR THE LANDINGS ON LOST LAKE**
- L. Approve a 1 Day to 4 Day Temporary On-Sale Liquor License for Northwest Tonka Lions Chili Feed for the Troops fundraiser on January 15, 2017 at the Gillespie Center, with fees paid.
- M. Approve Appointments to Commissions (note application info for new commissioners will be emailed to the Council and treated as private data):
 - 1. Planning Commission
 - a. Phil Veslor (New) 1-year term through 2017
 - b. Dean Bussey (New) 2-year term through 2018
 - c. David Pelka (New) 3-year term through 2019
 - d. Jake Savstrom (New) 3-year term through 2019
 - e. Jameson Smieja (Reappt) 3-year term through 2019
 - 2. Docks & Commons Commission
 - a. Susan Gardner, Abutter (Reappt) 3-year term through 2019
 - b. Derrick Hentz, Slip Holder (Reappt) 3-year term through 2019

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

Dave Osmek, 4933 Crestview. State Senator Osmek thanked Ms. Gesch for her service to the Council. Osmek proceeded to tell the Council that he met Ms. Gesch in 1998 at a political convention and encouraged her to run for Mound City Council. Osmek said it was a pleasure serving with Ms. Gesch for the past eight years.

6. **Mayor Mark Wegscheid requesting action on a resolution recognizing Heidi Gesch for her years of service on the Mound City Council**

Mayor Wegscheid read the resolution to the public and thanked Ms. Gesch for her years of service.

MOTION by Gillispie, seconded by Salazar, approving the following resolution. Gillispie, Salazar, Peterson, and Wegscheid voted in favor, Gesch abstained. Motion carried.

RESOLUTION NO. 16-167: RESOLUTION RECOGNIZING HEIDI GESCH FOR HER YEARS OF SERVICE ON THE MOUND CITY COUNCIL

7. **Action to approve minutes from the November 9, 2016 Rescheduled Regular Meeting**
MOTION by Salazar, seconded by Gillispie, to approve minutes from November 9, 2016 Rescheduled Regular Meeting. Salazar, Gillispie, Wegscheid, and Peterson voted in favor, Gesch abstained. Motion carried.
8. **Eric Hoversten, City Manager and Public Works Director, requesting action on a resolution authorizing expenditure of public funds on a program to promote the planting of trees on public and private property within the City of Mound**

Hoversten indicated to the Council there were funds in the 2017 preliminary budget under the Parks Dept. allowing the City to participate in tree planting programs, but the \$7,000 has been moved to the "Promotions" budget to reflect the discretionary nature of the program. Hoversten said this is an initiative of the Parks Commission. Hoversten stated there are two programs that are available for these funds; one, through Tree Trust, where the City would cover a portion of the cost of a tree and a resident would cover the remaining portion and then they would plant the tree on their property. This program would also include an educational piece.

Hoversten said the second option is a program with a matching fund grant from the Minnehaha Creek Watershed District (MCWD), where MCWD's funds could be combined with either the City contribution or residents' contribution described in the first scenario.

Hoversten stated the Resolution before the Council authorizes the Parks Commission to move forward in establishing a tree planting program in Mound. He stated this is an important investment as Mound will need to prepare for the coming emerald ash borer invasion. Hoversten said the tree planting program will allow the City to influence which trees will be planted on private property.

Mayor Wegscheid asked if there are limitations as to how many trees each resident could get. Hoversten said it would be limited to only one tree per resident and there would be restrictions and stipulations on where they can be planted. Hoversten added the City can manage the maintenance issues on what species could be selected. Hoversten said Mound is currently low on the number of conifer trees in the city and it would behoove the City to encourage the purchase of these types of trees as they are also low maintenance and do not drop leaves.

Wegscheid asked about the duration of the program. Hoversten says this would be a program for 2017 and the City would participate in this on a one time basis with the option to come back again in future years.

Gillispie said she was confused on the timeline when it comes to beating the ash borer. Hoversten says that with the rate that the ash borer is moving in the Metro area the City is already behind on the replacement canopy for the lost ash trees. He added that the City will need to be able to remove diseased ash and noted that the appropriate response is to take all of the ash trees within a specified area around the diseased tree.

