

MEDINA CITY COUNCIL MEETING MINUTES OF MARCH 15, 2005

The City Council of Medina, Minnesota met in regular session on March 15, 2005 at 7:00 p.m. in the City Hall Chambers. Mayor Workman presided.

I. ROLL CALL

Members present: Cavanaugh, Weir, and Workman.

Members absent: Smith and Brinkman (with prior notice).

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Public Works Director Jim Dillman, Police Chief Ed Belland, City Planner Rose Lorsung, City Planner Consultant Sarah Schield, City Administrator Chad Adams and Recording Secretary Liza Weniger.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

*Moved by Weir, seconded by Cavanaugh, to approve the agenda as presented. **Motion passed unanimously.***

IV. APPROVAL OF MINUTES

A. Approval of the February 12, 2005 Special Council Meeting Minutes

*Moved by Weir, seconded by Cavanaugh, to approve the February 12, 2005 Special City Council meeting minutes as presented. **Motion passed unanimously.***

B. Approval of the March 1, 2005 Regular Council Meeting Minutes

It was noted on page 2, the third line of the fourth paragraph should state: "...City to not let Planning Commission Discuss."

It was noted on page 16, the first paragraph under Council Reports should be struck and replaced with a statement that was read by Cavanaugh,"It has come to my attention that some questions have been asked regarding a transaction I was recently involved in. I feel it is necessary to set the record straight.

"In January, I looked at a piece of property in Hamel which is part of an estate. After looking at it, I decided not to go forward as I purchased another home shortly after that. Before the sale of the property from the estate, I was contacted by one of the heirs to the estate asking for help organizing the purchase of the property. As my family has known this person for many many years, I agreed to help. We also discussed that if he was able to purchase the property, I would be interested in buying a portion of it, and in principle, he agreed.

"The estate had three offers; the heir's offer was the highest. The personal representative of the estate chose to give the property to a lower bid from a local developer for reasons I can only guess at. Unfortunately, there appears to be conflict among the personal representative and the other heirs. I tried to speak with the

personal representative to solve the problem, but without avail. Attorneys have been contacted.

“Another member of this body contacted me to let me know someone called them and said that I acted in some way improperly and that I had many undisclosed interests in properties throughout the City. I thank this person for bringing this to my attention rather than continuing the rumor mill.

“I believe I have been more than forthright regarding any properties I have interest in. I am happy to discuss concerns anyone has in a public forum. I have discussed this matter with Ron Batty, City Attorney, and he sees absolutely no problem with my actions.

“I am prepared to answer any questions you may have.”

*Moved by Weir, seconded by Cavanaugh, to approve the March 1, 2005 Regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

- A. Resolution Denying Comprehensive Plan Amendment for Lynmore LLC on Property Located at 500 Hamel Road**
- B. Resolution Denying Rezoning to for Lynmore LLC on Property Located at 500 Hamel Road**
- C. Resolution Denying Planned Unit Development for Lynmore LLC on Property Located at 500 Hamel Road**
- D. Resolution Denying Preliminary Plat for Lynmore LLC on Property Located at 500 Hamel Road**
- E. Approve First Amendment to Development Agreement-Gramercy Club at Elm Creek**
- F. Approve Non-Intoxicating Malt Liquor On-Sale License-Hamel Athletic Association**
- G. Resolution Modifying Resolution 04-61 - Keller Estates**
- H. Schedule Special Council Meeting for Tuesday, April 12 with Planning Commission and Park Commission for 7:00 p.m. at Hamel Community Building**
- I. Approve Raffle Permit for Uptown Hamel Inc. for July 10, 2005 at Fortin Hardware Co.**
- J. Approve Subordination Agreement with Countrywide Home Loans**

*Moved by Weir, seconded by Cavanaugh, to approve the consent agenda. **Motion passed unanimously.***

VI. PRESENTATIONS

A. Fire Fighter of the Year Awards

Chief Belland stated that this is the second year that this award has been presented by the City of Medina. Belland presented the Fire Fighters of the Year from three of the four departments that provide service to the City.

Hamel Fire Fighter of the Year is Tom Gregor, a twenty-year member of the department who has held several key positions during 2004. Gregor played a major role in providing a training drill on the 800 mhz radio.

Loretto Fire Fighter of the Year is Shelly Koch, a dedicated hardworking volunteer that makes the majority of the calls. Koch is in charge of public relations for the department. She has been instrumental in the continued success of the Loretto VFD.

Long Lake Fire Fighter Jim Cox is a forty-one year member and has served in every aspect of the fire department. Cox is dedicated and is well deserving of this award.

Workman presented the awards and gift certificates to the winners. He expressed appreciation on behalf of the City of Medina for their volunteer efforts.

B. Hamel Volunteer Fire Department Engine 12 Replacement – Authorization to Bid

Adams stated that the Council authorized the Hamel VFD to prepare plans & specs for Engine 12 on December 21, 2004. If Council approval is received, the Hamel VFD would advertise for bids on the project. The City would likely finance the vehicle through five-year equipment certificates, with funding also being received from Hamel VFD and City of Corcoran

Brandon Guest, Hamel VFD, provided a summary of his presentation from the December 2004 Council Meeting in reference to the existing trucks that are currently in operation including Engine 12, which was built in 1975.

Weir asked if the replacement was a second hand truck. Guest stated that the department is considering new.

Guest stated that the thirty-year old truck would be sold, and based on research, the truck is valued at no more than ten to fifteen thousand dollars.

*Moved by Weir, seconded by Cavanaugh, to authorize Hamel Fire Dept to advertise for bids. **Motion passed unanimously.***

VII. COMMENTS

A. Comments from Citizens on Items Not on the Agenda

Karen Eide, 1555 Hackamore Road of Hamel, read a statement on behalf of her and her husband, to implore and beg the City of Medina to not allow walking paths on their two parcels of land. She stated that her and her husband would like to see the plans for the road and further stated that it is of the utmost importance for her to protect her land as she has lived there for thirty years. Eide stated that there is a steep incline along her property, which would make widening a path not conducive.

Chris Sundin, 1525 Hackamore, requested an update on the Hamel Bridgewater Project. Workman informed Sundin that she should contact City Staff for an update of the project. Sundin asked if there would be a formal public presentation following the design of the project. Kellogg stated that the design process has not yet occurred.

Tony Sundin 1525 Hackamore Road, stated that he had a question in regard to the City having no easement rights to his property.

Batty stated that he is not familiar with the Sundin property, however if the City has used any part of the ROW, whatever width the City has determined reasonable for maintenance, then the City has a prescriptive easement. If the City has used it for six years, then the City owns it.

Workman stated that he would like to defer that conversation to Batty at a later time.

Cheryl Martin, owner of Out on a Limb Massage LLC, stated that she would like to move into the Medina community to establish a business. However, under statute 645.03, massage is not allowed in the City. She explained that her business would be of medical and therapeutic massage. She stated that she would like to see what she needed to do to change the ordinance in order to establish her business.

Lorsung stated that she requested Martin to appear before Council to discuss the nature of her business. Workman asked if Martin would be able to apply for a conditional use permit.

Belland stated that the ordinance relates to an adult entertainment ordinance, which Martin does not fall under.

Staff was advised that an administrative CUP could be granted.

B. Park Commission

Dillman stated that the Park Commission will finish discussing the Park Capital improvement Plan, which will be presented to Council the second meeting in June.

C. Planning Commission

Lorsung stated that the Planning Commission discussed the Uptown Hamel traffic study, which will be discussed tonight. At the next meeting, the Planning Commission will be reviewing the Ryan Company Target proposal, as well as the adoption and resolution for a project at 1475 Willow Drive.

VIII. OLD BUSINESS

A. Update on City Hall Facility Space Planning Report

Adams stated that staff has met with Maureen Bellows to discuss possible alternatives to construct a larger City Council Chamber space. The primary concern is that a larger Council Chambers (assembly area) will trigger the need for larger bathrooms that will result in taking more office/facility space. Adams stated that Bellows is preparing a cost estimate of possible alternatives for adding onto the building.

Bellows presented the revised floor plan and initiated discussion on cost estimate/budget/financing details. Bellows stated that the project started fairly innocently to accommodate staff in the current building and to make a few improvements. The plan formerly presented had a Council Chambers that would only have accommodated thirty-two audience members. The Council previously directed staff and Bellows to look into a larger Council Chambers, therefore, a revision has been made to accommodate 50-52 audience members with an addition to the rear of the building. An increased price and an increased bathroom size, which will diminish the

size of the staff's area, does not make the projected cost reasonable for a change that was only needed to accommodate the City for the next five to seven years. Bellows stated that by spending the large projected amount of money at this time, the City would be forced to continue using this building into the far future when that is not what is planned for now. The addition would work well for Administrative staff, but not for the Police Department or Public Works Department.

Bellows stated that the revision is 170% the cost of what was originally planned.

Workman asked for clarification on whether the project was now estimated to cost \$500,000-600,000 to do the remodel. Bellows stated yes.

Bellows proposed an alternate route by suggesting building an independent Council Chamber, which would be attached to the current City building, but not in the building. The addition would have its own bathroom facility. Bellows stated that the addition and remodel is strictly a financial decision. She stated that she does not recommend the addition and that she believes that the plan should be reworked to stay within its boundaries of having an effective space for the next five years. The decision could then be reviewed again at that time. The current location of the City Hall may not be the best location five years from now depending on how the City develops and grows. Bellows suggested that staff set up a work session, which would allow for everyone involved to take over the space and bring together everyone's ideas and plans.

Workman asked about the possibility of making the building completely for staff, and completely moving the Council Chambers to the Community building.

Adams stated that staff's initial response would be negative because of the inconvenience of staff setting up for meetings and not having ready access to resources at City Hall, as well as limitations on existing technological resources at the Community Building.

Workman stated that he agrees with Bellows about putting together a work session.

Cavanaugh stated that with the population expanding to the north, the accessibility of the Council Chambers will become an issue in the future. He also asked about his collapsible wall idea posed at the last Council Meeting.

Bellows stated that she did look at the collapsible walls/room option, however the walls are incredibly expensive and did not provide good usable space. The walls do not help to achieve the goal. Cavanaugh asked what the expense of the collapsible walls was. She stated that 20,000 dollars would minimally be spent to construct the space to support the collapsible walls and still would not be practical and would prove to be unworkable.

Adams explained via overhead that the collapsible walls still creates a larger assembly area, which triggers the need for larger bathrooms as well. The end result is less work space for staff.

Weir asked about the alternative plan with the build out over the garage and stated that she saw that it would become non functional relatively soon.

Workman asked how Council felt about the bonding issue. Weir stated that to ask for a bond from public does not seem right for a building that will only work for five years.

Workman asked for the projected makeover timeframe of the original plan. Bellows stated that in ten weeks, the plan could be fulfilled.

Workman requested that staff email the rest of Council and department heads to invite them to get involved in the work session. Adams asked if evenings were workable for everyone. No objections posed.

Workman stated that Adams will remain in touch with Bellows.

IX. NEW BUSINESS

A. Uptown Hamel Transportation Study

Adams stated that Sheldon Johnson, with Bonestroo, Rosene, Anderlik & Associates, is present to address the preferred alternatives for a road/transportation plan in Uptown Hamel. The study is a result of conducting traffic analysis, staff meetings, and an Open House meeting on February 17, 2005. Staff is seeking direction from the Council to accept a future road/traffic plan. The Mill Drive, Sioux Drive and Storm Sewer improvements have been put on hold until a road plan or strategy is approved. The Planning Commission also discussed the Transportation Study on March 8, 2005

Adams stated that a short presentation would be made, however recommended be tabled to the next Council meeting due to the number of Council members present.

Kellogg stated that there were three feasibility reports that were combined into one project for the Mill Drive, Sioux Drive and storm sewer project. Rather than moving forward with plans, a study was decided upon to aid in the direction of the project.

Lorsung demonstrated the study area via overhead by stating that nine plans were brought forward at Planning Commission and the traffic engineer came forward to provide an entirely new plan, an alternative. She demonstrated planned roads, one ways, and fire lanes, for the redevelopment projects. Four main topics were raised: limiting the traffic through the Hamel Legion Park; Aligning Sioux Drive with Mill Drive; Showing a fire lane behind the single-family residences on the north side of Hamel Road; and, connecting the new east/west roadway (south of Hamel Road) directly east to Brockton Lane, not running south to the parking lot, to Brockton Lane.

Weir stated that the traffic count appeared to be relatively low considering that there is an eighteen and twenty-seven unit build-out in the near future. Johnson stated that he used the information from the comprehensive plan to formulate the study aspects.

Weir asked how feasible the offset of Mill Drive would be in ten to twenty years. Johnson stated that the offset of Mill Drive should be addressed and improved.

Johnson stated that the construction of Sioux Drive coming from the West would require good walls. Kellogg stated that staff is proposing that walls would need to be built anyway in addition to an acquisition.

Cavanaugh stated that Planning Commission discussed Alternative 14 because the road north of the ball fields goes due east to Brockton and seems superior to the "Preferred".

Lorsung stated that Alternative 14 was the most discussed option at Planning Commission. Johnson stated that Alternative 14 would move Sioux Drive off to the west, which would be a difficult construction. He stated that if the City would want to pursue Alternative 14, than he would pursue a more workable idea.

Weir asked about safety concerns for Alternative 14's extension. Workman stated that it does not solve the problem of Sioux Drive and does not want to infringe on the Uptown area. There would still be a concern for safety.

Workman stated that Council is back to the same issue as the City Hall improvements. The City is looking at a temporary fix that would cost a lot of money. Workman stated that he does not see a lot of support from Council or the City on this issue.

Weir stated that the City would be developing Uptown Hamel without developing the proper roadway system.

Workman proposed that staff and Council look at each project on a case-by-case project.

Workman stated that the proposed area is such a small area and to assess two to three million dollars for the project does not seem proper.

Cavanaugh stated that this agenda item would be a good discussion for the full Council, as he does not feel comfortable voting on the issue.

*Moved by Weir, seconded by Cavanaugh, to table the discussion of the Uptown Hamel Transportation plan. **Motion passed unanimously.***

Weir asked what effect tabling the discussion would have on the progress of the Farr project.

Kellogg stated that a meeting is scheduled for tomorrow with the applicant. Without the Mill Drive portion of the project, the storm sewer is not planned.

Weir asked how soon the issue could be addressed. Workman stated that it would be discussed at the next Council meeting.

Adams stated that staff is seeking direction for whether there would be a change to Mill Drive in the future.

Workman stated that it is easy to determine that Mill Drive or Sioux Drive would not be changed, as there are no options to do so reasonably.

B. Variance from Lot Size and Preliminary Plat to Subdivide Parcel at 1475 Willow Drive

Lorsung reviewed her memo that provides detail on the request for variance and preliminary plat. The Planning Commission recommended denial of the request as the

five acres per lot of buildable soils have not been met. Staff is recommending denial of the request and is seeking Council authorization to prepare the resolutions for denial.

Lorsung stated that staff received a packet of material from the applicant on Thursday, March 10, 2005 and has not had ample time to review the information; therefore, the item is not included in the packet.

Lorsung stated that the zoning is for five contiguous acres of suitable soils and this application just does not meet that. Lot one is 4.78 acres and Lot two is 4.71 acres without even considering suitable soils of which have not been turned in.

Workman asked if the applicants were present. The applicants indicated yes.

Workman stated that he is inclined to say that the roadway counts as total acreage, but he is not willing to create lots unknown to build upon.

Dave Truax, a Medina resident, stated that he is with Kortuem family who is the property owner, is proposing this subdivision. Truax stated that the wetland has been delineated and the soils are all suitable. The owner is willing to subject the land to perc tests, however was not able to get a perc test prior to the growing season as they started in July on a non-variance application, until November 2004.

Dave Truax asked that the matter be tabled due to comments heard and the lack of full Council present tonight. Lorsung stated that she would like to clarify that even if the applicant wanted the roadway included in the acreage, the soils would need to be 100% suitable including the wetland area.

Lorsung clarified that Council is asking the applicant to bring back the perc tests. Truax stated that he would work with Lorsung on the soil testing issue.

Weir raised the issue that the wetland may be small enough for a diminimus wetland.

Lorsung stated that staff did not take the time to check this out, because that can be determined in the growing season.

Lorsung stated that the 120-day deadline is set for April 29, 2005.

Batty stated that the applicant could extend the deadline as long as they want without the application renewal fee. Batty stated that the request is for the preliminary plat approval without the support of Council. Batty stated that Lorsung's report shows that a small variance is necessary.

Workman stated that the burden of proof is upon the applicant.

Lorsung stated that the amount of unsuitable soils is extensive and applicant's engineer has stated that there is an extensive amount of unsuitable soils on the property.

Weir asked if the property did not sell due to the asking price being too high giving the appearance of economic hardship. Truax stated no.

Cavanaugh stated this could be an opportunity for City and applicant because if the land was divided into two five acre parcels, and houses were pushed towards back of the lots, an open space along Willow Drive would be created and could be attractive.

Workman stated that this is not in the Comprehensive plan.

*Moved by Weir, seconded by Cavanaugh, to table the variance from the City Code Section 820.29 Subd. 4(a), Size and Dimension of Lot. **Motion passed unanimously.***

Batty requested that Truax send a letter of extension to staff.

C. Ehlers & Associates, Inc.

Dave Callister and Jessica Cook from Ehlers and Associates were present to discuss the three items below:

1. Resolution Calling for Redemption of Outstanding General Obligation Tax Increment Bonds, Series 1993, Dated May 1, 1993

Callister stated that the resolution would call the bond early on the City's last remaining debt service. Adams discussed this option with auditors last summer and agreed that upon receiving a sufficient fund balance from special assessments that paying off the bond early would be wise and ultimately saves the City money. The City has \$219,000 in the fund balance for this debt service, and the City would continue to receive special assessments over the next several years. Also, the City would avoid paying \$25,000 in future interest payments through 2009 by paying the bond off now.

Adams stated that staff recommends approval of the resolution and recommends that future special assessments be placed into capital improvement funds. Staff will continue to consider options for which capital improvement funds the future assessments should be placed. If approved, the City will be debt free for a few months until the next two agenda items take affect.

Moved by Weir, seconded by Cavanaugh, to approve a Resolution Calling for Redemption of Outstanding General Obligation Tax Increment Bonds, Series 1993, Dated May 1, 1993.

Cavanaugh asked what the rate of the bond would be. Callister stated that a \$250,000 principal left at 5% interest rate.

Motion passed unanimously.

2. Water Treatment Plant – Resolution for Sale of \$4.8 million G.O. Water

Callister discussed the detail on the sale of bonds, bond rating, and summary of possible future City projects and financing strategy. If approved, the resolution will incorporate the water treatment plant and some water supply lines. Land acquisition, a well, and a few other items would be paid by cash. Adams stated that staff recommends approval of the resolution.

Callister was seeking discussion on the three issues. A five percent interest rate would support the water treatment plant and some water supply lines.

Workman and Cavanaugh asked about the option of a fifteen-year bond, instead of the twenty-year bond, and the potential cost savings.

Cavanaugh asked if the underwriting discount is negotiable. Callister stated that it is set at a certain percentage.

Cavanaugh stated that he thought that the City could be bank qualified. Callister stated that the City would be bank qualified.

Callister stated that the funding would be up for competitive bidding. Workman stated that this would be presented to several bond companies to be bid upon.

Adams questioned if staff should further consider the implications of the annual debt payments on a fifteen-year bond.

Workman stated that faster growth will be able to support the payments and questioned Ehlers if the fifteen-year bond would work. Callister and Cook stated yes.

Cook stated that she performed the water study and faster growth means faster connection fees, which is an alternative as a shorter debt service.

Moved by Weir, seconded by Cavanaugh, to approve a Resolution Providing for the Sale of \$4,800,000 fifteen-year General Obligation Water Revenue Bonds, Series 2005A.

Batty asked if a revised resolution would be provided. Callister stated yes.

Motion passed unanimously.

3. Park Ridge Acres – Resolution for Sale of G.O. Improvement Bond

Adams stated that the resolution provides details on the sale of the bonds for the Park Ridge Acres project. Staff has designed the structure of the bond and debt service schedule to protect the City against rapid sale of the lots, as well as securing payments if lots do not sell, at a deadline of five years. Staff recommends tabling this item for future discussion.

*Moved by Weir, seconded by Cavanaugh, to table a Resolution Providing for the Sale of \$830,000 General Obligation Improvement Bonds, Series 2005B. **Motion passed unanimously.***

Batty asked if a revised resolution would be provided. Callister stated yes.

VIII. CITY ADMINISTRATOR REPORT

A. Hamel Community Building – Operating Policy Amendment for Alcohol Use

Adams stated that staff has further researched the options and alternatives for procedurally allowing alcohol use in the community building and has the following comments:

- Several Caterers have liquor licenses through the State and they are transferable from community to community, without needing City approval.
- Staff does not have a strong opinion on the type of alcohol to be allowed in the facility (i.e. 3.2 malt liquor, beer/wine, hard liquor).

- The Council agreed on a \$1,000,000 certificate of liability amount from the renter at the last meeting.
- Staff does not recommend the required presence of a uniformed officer at alcohol related events at this time, but will continue to monitor events on a discretionary basis. If a uniformed Medina Officer is called to an event due to a complaint or problem, the City could deduct the Officer's time from the renter's deposit.
- Staff recommends the Police Department being notified of any alcohol related events at the Community Building.
- Staff further recommends that the sale of alcohol be prohibited at this time. Adams stated that he has consulted the Hamel Lions Operating Agents and they prefer the non-sale of alcohol at the Community Building.

Adams stated that a higher deposit and user fee would be required.

Workman stated that he would like a policy added that if the Police Department feels that the event starts to get out of hand due to alcohol, then the police have the right to shut down the event.

Adams stated that the policy and outcome would continued to be monitored

*Moved by Weir, seconded by Cavanaugh, to draft the Hamel Community Building – Operating Policy Amendment for Alcohol Use. **Motion passed unanimously.***

B. Administrative Updates

Adams updated Council by stating that City will be asked to prepare resolutions for legislative members on a street utility, property tax freezes, and levy increases at the League of MN Cities "State of Cities Legislative Conference."

Adams stated that the newsletter deadline is March 31, and reminded everyone to get his or her information in for the mid-April mailing. Cavanaugh proposed that the newsletter promote listing and recognizing the names of those enlisted in armed services.

Weir proposed that a reminder for Clean-Up day be placed in the newsletter. Cavanaugh proposed that a team from Interfaith be coordinated to work with Clean-Up day. Dillman stated that staff collected donated bikes for Interfaith, which were practically brand new. Lorusung proposed that all types of sporting equipment be considered for donations. Adams stated that the last Saturday in April is planned for Clean-Up day.

Adams stated that staff has been meeting with Orono and Independence in regard to Townline Road, and with Corcoran in regard to Hackamore road for future maintenance.

Cavanaugh asked about the status of Corcoran's water improvements for the future. Dillman stated that Corcoran will get their water from Maple Grove and Medina is working towards an interconnection.

Dillman stated that Corcoran would be getting their water from Maple Grove at a significantly lesser rate than at Medina.

IX. APPROVAL TO PAY THE BILLS

Adams stated that there are a few large bills of interest in this approval. One being the \$156,000 for the acquisition of property for the water treatment plant; and, Pay Request #8 for the Community Building (the City would still hold the retainage until all items are completed).

*Moved by Weir, seconded by Cavanaugh, to approve the bills order check numbers 027659-027730 for \$347,031.29 and payroll check numbers 019140-019163 for \$26,723.40. **Motion passed unanimously.***

X. ADJOURN

*Moved by Weir, seconded by Cavanaugh, to adjourn the meeting at 9:02 p.m. **Motion passed unanimously.***

Bruce D. Workman, Mayor

Attest:

Chad M. Adams, City Administrator-Clerk