

**MOUND CITY COUNCIL MINUTES**  
**June 23, 2015**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, June 23, 2015, at 7:00 p.m. in the council chambers of the Centennial Building.

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

Members absent: None.

Others present: City Manager Kandis Hanson, Director of Finance/Clerk/Treasurer Catherine Pausche, Director of Public Works Eric Hoversten, Fire Chief Greg Pederson, Rita Trapp (HKGI), Katie Morford, James Reuper, Terry Blount, Steve Shellenbaum, Judd Bracket, Renee Dahl, Roger Schmitz, Paul Boyum, Stacie Kvilvang.

*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 Council Member 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**

Hanson noted that replacement pages have been provided for 1518, 1519 and 1546. Hanson asked for item 4H be pulled from the consent agenda for discussion. Hanson asked for the addition of item 15A, action on a resolution approving a provisional sign permit for the Mound-Westonka Rotary Club.

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

**4. Consent agenda**

**MOTION** by Salazar, seconded by Gesch, 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 \$294,259.39

B. Approve minutes: June 9, 2015 regular meeting

C. Approve payment of invoice by American Engineering Testing in the amount of \$860.20 for construction testing services, Bartlett Boulevard Watermain Improvements, City Project No. 15-09

**D. RESOLUTION NO. 15-63: RESOLUTION AWARDDING 2015 CRACK REPAIR PROJECT TO PRECISION SEALCOATING, INC. IN THE AMOUNT OF \$6,187.50, CITY PROJECT NO. PW-15-07**

**E. RESOLUTION NO. 15-64: RESOLUTION APPROVING LIQUOR LICENSE RENEWALS FOR 2015-2016**

**F. RESOLUTION NO. 15-65: RESOLUTION APPROVING LIQUOR LICENSE RENEWAL FOR CATTAILS KITCHEN 'N COCKTAILS, LLC, FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015**

**G. RESOLUTION NO. 15-66: RESOLUTION APPROVING EXPANSION PERMIT FOR 4713 WILSHIRE BOULEVARD (PLANNING CASE NO. 15-04)**

H. Removed.

**4H. Discussion/Action on a resolution approving variance for 5139 Waterbury Road.**

Rita Trapp, City Planner from Hoisington Koegler Group, Inc (HKGI), said the property owner would like to improve his deck. The home and deck meet setback requirements and the property owner is seeking a variance as he would like to add a roof to the existing deck which would then be considered a porch and be subject to the setback requirements for the structure rather than the deck. Trapp explained the rear setback requirements for a deck are 10 feet and 15 feet for the primary structure.

Trapp stated the City Planning Commission reviewed the variance application and had an extensive discussion regarding the difference between a deck and a porch. The Planning Commission felt that the changes to deck were screening and there was no change to the existing floor and ceiling and voted to recommend approval of the variance application. Trapp said that Staff's recommendation was to deny the variance because of the potential for adding a ceiling or floor to keep out the elements including rain from the deck which would increase impervious surface and impact drainage at the property. Trapp stated there are drainage issues in the area.

Trapp stated the property owner to the west of 5139 Waterbury Road has concerns about drainage from the deck onto the property and another neighbor, Michael Olson, 3314 Tuxedo Boulevard, faxed a letter over the weekend regarding the variance. Olson is a neighbor downhill from the property requesting the variance. Trapp said she talked with Mr. Olson and his main concerns were drainage and lack of privacy. Trapp said Mr. Olson's other concerns about privacy were not relevant to this discussion due to the deck is already in place.

Mayor Wegscheid asked Trapp for the impervious surface count and whether it would conform if the ceiling was covered. Trapp stated it would exceed the impervious surface calculation by 3 feet. Salazar asked about the original request for a "sofitted" ceiling with a gutter and downspout system in which the runoff be directed to a wetland. Salazar stated controlling water would be a good thing and he observed erosion under the deck impacting the integrity of the retaining wall. Salazar said he sees the benefit of controlling the run-off.

Eric Hoversten responded to Salazar's comment about the control of run-off. Hoversten said staff did not have access to the original intent of the property owner. He stated that the run-off which Salazar described would be improved and then the structure would come under the rules for a porch if the covering and drainage control system were considered. Salazar said he understood the desire to screen the deck due to the particulars of the site being in a wooded area.

Trapp said during the Planning Commission meeting where the variance was discussed the property owner brought up the impervious surfaces. The Commission stated that as long as the area is screened then the structure functions more as a deck than a porch. If a ceiling system with drainage is installed then it would be considered a porch and the setbacks come into play. Trapp stated the City Code only defines what a deck is and doesn't hold a definition for a porch.

This code definition of a deck is what staff uses when determining if the addition is part of the structure or not.

Gesch stated the variance question at hand was whether the structure met the definition of a deck. A deck meets setback requirements and a porch does not. Trapp stated the Planning Commission felt the screened deck met the standard for practical difficulty because the material is not off the shelf and requires customization.

Gillispie said she would like to see a definition of a porch. Trapp stated the Planning Commission will be working on this going forward. Peterson said that she feels that the under-decking that manages water flow should still be considered a deck. Gesch said under-decking should be counted as an impervious surface as it may affect other things such as run-off. Gesch said the area has water drainage issues and the Code should be revisited or staff be directed to work with the applicant to determine how to meet the impervious requirement.

Peterson recommended taking action on the resolution to allow the screening or not.

Barry Todd, 5139 Waterbury, the variance applicant, approached the City Council. He said he is still making decisions on the construction of the unimproved driveway. Mayor Wegscheid asked if there was opportunity to reduce the impervious cover count on the property. Todd thought yes. Trapp stated the pervious driveway was considered into the calculations for lot coverage in the variance application.

Todd said the current design of the deck/porch does not lend itself to becoming a closed-in three season porch and noted that it would have to be approved by the Council through the building permit process if he was to improve the deck. Todd said the water will naturally drain to the wetland. Trapp said the original application did ask for the under-decking and water management. Trapp said she is comfortable with removing condition one the setback requirement.

Gesch said she is not comfortable shifting the issue from setback variance to hardcover. Todd wanted to mention that there is a proper sequence to add the under-decking and it does not make sense to screen it in and then add the under-decking later. The area will now count as impervious and the applicant will have to figure out how to comply with the 30% hardcover.

MOTION by Salazar, seconded by Peterson, to approve the following resolution striking condition one of the variance application and adding the under-decking as a deck material and the requirement that the applicant has to meet the 30% hardcover requirement. All voted in favor. Motion carried.

**RESOLUTION NO. 15-67: RESOLUTION APPROVING VARIANCE FOR 5139 WATERBURY ROAD (PLANNING CASE NO. 15-11)**

**5. Comments and suggestions from citizens present on any item not on the agenda.**  
None

**6. Action on a Public Gathering Permit for 2015 Running of the Bays Half Marathon and 5K special event on September 12, 2015**

Mayor Wegscheid recused himself because he is one of the event organizers and handed the gavel to Acting Mayor Heidi Gesch.

Wegscheid addressed the Council and said last year's inaugural race raised \$500 for WECAN and over \$1,000 for Our Lady of the Lake Church. This year's race will start at

Grandview Middle School on September 12<sup>th</sup> and include a half marathon and 5K. Wegscheid stated more people signed up already than participated last year and he encouraged people to sign up at the website [www.runningofthebays.com](http://www.runningofthebays.com).

MOTION by Salazar, seconded by Gillispie, to approve the public gathering permit for the 2015 Running of the Bays Half Marathon and 5K special event on September 12, 2015, subject to the conditions required by Staff. All voted in favor: Gillispie, Salazar, Gesch and Peterson. The following voted against: none. The following abstained: Wegscheid. Motion carried.

Mayor Wegscheid took his seat again at the dais.

**7. Sarah Smith, Community Development Director, with a status report on nuisance conditions at 3243 Warner Lane**

Pausche addressed the Council on behalf of Smith. Pausche reviewed the possible actions the Council gave the property owner at the prior meeting. Pausche stated Scott Qualle, Building Inspector, confirmed the property owner has finished the roof and the painting was nearly complete and that Qualle the conditions were met so no need for further action.

**8. Terry Blount, WeCAB Board of Directors, requesting action on a matching grant from the City of Mound**

Terry Blount, 1390 Cherry Place, Onono, said WeCAB is a non-profit organization providing affordable transportation to people who can't drive. WeCAB operates primarily with volunteer drivers in the Mound area and recently expanded to eastern Carver Co. Blount stated the volunteer staff consists of 25 drivers and 6-7 dispatchers and paid staff consists of 2 part-time staff in Administration and Finance and eventually an Executive Director. Many of WeCAB rides go to Ridgeview Medical Center who gave a \$20K matching grant. In addition, WeCAB provides trips to non-Ridgeview medical facilities, churches, grocery stores and other needed activities. WeCAB provides on average 288 rides per week with 1300 volunteer hours who drive over 21,000 miles. Charges for these services are based on income but most passengers do not pay. Blount requested a matching grant from the City.

Mayor Wegscheid complemented the program and the volunteers who have created a great asset to the community. Gillispie said WeCAB often attends Westonka Community and Commerce meetings, but usually only asks for volunteer drivers and never asks for a contribution from area businesses and asked if Mr. Blount was aware of this. Mr. Blount acknowledged more work does need to be done on fundraising and will take note of this situation.

Mayor Wegscheid asked how many other organizations are being asked and what amount is being asked of Mound.

Blount stated the organization is making the rounds to other cities. He has been to Orono and Maple Plain and plans on addressing the city councils of St. Bonifacius, Minnetrista and the cities in eastern Carver County.

Wegscheid explained the City budget constraints and said the funding request needs to be part of the budget discussions so that the request is planned for by the City. Gillispie noted other non-profits located within the City are also seeking funds. She stated the Council should consider the WeCAB request as a part of the budget discussion and she wants to be sure the City is consistent in dealing with funding requests from all organizations.

Mayor Wegscheid noted the Council also requests financial information of groups seeking contributions from the City.

**9. Jim Reuper and Josh Leddy from the Lake Minnetonka Association (LMA) requesting action on the following:**

Jim Reuper, 4815 Island View Drive, stated Judd Bracket from the LMA was also present to answer questions. Wegscheid asked how long Reuper has been involved and Reuper said 5 – 6 years with the LMA and a visitor and home owner for 33 years. Reuper noted when he rebuilt a cabin into a retirement home he was required to put 4 feet of rock on the driveway to keep it pervious and that it works well.

Reuper stated the Lake has undergone many changes through those 33 years including the increase in noxious weeds. Reuper said the chemical treatments have been used for 5 years and are working but the cost is rising.

Mayor Wegscheid asked how the bays are chosen for treatment. Judd Bracket, 125 Woodpecker Ridge Road, Tonka Bay, said he is a bay captain for Gideon's Bay, and each bay is independent and has its own checking account with the LMA. Bracket stated DNR has put a stop to any more bays to be treated than the original three bays of Phelps, Carmens, and Grays. Reuper said they were thought to be the worst of all the bays for milfoil. Bracket stated the different chemicals or herbicides used to treat the weeds are EPA/ DNR approved and have been used for many years and are designed to treat milfoil.

Wegscheid said the 2015 funds can be released but that the 2016 amount needs to be part of the budget discussion/workshop and asked why the DNR does not allow the treatment of other Lake Minnetonka bays in Mound.

Gesch said her understanding was the higher contribution levels given previously by the City were meant to get the program started with the thought future funding would be reduced.

A. Request to release the 2015 budgeted milfoil treatment funds (\$3,000)

MOTION by Salazar, seconded by Gesch, to direct staff to release the 2015 budgeted funds to the LMA. All voted in favor. Motion carried.

B. Request to budget additional funds in 2016

Wegscheid said it will be part of the 2016 budget discussion.

Bracket stated a Lake Improvement District (LID) was created for St. Alban's Bay where a board of directors is formed to manage and distribute the costs among benefiting property owners. Salazar said he is fundamentally opposed to that concept and expressed concern about creating another arm of government. Bracket said it has been offered as an alternative because fundraising efforts tend to become less effective over time.

**10. Roger Schmitz of CenterPoint Energy presenting Greg Pederson, Mound Fire Chief, with a \$2,500 CenterPoint Energy Community Partnership Grant for Multi-Gas Atmosphere Monitors and Calibration Testing Station.**

Roger Schmitz from CenterPoint Energy read an award letter and presented the Chief with a check for \$2,500. Fire Chief Greg Peterson explained the multi-gas monitor's help the Fire Department check CO<sub>2</sub>, Oxygen, Hydrogen Sulfide among other levels of gases. The Chief

said the monitors are used on a weekly basis and are calibrated monthly and that the new equipment makes recalibration easier as the old monitors are at an end of their useful lives.

A.

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

**RESOLUTION NO. 15-68: RESOLUTION TO FORMALLY ACCEPT A CENTERPOINT ENERGY COMMUNITY PARTNERSHIP GRANT IN THE AMOUNT OF \$2,500 TO PARTIALLY FUND MULTI-GAS ATMOSPHERE MONITORS AND A CALIBRATION TESTING STATION**

**11. Greg Pederson, Mound Fire Chief, presenting Certificates of Attendance to the Mayor and City Council for participating in G-402 ICS Overview Training**

Chief Pederson thanked the Council for participating in the NIMS (emergency management) training on April 15 and April 22. The total training lasted 4 hours and is targeted for public officials. The Chief handed out certificates and an updated Mound emergency contact information cards for Council Members to carry. Pederson presented information to the Council on what to do and what duties the City Council will need to perform in the event of an emergency.

Chief thanked the Council again for their participation. Mayor Wegscheid thanked the Fire Department and Field Officer Stewart Simon, in particular, for conducting the training.

**12. Assistant City Engineer, Brian Simmons of Bolton & Menk, requesting discussion/action on Resolution for a Wilshire Boulevard Water Main Project.**

Simmons discussed the report on Preparation of Plans and Specifications for the Wilshire Boulevard Trunk Watermain Upgrade Project which will include the Metropolitan Council Environmental Services (MCES) sharing project costs. MCES requested the sharing of project costs as they will be doing their work on Wilshire Boulevard and the City wanted to move up City timeline for the project to coincide with the tear up of Wilshire.

Simmons said the Watermain work will increase water flow in an area of the Island which needs improvement and when complete will allow the current City booster pump and standpipe on the Island to be eliminated. These improvements will expand water flow by increasing the diameter of the piping. Simmons also highlighted other reasons for moving the timing of the project up including the planned Hennepin County mill and overlay and subsequent moratorium on projects that would not allow the project to be completed before 2022.

Hanson asked Pausche to respond to the question of increased utility rates. Pausche stated the decision to pay for the Watermain Project would not necessarily mean a large utility rate increase and referenced the Bolton and Menk study presented last October about the smoothing of rate increases over time and that she did not expect a significant impact. In addition, Pausche less of the street improvements could be allocated to the utility funds to manage rates since street improvement bonds mature faster. Pausche also noted that \$300K in savings has already been realized on the CIP projection that was presented in October.

MOTION by Salazar, seconded by Gesch, to approve the following resolution. Gillispie asked to confirm Option 3 would not be bid and Simmons said no, that Option 3 was included to show a comparison if the project was stand alone without MCES sharing costs. All voted in favor. Motion carried.

**RESOLUTION NO. 15-69: RESOLUTION RECEIVING REPORT AND AUTHORIZING PREPARATION OF PLANS AND SPECIFICATIONS FOR THE WILSHIRE BOULEVARD TRUNK WATERMAIN UPGRADE PROJECT, CITY PROJECT NO. PW-15-11**

**13. Stacey Kvilvang, representing Ehlers & Associates Financial Advisors, requesting action on resolutions related to 2015 bond issues.**

Kvilvang broke out the purposes of the bonds which fund street and retaining wall improvements over 15 years as well as utility improvements over 20 years. Kvilvang stated Standard and Poor's bond rating for the City was AA Stable in 2014 and it has been assumed the rating will remain the same. The bonds will go on sale July 28<sup>th</sup>.

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

**A. RESOLUTION NO. 15-70: RESOLUTION PROVIDING FOR THE SALE OF \$8,785,000 GENERAL OBLIGATION BONDS, SERIES 2015A**

Kvilvang said the original bonds that were issued for the construction of a municipal parking ramp were the only financing vehicle available at the time. Now there is a tax abatement bond vehicle which will provide for significant interest savings estimated at over \$370,000 over the next 20 years.

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

**B. RESOLUTION NO. 15-71: RESOLUTION PROVIDING FOR THE SALE OF \$2,715,000 GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2015B**

**14. Catherine Pausche, Director of Finance and Administrative Services, requesting discussion and action on the following financial policies:**

- A. FIN-001 Investment Policy - no action**
- B. FIN-002 Fund Balance Policy - no action**
- C. FIN-003 Procurement Policy**

Pausche stated that this document is an attempt to capture when staff should come to the City Council for *advance* approval and to clarify expectations. The policy requires staff to obtain advance approval by the Council for items which aren't "normal and customary" versus expenses which are typical and part of the approved budget. In addition, any contract which is for more than one fiscal year will be approved in advance by the Council.

Discussion ensued on what is the definition of "normal and customary." Pausche said she will add language to this policy to clarify, including the requirement of providing a list of approved consultants as part of the budget process. Any consultant not on the list will be brought to the Council for advance approval.

Gillispie asked for the word "cumulative" to be added to the threshold of when change orders are brought back to the Council for approval. Mayor Wegscheid requested every construction contract contain language regarding the approval of change orders by the Council. Pausche said the changes will be made and the policy will be put on the next Consent Agenda for approval.

**D. FIN-004 Staff Expense Reimbursement Policy**

Pausche stated the State Auditor requires a Council approved policy in this area and found no record of Council approval previously. Staff will provide a quarterly report of conferences, training and travel of City staff by department starting June 30 as requested by the Finance Committee.

MOTION by Salazar, seconded by Gesch to approve FIN-004 Staff Expense Reimbursement Policy. All voted in favor. Motion carried.

**E. FIN-005 Credit Card Purchasing Policy**

Pausche state the Finance Committee recommended changes which have been reflected and shared with department heads.

MOTION by Salazar, seconded by Gesch to approve FIN-005 Credit Card Purchasing Policy. All voted in favor. Motion carried.

**F. FIN-006 Elected Official Out-of-State Travel Policy**

This policy also is required by the State Auditor. This policy was approved previously by the City Council. Language was added and presented in the agenda packet.

MOTION by Gesch, seconded by Salazar to approve amendments to the FIN-006 Elected Official Out-of-State Travel Policy. All voted in favor. Motion carried.

**G. FIN-007 Official Employee Out-of-State Travel Policy - no action**

**H. FIN-008 Mobile Device Policy**

Pausche stated that the state contract has kept costs manageable. Staff who do go over the minimums are required to reimburse the City.

MOTION by Salazar, seconded by Gesch to approve FIN-008 Mobile Device Policy. All voted in favor. Motion carried.

**15. Catherine Pausche, Director of Finance and Administrative Services, requesting action on a resolution to approve a network upgrade project**

Pausche stated this item is in the 2015 budget but is being brought back to the Council for approval because of an increase in scope in order to ensure a comprehensive upgrade. The proposed contract with Five Technology will be for five years. Pausche received two quotes and had feedback and discussions with other vendors while researching vendors. The other vendor quote was higher for network replacement and ongoing support costs. Pausche noted Microsoft Outlook email will be moved to the "Cloud" rather than the physical server which will free up server space and reduce staff downtime. The City has worked with Five Technology over the past seven years and the company is very familiar with the City's needs.

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

**RESOLUTION NO. 15-72: RESOLUTION AUTHORIZING CITY MANAGER TO ENTER INTO A CONTRACT WITH FIVE TECHNOLOGY FOR A NETWORK UPGRADE PROJECT AND ON-GOING SUPPORT**

**15A. (Added) Catherine Pausche, Director of Finance and Administrative Services, requesting discussion and action on a sign permit for the Mound Westonka Rotary.**

Pausche stated that Community Development Director Sarah Smith continues to work with the Mound Westonka Rotary on the Harbor District improvements. The Rotary is holding the July 9th Music in the Park in the Harbor District to showcase the improvements to the Harbor District and wanted to install "semi-permanent" signs. Therefore, they are asking for the Council's approval to begin production on the signs, subject to Staff's approval on the final conditions of placement/size.

MOTION by Gesch, seconded by Salazar, to direct staff to amend the Limited Use Agreement approved at the May 12, 2015 Council Meeting, between the City of Mound, the Mound Housing and Redevelopment Authority and the Rotary Club of Mound-Westonka, to add proposed signs subject to conditions set by Staff and the city code and subject to all conditions set forth in the Limited Use Agreement. All voted in favor. Motion carried.

**16. Information/Miscellaneous**

A. Comments/reports from Council Members/City Manager

Hanson announced the Spirit of the Lakes festival is still in need of volunteers for short shifts in various capacities. The festival is July 16-18. Hanson highlighted activities at the festival including the beer fest which is new in 2015.

Mayor Wegscheid stated he and Council Member Gesch went to the Orono Police Commission training and highly recommended the training to the other council members.

- B. Minutes: Planning Commission - May 5, 2015
- C. Reports: Orono Police Commission Meeting Agenda  
- June 10, 2015  
Finance Department - May 2015 YTD
- D. Correspondence: Memo from Sarah Smith regarding location change for July 9th Music in the Park

**17. Adjourn**

**MOTION** by Gesch, seconded by Gillispie, to adjourn at 10:03 p.m. All voted in favor. Motion carried.

\_\_\_\_\_  
Mayor Mark Wegscheid

\_\_\_\_\_  
Attest: Catherine Pausche, Clerk