Salazar asked about the need for site inspections, including: What would stop someone from putting a tree in an incorrect location? What would stop someone from getting another tree when they don't already maintain their current trees? Gesch stated that there is nothing that would happen today if a tree was planted in her yard and that no one will come by and inspect. Hoversten said the chances are low of someone not valuing the presence of a tree in their yard who would also have to contribute some nominal amount for the tree, would even participate in the program. Hoversten added that he supports residents having to pay a portion of the cost.

MOTION by Gesch, seconded by Peterson, approving resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-166: RESOLUTION AUTHORIZING EXPENDITURE OF PUBLIC FUNDS ON A PROGRAM TO PROMOTE THE PLANTING OF TREES ON PUBLIC AND PRIVATE PROPERTY WITHIN THE CITY OF MOUND

9. **2017 Final Budget and Levy Discussion/Approval**

Catherine Pausche, Director of Finance and Administrative Services, presented the 2017 proposed budget. Pausche stated the City has maintained the proposed levy amount of a negative 3% reduction in the general fund levy and lowered the overall proposed levy from 0.54% presented in the preliminary budget to a negative 1% due to better than anticipated interest rates on the 2017 bond issues.

Pausche said the truth in taxation meeting is an opportunity to talk about what factors affect property taxes noting that the City portion is a small component of a resident's property taxes. She added the property tax base in the City is made up of seventy-five percent off-lake residential, twenty percent lakeshore residential, and the remaining five percent commercial, industrial, apartments and duplexes. Pausche stated the residential tax base from off-lake pays about 48% of the levy, lakeshore pays about 43%, with the 9% remainder paid by the rest. Pausche said that each of the different property classes have a different tax rate and cities with more commercial properties or higher median values generally have lower tax rates than Mound.

Pausche says the City continues to watch trends regarding the general fund and over the last many years the fluctuation in the general fund has been generally flat from 2009 to present, although capital expenditures tend to fluctuate. Pausche stated that there are a lot of things working in the City's favor such as low inflation, low fuel prices and the state allowing the City to be exempt from most state sales taxes. Pausche feels the City is very well positioned going forward, noting that the City tax base is rebounding since the recession.

Pausche highlighted that the City's revenues and expenditures are flat and said that the City is budgeted to use reserves of \$151,000 in 2017. She added the City bond rating has remained at AA Stable. Pausche noted that utility rates for water and sewer will increase and stormwater, recycling and dock fees will be staying the same as 2016.

Mayor Wegscheid opened up for comments from the public and none were offered.

Pausche noted that the Fee Schedule is being amended for 2016 to include the fees for fire response in St. Bonifacius per the agreement. Pausche stated the City also added fees for liquor licenses for brew pubs, distilleries, etc. in 2017.

A. Action on Resolution Amending Resolution 15-146 Approving Fee Schedule for 2016

MOTION by Salazar, seconded by Gesch, approving resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-168: RESOLUTION AMENDING RESOLUTION NO. 15-146 APPROVING FEE SCHEDULE FOR 2016

B. Action on Resolution Adopting Fee Schedule for 2017

MOTION by Gesch, seconded by Salazar, approving resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-169: RESOLUTION ADOPTING FEE SCHEDULE FOR 2017

C. Action on a Resolution Approving a Levy not to Exceed \$200,410 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 2017

MOTION by Gesch, seconded by Salazar, approving resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-170: RESOLUTION APPROVING A LEVY OF \$200,41 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 2017

D. Action on Resolution Approving the 2017 final General Fund Budget in the amount of \$5,368,015; Setting the Final Levy at \$5,592,785; and Approving the Overall Final Budget for 2017

MOTION by Gesch, seconded by Salazar, approving resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-171: RESOLUTION APPROVING THE 2017 FINAL GENERAL FUND BUDGET IN THE AMOUNT OF \$5,368,015; SETTING THE FINAL LEVY AT \$5,592,785; AND APPROVING THE FINAL OVERALL BUDGET FOR 2017

10. Discussion on City Manager Performance Evaluation and possible action on City Manager Employment Agreement

Mayor Wegscheid stated that the City Manager performance evaluation has usually been done in private and after the first of the year. He added that the Council takes input from staff, Council, consultants and residents when completing the review. Wegscheid added the Council has changed the review process by moving the review to the last quarter of the year

to incorporate the comments of the outgoing council members. Wegscheid said that if the review was done in the first part of year, the outgoing council members would not be able to provide any input and the incoming council members would not have a firsthand look at the work of the City Manager. Wegscheid stated he realizes this is an unconventional process but noted the City Manager is ok with the approach.

Wegscheid said that when Hoversten first began as City Manager Wegscheid wanted to see how Hoversten adjusted in the new role and noted a lot of change was occurring during this time. Since this review process lacks measureable tools this first time, Wegscheid said he is using non-tangible tools to base his review and said he is happy with Hoversten's performance. Wegscheid stated Hoversten has great interaction with the residents and accomplishes whatever needs to be done with the issues at hand and Wegscheid has heard nothing but compliments from those who have interacted with Hoversten.

Gillispie said that Hoversten is a problem solver and resolves issues well and quickly. Gillispie has heard only positive feedback and everyone, including staff and residents, is happy with him and likes his communication skills.

Salazar stated that Hoversten eagerly accepted the position as City Manager and has succeeded in performing those duties. Salazar said Hoversten demonstrates vast knowledge and ability and never seems to be without an answer, noting that due to Hoversten's engineering experience, sometimes his answers are detailed and lengthy, which Salazar thinks is good. Salazar said Hoversten has never passed off an issue to anyone else, and is very professional with staff, Council, and the public. Salazar thinks that Hoversten loves his job and that is a very valuable trait and that Hoversten does an outstanding job.

Gesch has been impressed with how quickly Hoversten knew the history of Mound and demonstrates a strong concept of what's going on which makes it feel like he's always been here. She praised Hoversten's transparency which shows his knowledge of what he's doing. Gesch said that she has never received negative feedback about Hoversten in the past year and has only heard positives both from staff and residents. Gesch said Hoversten has a quick response to things and always has an answer and added that Hoversten helps the Parks Commission talk through issues. Gesch summarized by saying that she only has positive feedback about Hoversten's performance.

Peterson said she agrees with what has been said and noted that Hoversten has a great synergy with City staff and this is something that was needed. Peterson stated staff is very efficient and works well together. She added staff is responsive to the community and has the confidence to do their jobs because of Hoversten's leadership.

Wegscheid said he agrees that Hoversten is building a good atmosphere with staff and that staff has faith in Hoversten's judgment. Wegscheid said that everything is going well.

Wegscheid said the old agreement for the City Manager review and compensation was to follow the administrative code cost of living adjustments and step increases automatically and this new agreement does not. Wegscheid added this allows the Council to consciously make a decision on compensation for performance in the previous year with the administrative code to be used as a guide. Wegscheid proposes a 4% annual increase to the City Manager's salary.

MOTION by Wegscheid, seconded by Gesch, to follow the administrative code and employment agreement and recommend a 4% annual increase to the City Manager's position salary. All voted in favor. Motion carried.

Hoversten thanked the Council and the City of Mound for the opportunity to serve the community.

11. **Information/Miscellaneous**

- A. Comments/reports from Council Members
- B. Reports: Finance Dept - October 2016 YTD
- C. Minutes: Planning Commission - October 18, 2016
November 15, 2016
- D. Correspondence: Metropolitan Mosquito Control District - November, 2016
Mediacom - Notice of Rate Changes - December 2, 2016

Wegscheid read a letter that he received from Westonka School Superintendent Kevin Borg, praising the Mound Fire Department.

Hoversten said the regularly scheduled Council meeting on Dec. 27 has been cancelled in recognition of the Christmas holiday. He added the next Council session will be held on January 10th and that meeting will establish the meeting schedule for the remainder of the year.

Hoversten said the closure of the sale of Indian Knoll Manor (IKM) with Aeon is complete and the project continues to progress with the contractor now making final permit applications.

Wegscheid recognized Jeff Bergquist in was in attendance and will be replacing Heidi Gesch on the Council.

12. **Adjourn**

MOTION by Gesch, seconded by Gillispie, to adjourn at 7:50 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk