

MEDINA CITY COUNCIL MEETING MINUTES OF JUNE 5, 2007

The City Council of Medina, Minnesota met in regular session on June 5, 2007 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Cavanaugh, Weir, Johnson (arrived at 7:07 p.m.), and Smith (arrived at 7:30 p.m.).

Members absent: None

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, City Planning Consultant Jennifer Haskamp, City Administrator Chad Adams, Finance Director Jeanne Day and Recording Secretary Kimberly Stoll.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

The Agenda was accepted as presented.

IV. APPROVAL OF MINUTES

A. Approval of the May 1, 2007 Special City Council Meeting Minutes

*Moved by Weir, seconded by Cavanaugh, to approve the May 1, 2007 Special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the May 15, 2007 Regular City Council Meeting Minutes

It was noted on page 3, the first paragraph, it should state: "Tom Rerah... liability limits annually presently the City has waived the limits up to \$2 million."

It was noted on page 3, the fourth paragraph, it should state: "Crosby...Minnesota Cities Insurance Trust the fee is approximately \$700 to increase the limits to \$1 million and \$8,100 additional to increase the limits to \$2 million."

It was noted on page 3, between the fifth and sixth paragraph, a paragraph should be added to state: "The City Attorney, Ron Batty, indicated that the liability limit was increased to \$1 million and the City did not pay the difference between an actual award and the limit."

It was noted on page 4, the fourth paragraph, it should state: "The Council...balance sheets from the fire department in the future."

It was noted on page 4, the fifth paragraph, it should state: "Adams stated there ~~has~~ have..."

It was noted on page 5, the second paragraph, it should state: "Turnquist stated...she has ~~speke~~ spoken..."

*Moved by Weir, seconded by Cavanaugh, to approve the May 15, 2007 Regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

- A. Approve Temporary 3.2 On-Sale Liquor License to Church of St. Anne on Sunday, August 26, 2007
- B. Approve Raffle, Bingo and Pull-Tab Permit to Church of St. Anne for August 25 and 26, 2007
- C. Approve Acquisition of Hydraulic Sign Post Driver for \$2,686.35 from Total Tool Supply, Inc.
- D. Approve Sale of Forfeited Vehicle- 1993 Ford Pickup Truck
- E. Approve Lease of Konica Minolta Bizhub 200
- F. Resolution Granting Final Plat Approval for Fox Run Farm
- G. Accept \$25,000 Donation from Hamel Lions and Allocate to Hamel Legion Playground Equipment
- H. Accept \$1,000 Donation from Clover Patch 4-H Club and Allocate to Hamel Legion Park Fire Pit

Weir asked to remove item F from the consent agenda.

Johnson arrived at 7:07 p.m.

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

F. Resolution Granting Final Plat Approval for Fox Run Farm

Jim Lane stated he requested the Council to pull this item from the consent agenda for further discussion regarding the amount of the park dedication fee proposed by the City as a condition for plat approval. He stated that the \$8,000 requested by the City is excessive and arbitrary. He stated that he felt \$3,500 to \$4,000 would be more appropriate.

Adams explained the policy for the park dedication fees and the Park Commission's review requesting cash for this property. He stated in earlier years the Council discussed the need to have ample funds in an effort to plan ahead for parks and trails in the City.

Crosby stated that there was approval of the subdivision of land for Alpine Farms and inquired about the rate they were charged.

Adams stated the calculations are figured by taking market value established by the City Assessor times eight percent with an \$8,000 maximum.

Crosby inquired about other properties with similar situations. Adams stated that they will have the same standards applied.

Crosby stated that Lane has two options: talking with the City Assessor or paying the \$8,000.

Lane thanked the Council for the consideration.

*Moved by Weir, seconded by Cavanaugh, to take the park dedication fee for Fox Run Farm for the final plat approval. **Motion passed unanimously.***

VI. PRESENTATION

A. Kern, Dewenter and Viere (KDV)- 2006 Audited Financial Statements

Janel Bitzan provided updated financial statements for the Council. She stated the only change in the statement was the recording of the environmental fund into the special revenue fund. She stated the auditor's letter discusses the standards to be used when preparing the statements and their opinion on the finances. She stated the management letter discusses significant accounting policies that are unusual or questionable; management estimates, including depreciation; significant audit adjustments; management issues; and difficulties in performing the audit. She stated there were no difficulties to report at this time. She stated the one deficiency that was noted was the lack of segregation of accounting duties. She stated they are comfortable with the controls that have been added, based on the size of the City and the cost to further segregate the duties.

Crosby inquired if an additional person in the office would address the issue. Janel Bitzan stated that one additional person may not address the issue and it is an issue that many cities face.

Johnson inquired about the things that would be required to have segregation of duties. He stated that it would be useful to have a complete list of the controls to work from. Janel Bitzan stated that the Finance Director has requested this list and she will be able to share it with the Council.

Janel Bitzan stated there will be changes in the auditing procedures and standards for the 2007 year possibly resulting in additional fees. She discussed the tax capacity rate.

Crosby inquired about tax capacity. Janel Bitzan stated it is the market value of taxable property.

Adams stated it is the market value times the residential and commercial classification.

Janel Bitzan stated the financial statement includes information about the general fund for the past 5 years and general fund revenues by source.

Johnson inquired about the general fund balances that showed a decline in cash balances while the revenues increased. Janel Bitzan stated the Council could develop a policy regarding the amount of cash available in the general fund.

Johnson inquired if the auditors make a recommendation about the amount of money available in the general fund. Adams stated the state auditor's office has recommendations.

Day stated the state auditors recommend 30 to 40 percent.

Johnson inquired if in the past the City was over-reserved. Adams stated they have had discussions with the Council to gradually decrease the reserves.

Day stated that the operating transfers that have occurred have been coming from the reserves.

Crosby inquired about the types of capital procedures. Day stated they were for equipment replacement, park dedication funds and land acquisition.

Adams stated there is a separate fund for the park dedication funds. He stated they would like to discuss it further in the future with the Council.

Janel Bitzan stated the financial statement included a breakdown of the general fund by department and the general fund revenue budget and actual.

Smith arrived at 7:30 p.m.

Cavanaugh inquired if it consists of third party fees paid by developers. Crosby stated that it could be a result of the Ryan project.

Adams stated that last year the City had a significantly high amount of land use permits.

Janel Bitzan stated that the general government fund and development can cause fluctuations. She stated the financial statement includes information about public safety, the water fund, the sewer fund, and the debt service balances.

Crosby inquired if the City is currently paying for the interest in the debt service balance. Adams stated the City is paying on the interest and not the principal.

Day stated they are paying from the current tax levy.

Crosby inquired about the 2005 improvements. Adams stated he believed it was from Park Ridge Acres.

Cavanaugh inquired if the budget has been looked at for Park Ridge Acres or the tax increment to see if the tax flow is able to finance the debt service. Janel Bitzan stated she thought the 2005 levy would cover most of it.

Day stated that the levy will cover the cost, but the Park Ridge Acres assessments were deferred until the properties were sold and then reimbursed from the tax increment.

Cavanaugh inquired if they have looked at the tax increment for this year and next year to fund the debt service. Day stated the Council has seen the increment review and the positive cash flow will occur in the future.

Smith inquired about the way the City has done the budget. Day stated they had planned for this and used geo government obligation to use levy dollars to front some of the projects.

Janel Bitzan stated the debt principal and interest payment information is provided in the financial statement. Crosby inquired about the spike.

Adams stated it is when the Park Ridge Acres bond would end and the assessments would be completed.

Day stated that between 2007 and 2008 the principal payments will begin on some of the debt service payments.

Johnson inquired if the Park Ridge Acre debt is above half million dollars. Day confirmed it is related to the Park Ridge Acre debt.

Janel Bitzan stated information about the components of net assets and the 2006 components of activities is included in the financial statement.

Crosby stated it would be helpful during the budget session to discuss healthy amounts for the cash balances. He inquired if the cash is available in three funds. Janel Bitzan stated the audit report lists the major funds where the cash is available. She stated the non-major governmental funds are also listed.

Cavanaugh inquired about depreciation for future capital expenditures. Janel Bitzan stated the fund balance generates the money available for future spending. She stated the expenditures decrease the net asset balance each year.

Day stated their revenues are significant enough to create a net asset balance. She stated depreciation is calculated on historical costs. Day stated the fund balance increased.

Johnson inquired about the GASB 34 requirement for the City and if it is affecting the City. Janel Bitzan stated the audited financial statements included information for the City.

*Moved by Weir, seconded by Smith, to accept the 2006 audited financial statement.
Motion passed unanimously.*

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Brian Kingsley, Park Commissioner, stated they have discussed the surrounding cities plans for parks and trails, the topographical plans for the City, the draft of the open space plan, the park tour and the Bridgewater Development naming it Lake Medina Preserve. He stated the next meeting was rescheduled to accommodate the deadlines of the comprehensive plan.

C. Planning Commission

Haskamp stated the Planning Commission canceled the June meeting. She stated they received a land use application that was incomplete and a preliminary plat that contained some outstanding issues.

Crosby stated that there was a list of ordinances to be reviewed and inquired about the progress of it.

Smith stated that it is on hold until the comprehensive plan is complete.

VIII. OLD BUSINESS

A. Neumann Kennel License at 25 Hamel Road

Adams provided background information on the Neumann kennel license and stated the options for the license are to: deny the request, deny the request with a stated timetable to come into compliance with current City codes or amend the ordinance to allow for a commercial kennel.

Weir stated she is reluctant to change the ordinance, but inquired if they could create a hobby breeding license with stipulations regarding the amount of dogs and the location.

Smith stated there should be consistent rules regarding the kennels. She suggested denying the application and giving the applicant a time period to decrease the amount of dogs. She stated the applicant could move the dogs to various locations. She stated the location of the site is not large. She stated she is opposed to having commercial dog kennels.

Crosby inquired about the legalities of phasing out the breeding. Batty stated the Council would have the discretion to have the applicant come into compliance.

Weir stated she would be in support of a two-year period to come into compliance.

Johnson concurred that it wouldn't be appropriate to make exceptions for individual owners and 1 to 2 years would be acceptable for coming into compliance.

Jean Neumann stated they are not the only dog breeders in the City and it wouldn't be fair to deny them when there are other dog breeders.

Cavanaugh stated that the City will address the other dog breeders when they are aware of whom the other breeders are.

Weir clarified to the applicant that the Council wasn't denying them for personal reasons, but they were denying them to maintain the ordinance.

Smith suggested placing an article in the newsletter stating that the residents can have multiple dogs, but not breed several dogs. She stated that it is possible there may be residents who don't know the rules.

Crosby stated that it would be appropriate to put something in the newsletter.

Bruce Neumann stated that he is able to be with the dogs on a regular basis and it is a way for him to earn money.

Crosby stated the time period should be addressed, but the process for coming into compliance can be discussed with staff.

Moved by Smith, seconded by Weir, to deny the request for a commercial dog license and direct staff to develop the process to bring the Neumanns into compliance through a phased reduction by July 1, 2009.

Cavanaugh inquired if there was a fee paid by the applicant. Adams stated there was a fee paid by the applicant and there won't be any further fees charged.

Motion passed unanimously.

Weir inquired if the Council should direct Staff to look into reviewing the number of dogs permissible without a private kennel license and possibly adding a potentially dangerous animal ordinance.

*Moved by Weir, seconded by Smith, to direct staff to review the number of dogs permissible without a private kennel license and adding a potentially dangerous animal ordinance. **Motion passed unanimously.***

Bruce Neumann inquired about the regulations for horses and if it would be similar for them. Crosby stated there are stiff regulations for horses.

Crosby stated that if there was a complaint of too many animals on a property, it would be addressed under the nuisance ordinance.

Bruce Neumann stated that the nuisance created by the bar next to his property should be addressed.

B. Resolution Granting Final Plat Approval for Willow Hill Preserve

Haskamp provided a graphic of the final plat for Willow Hill Preserve. She stated the final plat includes using standard pavement and porous pavement allowing the applicant to reduce the area required for the rain garden and the stormwater management. She stated it would also save as many trees as possible.

Johnson inquired about the size of the rain garden. Haskamp stated that it is reduced from the original proposal and shifted north.

Haskamp stated there isn't a letter from the City Engineer, but she did receive an email stating that the plan was set to go.

Kellogg stated that with the stormwater system the overall hardcover surface would be less than it is currently. He stated the rain garden is designed to drain southerly.

Smith inquired if the drainage would be less than what it is currently. Kellogg stated that it meets both water quality and rain control.

Crosby inquired about the location of the trees. Haskamp stated, in the past they discussed saving the trees by cutting back the limbs of the trees instead of removing them.

Weir inquired about the species of trees along the driveway. George Stickney stated the trees would be pines, maples, and basswood.

Weir stated pines are not part of a big woods ecology, but would recommend maples, basswoods, and red oak. She thanked Stickney for moving the rain gardens away from the curve of the driveway.

Weir inquired about the outstanding conditions. Haskamp stated the outstanding conditions were administrative related and not site specific.

Johnson inquired about the portion of the resolution that states "City intends to establish a storm water improvement tax district." Batty stated the resolution allows the City to establish a taxing district where there is a future need for stormwater development. He stated the City wants to avoid specially assessing properties and needing to show direct benefit to the properties. He stated it would allow the City to tax the district.

Crosby stated the language in the resolution may need to be clarified. Batty stated that it requires a public hearing.

Weir stated that the taxing districts have worked for the City in the past. Batty stated that it is a good component to have in place in case it is necessary to use it.

*Moved by Weir, seconded by Smith, to approve the resolution granting the final plat for Willow Hill Preserve, as requested. **Motion passed unanimously.***

Smith stated that she hopes staff will encourage applicants to be creative when developing stormwater systems.

Kellogg stated it is the goal moving forward, but it will require them to look at the engineering standards.

Smith said the width of roads also needs to be addressed.

Adams stated these things will be addressed on the work plan.

IX. NEW BUSINESS

A. Reorganize Solid Waste Collection Services- Public Hearing

1. Resolution of Intent to Reorganize Solid Waste Collection within the City of Medina

Adams stated the Council requested a public hearing regarding the reorganization of solid waste collection.

Smith requested background information be provided regarding the request for a public hearing.

Crosby stated the City issues licenses for hauling waste and the licenses expire July 1.

Smith stated the City currently has an organized system that is set up in three zones. She stated the Council is discussing organizing it into one.

Batty stated the City has had an organized system for about 20 years.

Johnson stated the letter from Randy's Sanitation states that they have purchased the license from BFI to do the hauling.

Crosby inquired if it is legal to purchase the license from another hauler. Batty stated that they would need to get City approval for the other district which Randy's Sanitation did.

Mayor Crosby opened the public hearing at 8:35 p.m.

Jim Wollschlager stated the benefits of having an organized system is the decrease in the amount of traffic and the City has control of the quality. He stated from the viewpoint of Randy's Sanitation reducing the zones puts the businesses at risk. He stated that Adams previously said there isn't an issue with the services provided. He stated they have won awards based on their service and would be willing to provide any level of service the City would like provided. He requested a 30 to 60 day period to work it out.

Cavanaugh inquired if in a competitive bidding situation, Randy's would be competitive. Wollschlager stated the City is laid out in such a way that some of the houses are spread out and larger national companies could underbid them not realizing the distances.

Weir inquired about the reason why the City isn't negotiating with the existing haulers if they are satisfied with the services, the prices are reasonable, and the hauler is willing to provide the services requested.

Johnson stated that it is good public policy to put out bids periodically, but it doesn't mean that the Council can't consider the quality of services that have been provided historically.

Cavanaugh stated the Council has had a predisposition to using local people. He stated they have still sought out bids and then considered the local bidder.

Smith stated the contracts are public information and it is important to compare similar businesses.

Johnson stated that other businesses would be locked out if the City would only negotiate with the current businesses.

Smith stated there is a limited time to do the negotiations and it is allowed by statute. She stated she thinks the City should require organics. She stated it will take time for the City to negotiate with the existing haulers.

Crosby inquired if the City would be required to use the lowest bidder if it went out to bid. Batty stated they would not be required to use the lowest bidder.

Batty stated the resolution presented begins the process of the City considering changes to the organized system. He stated that considering competitive bids can and should be done under the current system.

Crosby stated he thought they were keeping the three districts. Batty stated the Council was considering going from three districts to one.

Smith stated the zones were set up to have a fair distribution.

Batty stated the current system doesn't lock anyone into having one or two zones.

Cavanaugh suggested sending it out for bids and allowing the haulers to choose to bid on any or all of the zones.

Johnson stated the only way to find out the real value for the services is to request bids.

Smith stated she didn't agree.

Johnson stated that no community is exactly the same. He stated he would like to see a recycling program and would like to see local haulers used.

Wollschlager stated that when the services began it was done on a subscription basis and was able to go to any of the houses. He stated because of the zones they are not able to grow and residents aren't able to choose the competitive hauler. He stated the City moved away from having multiple haulers traveling on the same street.

Johnson stated he doesn't have a desire to have multiple haulers travel on each street.

Cavanaugh inquired if Medina receives the same rates as Minnetonka. Wollschlager stated Medina's rates are lower.

Wollschlager stated some businesses go door to door to have customers switch to a different hauler. He stated the rates available in an open system are not comparable to the rates and services provided for Medina.

Crosby stated he would be in favor of putting it out to bid on the assumption that various factors could be considered when making the selection. He stated individuals could bid on any zone or combination of zones.

Johnson stated that this provides the haulers the opportunity to grow.

Adams stated there is a risk for the City. Cavanaugh inquired how the City would be at risk.

Batty stated the City went through the process of developing the zones prior to the statute being developed. He stated it has been an informal policy that haulers wouldn't be allowed to bid on more than one district to promote a multiplicity of haulers. He stated that it is not a part of the organized system. He stated the purpose of the change is to change it to a single hauler. He stated the current system allows the Council to change the informal policy.

Crosby clarified that the purpose of reorganizing the system would be to have a one hauler system for the City. Batty stated that it would require an all or nothing bid. Batty stated that the resolution sets up the process for discussing the reorganization.

Cavanaugh inquired if the City needs to wait the 6 months to go out for bid. Batty stated they did not.

Smith stated it isn't necessary to go to one district and she would like all of the haulers be required to do organics.

Crosby stated the organics is a part of the bid specs. Wollschlager stated that when the organics is at a high level it can be collected in one truck.

There being no further input, Crosby closed the public hearing at 9:15 p.m.

There was consensus of the Council to retain the current organization and there is a willingness to drop the process of requiring separate haulers for each district.

*Moved by Smith, seconded by Weir, to deny the resolution to reorganize the solid waste collection in the City of Medina, as requested. **Motion passed unanimously.***

Crosby stated that staff will prepare bid specifications.

Smith stated that Medina is part of West Hennepin Recycling Commission. She stated that organization is looking at a contract for recycling. She stated it would be good to include waste, organics, and recycling in the bid specs for each zone.

Crosby inquired if they are able to aggregate their current contract for recycling. Batty stated they are part of a joint powers entity that will terminate at the end of the year.

Johnson suggested that staff seek Smith's input on the various components of the waste collection services.

Smith stated that she would like to see that there is not an unlimited amount of garbage without an additional rate charged.

Johnson clarified that it would be only for the garbage and not recycling and compost.

B. Extension of License Agreement for Collection and Disposal of Residential Solid Waste between the City of Medina and Randy's Sanitation

Moved by Johnson, seconded by Weir, to approve the extension of license agreement for collection and disposal of residential solid waste between the City of Medina and Randy's Sanitation, as requested.

Cavanaugh inquired if the deadline needs to be December 31, 2007. Crosby stated that the date coincides with the recycling date.

Motion passed unanimously.

C. Extension of License Agreement for Collection and Disposal of Residential Solid Waste between the City of Medina and Veolia ES Rolling Hills Landfill, Inc.

*Moved by Johnson, seconded by Weir, to approve the extension of license agreement for collection and disposal of residential solid waste between the City of Medina and Veolia ES Rolling Hills Landfill, Inc., as requested. **Motion passed unanimously.***

D. Animal-Assistant Therapy Facilities- MnLINC

Adams stated staff is looking for direction from the Council regarding if animal-assistant therapy is an appropriate use for the land and in adjusting the rural residential district.

Cavanaugh stated that it is a non-profit organization and inquired if it was necessary for them to obtain a CUP. Crosby stated it is a non-profit organization that charges a fee.

Adams stated that the CUP is based on use.

Weir inquired where the two employees would be working from. Jim Lane, representative of Ralph and Liz Turnquist, stated they are proposing to lease their horse farm subject to the City's approval of MnLINC.

Crosby clarified that the residents would like to use a portion of their land and not the entire property.

Molly Deprecko, clinical director of MnLINC, explained the services and clients served by MnLINC.

Weir inquired where the employees would be working from. Deprecko stated they would be working out of the barn.

Weir inquired if there are lavatories available for the employees.

Weir inquired about parking on the property. Deprecko stated there would be approximately 12 to 15 cars that could park next to the barn.

Weir stated the plans are for a total of six horses. She stated it is a more intense use than was stated in the first presentation to the Council. Weir inquired about the growth for the program. Deprecko stated the growth would be likely to occur in the individual work and in corporate training.

Weir inquired about District 287. Dawn Peterson, District 287 representative, stated Intermediate School District 287 consists of 13 school districts that work with children with a variety of needs.

Crosby stated that it isn't a riding academy, but is more of an educational adventure with some commercial aspects. He stated it isn't a horse operation.

Smith stated it is more like a home based business. Lane stated it doesn't really fit a home based business, due to the number of employees and the lack of access to an arterial roadway. Lane stated Finke stated it fit the definition of an agricultural type of activity. He stated the zoning ordinance would need to be amended.

Smith stated she is concerned about the road to the property. Lane stated Chestnut Road is paved and is 3/10 of a mile long. He stated the Turnquist driveway runs off of the end of it.

Smith stated the narrow road doesn't have a large shoulder. She stated she thinks the applicant should be required to pave the road. She stated it sounds like it may be a needed service, but was wondering how it would meet all of the requirements.

Turnquist stated they are requesting an interim use permit. She stated they are not going to charge a fee to MnLINC. She stated it isn't intended to be on-going. She

stated MnLINC's desire is to purchase their own property in the future and she is trying to assist them in furthering their organization.

Johnson inquired if this would be a part of raising miniature horses. Turnquist stated there are miniature horses on the property that will remain and probably be used.

Weir stated it is an interim use and inquired about the implications for the City's ordinance. Batty stated the reason MnLINC was there, was to identify the type of use: a permitted use, an accessory use, a conditional use, or a prohibited use. Batty stated if the Council is willing to allow this type of use, then the ordinance needs to be amended. He clarified that it is not an application, but an opportunity to find out if the Council is willing to craft an ordinance to allow it. Batty stated an interim use would have to be in a transitional district. He stated there are certain characteristics that lend it to be a commercial property.

Crosby inquired about the length of time. Turnquist stated about 2 years in length.

Crosby stated he would like to see upper limits placed on the number of employees and animals.

Johnson stated the neighbors should be informed and allowed to speak to it. Turnquist stated she would be willing to get statements from the neighbors.

Smith stated that the land use would stay with the land. Batty stated that a conditional use permit would stay with the land and is unsure of how it could be done on a temporary basis.

Smith suggested calling it a commercial stable. Crosby stated those requirements are tougher.

Crosby stated that a temporary permit would be good and then after that deadline the applicant would be required to do updating if they wished to continue. Crosby inquired if subjective terms could be added to a conditional use permit. Batty stated that it could be done, but the conditional use permit would stay with the land.

Crosby stated that it could be drafted narrowly. Batty stated that it would have to be open to the possibility other people wanting to do it. He explained the required steps.

Cavanaugh concurred with Johnson in receiving feedback from the neighbors.

Smith stated it could be an educational facility using animals. Crosby stated they could request Finke to look into it as a riding facility with an educational aspect.

Smith stated that commercial stables have CUP's.

Crosby inquired about how Alpine Farms describes itself. Lane stated the CUP was issued in 2004 to operate a commercial horse facility.

Crosby stated the CUP could be specific enough to meet MnLINC's needs and not open enough to encourage other similar applicants. He inquired if a CUP could be issued as a special adaptation of a horse facility.

Lane stated the Staff recommended rezoning it to RR2.

Batty stated he hadn't looked at using the existing categories, but had been looking at creating a new category.

Weir inquired about the number of horses and ponies on the property. Turnquist stated the amount of animals they expect to have.

Crosby stated it wouldn't be appropriate to let them begin the business without moving through the appropriate channels because the Council is aware of the situation.

Weir concurred and stated a narrowly crafted CUP would be the best option.

Johnson suggested the CUP have a sunset date.

Lane inquired if a returned CUP upon cessation of use would be an option. Batty stated he isn't sure it is something that could be reinforced. He stated that he thought the best tactic would be to create something that was narrow making it unlikely that someone else in the City would be interested in doing it.

Weir stated she thought it was the best way forward.

Cavanaugh stated the user should cover the cost.

Lane stated the cost of the ordinance should be part of the Council's duty, not an additional fee-specific exercise.

Crosby stated the condition use permit has a fee with it.

Batty stated the ordinance needs to be crafted and it is an ordinance created for one purpose. He explained the ordinance needs to be amended prior to amending a CUP.

Weir stated the Neumanns were charged a fee.

Smith stated that the benefit is for the applicant and not the City.

Turnquist stated that it is benefiting the children of the residents.

Cavanaugh stated that he thinks it is specific to this case.

Weir concurred and inquired about an estimate of the cost.

Adams stated there are a variety of factors in calculating the cost.

Smith stated that it would be fair to put together an estimate for the applicant.

Crosby clarified they wouldn't be able to use the same CUP process as Alpine.

Batty stated the options are: rezoning, looking away from the business, creating a new CUP, or fitting it within a commercial horse farm. He stated he doesn't know the standards for the commercial horse farms at this point.

Cavanaugh suggested sending it back to staff to look into the cost and the conditions.

Smith stated that the zoning needs to be addressed.

Batty stated that if the Council would put it under an existing conditional use permit, they would need to identify which one and then examine the conditions.

*Moved by Smith, seconded by Weir, to refer it back to staff to look into putting it into an existing CUP or creating a new ordinance and provide an estimate for the cost, as requested. **Motion passed unanimously.***

E. Shoreline Stabilization Support Request- LICA

Adams stated there currently isn't funding for this request. He stated staff would like to know if funding should be available for this type of request. He stated that staff noted the project is supportive of the TMDL.

Michael McLaughlin, representative of Lake Independence Citizens Association, thanked the Council for its previous support. He stated Camp Ihduhapi is in the process of restoring the shoreline and would like the City to support the restoration through a letter and/or funding.

Crosby inquired about how the bank would be restored. McLaughlin stated it would be restored by placing stones and dirt on top of fabric to rebuild the cliff. He stated over the course of time the waves are eroding the bank.

Crosby inquired about how this impacts the homeowner. McLaughlin stated the home on the property is located east of the bank.

Smith inquired about the contribution made by the homeowner. McLaughlin stated Hennepin County doesn't require the specifics at this point in time. He stated they would like to have the City provide its support financially and with a letter of support.

Crosby stated he is in favor of using the City's reputation for the grant, but he thinks it would be equitable to assist with funding in all cases or no cases.

McLaughlin stated the need for the financial contribution is for the lake association and not for individual owners.

Smith stated the Watershed District needs to become part of the taxing district. She stated that in the past the City has been known to spend some of the environmental funds to benefit homeowners.

Weir stated that improving the quality of the lake improves the property of everyone's land.

McLaughlin stated they asked the opinion of Hennepin County about whether there was something more important for LICA to do at this point in time.

Cavanaugh inquired if the other members of the Council would be willing to provide support through a letter.

Smith stated there was money budgeted for the SWIPP plan.

Weir inquired about the reason for having the environmental fund and the uses of the funds.

Adams stated that it would be appropriate to have a policy about using the funds and the amount of funds that could be used.

McLaughlin stated if they receive the grant they will probably move ahead, but would like to know if there will be funds from the City.

Weir inquired about the date LICA needs to have a decision about the funding. McLaughlin stated they would need to know in September or October.

Weir inquired if they could speed up the policy discussion.

*Moved by Smith, seconded by Cavanaugh, to send a letter of support of the project, as requested. **Motion passed unanimously.***

The consensus of the Council was that a policy be developed for the use of the City's environmental funds (the terms of which need to be reviewed) or other fund to assist in important environmental matters by grants on privately owned property.

Johnson inquired if it assists the organization in receiving the grant to have a financial commitment from the City. He stated that defining a policy is important.

McLaughlin stated that a financial commitment from the City would help them receive a grant award.

*Moved by Smith, seconded by Weir, to have a funding policy by the end of August. **Motion passed unanimously.***

F. Award Well No. 6 Pumping Facility Project

Adams stated this is the third component for improvements for the raw water supply line. He stated staff was looking for approval to award the contract to Total Mechanical Services.

*Moved by Weir, seconded by Cavanaugh, to approve the contract to Total Mechanical Services, Inc., as requested. **Motion passed unanimously.***

G. Well No. 6 Raw Water Supply Line- Plans & Specifications; Easement Acquisition Update

Adams stated an easement has not been negotiated. He recommended the Council enter closed session following the payment of the bills to discuss the acquisition of an easement.

H. Application of Park Dedication Requirements to Subdivisions

Batty stated the method of subdivision by plat or another method doesn't impact the park dedication fees. He stated the act of subdivision requires the park dedication fees. He stated the collection of park dedication fees could not be collected on properties that have been previously subdivided assuming the park dedication fees were paid previously. He stated the City doesn't have very clear records about the park dedications that have been paid. He stated one assumption that has been made in the past is that the existing houses have paid the park dedication fee.

Weir stated she thought grandfathering in existing houses would be reasonable.

Cavanaugh stated that a lot of record would be one way to grandfather it in.

Batty stated that it is probably a generous assumption, but it would be easy for staff to track.

The Council agreed that a lot of record would be appropriate.

Adams clarified that each lot of record would have a credit. He inquired about what would happen when lots were combined.

Batty stated that combining parcels into one lot for one family would result in no additional park dedication fee and a multi-tenant situation would result in crediting. Batty stated that it is a simplistic and clear policy.

Smith stated she hopes there are clearer records being kept currently. Batty stated there are clearer records for the last 20 years.

Smith clarified that there was agreement that each lot of record would have a credit and the assumption would be that a fee has been previously paid.

Crosby inquired where this policy would be documented. Adams stated that it could be documented in a policy book and it will be discussed as part of the work plan.

I. City Council Discretion When Reviewing Quotes from Contractors

Batty stated the legislature adopted a bill to award contractors based on value. He stated that it needs to include evaluative criteria. He stated the City needs to adopt a policy that includes weighting criteria that is included with the specs sent out to companies.

Crosby inquired if placing a preference for local suppliers could be placed in the specs. Batty stated that he isn't sure it could be included.

Crosby stated they need to adopt a policy pursuant to the law. Crosby inquired when the statute comes in to effect. Batty stated that he thought it would be July 1 or August 1, 2007.

Crosby inquired if the League of Municipalities would do this. Batty stated he didn't think they would and that he would follow the issue looking for other resolutions on this topic.

X. CITY ADMINISTRATOR REPORT

A. Dobo's Café/Danny's Catering Addition

Adams stated the intent of this item was to see if there was any Council discussion or objection to the administrative ruling to allow the addition.

Weir stated that it seems reasonable to allow the addition for storage, because it doesn't increase the restaurant usage.

Crosby stated that if it burnt down, it couldn't be built back. Smith stated that would be true if it burnt down more than 50 percent.

Batty stated that it wouldn't change the status as being non-conforming.

Smith stated she thinks it is important to maintain this Medina landmark.

Weir stated it would be appropriate timing to consider rezoning the area around the café.

B. Open Space Task Force

Adams stated they had previously discussed the appropriate time to have the Open Space Task Force be complete.

Weir stated there are some outstanding items that need to be addressed, the re-evaluation of natural resources and the wetland issue. She stated it could be done at a panel level or the task force level.

Smith stated she thinks it would be disrespectful to not request the opinion of the Open Space Task Force. She said they should be invited to participate in the discussion with the Comprehensive Plan Advisory Panel.

Adams stated he was under the assumption they would be invited to attend the meeting to be given the opportunity to participate.

Weir stated the information is due in July.

Smith stated that preparing an ordinance was not part of the original bid. Adams stated it was.

Weir stated their understanding was for writing the ordinance that would come from the process.

Crosby stated it wouldn't be done until it goes through the panel.

Smith stated she has had discussions with the Trust for Public Land about support. She inquired if they have contacted Adams.

Cavanaugh stated Jean Coleman has been working with the Task Force from the beginning.

Smith stated she didn't think the Task Force would be putting input in to the ordinance.

Weir said the Comprehensive Plan Advisory Panel will be another sieve for the report.

Crosby stated he thought the ordinance should be drafted after it has been through the Comprehensive Plan Advisory Panel. He stated the issues will be discussed at a meeting where the Comprehensive Plan Advisory Panel will be invited.

Adams stated a formal correspondence should be sent out.

C. Facilities Master Plan Report

Adams stated the facilities master plan report will be presented at the June 19, 2007 work session or Council meeting.

Weir inquired if it could be delayed due to the absences at the next meeting.

Adams inquired if the work session should be canceled for the June 19 due to the absences.

*Moved by Weir, seconded by Johnson, to cancel the work session for June 19, 2007.
Motion passed unanimously.*

D. Population Update

Adams stated the population of 4,411 by the Met Council is less than the amount on City records. He stated they may challenge the amount.

Weir inquired about the benefit of reaching a population of 5,000. Adams stated it would help with the MSA.

Cavanaugh stated that it may help with road grants. Adams stated it may be a moot point with the truck traffic routes.

Weir stated it isn't necessary to spend staff time challenging the population amount.

XI. MAYOR & CITY COUNCIL REPORTS

A. Contract

Crosby stated the May 1, 2007 minutes states a resolution was passed for the City Administrator employment agreement stating "a 2/3 vote termination and a 6 months severance clause." He stated they received a memo from legal counsel stating that it is difficult to go from 2/3 to a majority.

Batty stated the majority of the Council has the authority to take action with regards to the City Administrator and it is a delegation of the authority to a subgroup and imposing it on future councils.

Crosby stated that he plans to sign the contract tonight with a majority vote with a 9 months severance.

B. Summer Social

Crosby stated he plans to hold a summer ice cream social at his house for City employees and families. He stated it will probably be one of the last two weekends in July.

C. Power Outage

Crosby stated the power outage policy needs to be discussed when the Police Chief is present.

D. Senator Jen Olson

Crosby stated that Senator Jen Olson is interested in speaking with the Council.

E. Community Center

Crosby inquired if Adams received a memo regarding Susan Sween fixing the community center. Adams state that Jodi Wunsch is working on addressing the issue.

F. Sewer and Water Hook-up

Smith stated she had an article regarding the hooking up the sewer line.

G. Anne Theis

Crosby stated Anne Theis, Former Mayor, passed away and would like an appropriate recognition of her work for the City.

Moved by Weir, seconded by Johnson, to prepare a resolution acknowledging Anne Theis' passing.

Smith suggested a donation for a memorial outside of City Hall.

Motion passed unanimously.

XII. APPROVAL TO PAY THE BILLS

Moved by Cavanaugh, seconded by Smith, to approve the bills, order check numbers Motion to approve the bills, EFT 000032-000042 for \$41,667.36, order check numbers 030935-031014 for \$196,945.06 and payroll check numbers 020058-020063 for \$9,240.09, and EFT 500574-500613 for \$56,186.28.

Motion passed unanimously.

CLOSED SESSION

The City entered into closed session at 11:05 p.m. to discuss land acquisition of easement at 215 Hamel Road. Present during the closed session were Ron Batty, Tom Kellogg, Chad Adams, Tom Crosby, Liz Weir, Dan Johnson, Joe Cavanaugh and Carolyn Smith.

Council re-entered open session at 11:38 p.m.

XIII. ADJOURN

*Moved by Smith, seconded by Weir to adjourn the meeting at 11:39 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator