

MEDINA CITY COUNCIL MEETING MINUTES OF SEPTEMBER 7, 2010

The City Council of Medina, Minnesota met in regular session on September 7, 2010 at 7:10 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Johnson, Siitari, and Smith.

Members absent: Weir

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Police Chief Ed Belland, City Planner Dusty Finke, Public Works Superintendent Steve Scherer, Finance Director Jeanne Day, City Administrator Chad Adams and Recording Secretary Amanda Staple.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

The agenda was accepted as presented.

IV. APPROVAL OF MINUTES

A. Approval of the August 17, 2010 Special City Council Meeting Minutes

It was noted on page one, the third paragraph, it should state: "...and acknowledged it could be added and discussed later if it is received." On page one, the fifth paragraph, it should state, "...with step increases for consideration in the budget to be presented at the September 7 budget open house."

*Moved by Smith, seconded by Johnson, to approve the August 17, 2010 Special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the August 17, 2010 Regular City Council Meeting Minutes

*Moved by Johnson, seconded by Siitari, to approve the August 17, 2010 Regular City Council meeting minutes as presented. **Motion passed unanimously.***

V. CONSENT AGENDA

A. Appoint Jeffrey Kordiak as Part-Time Police Community Service Officer

B. Approval of Final Pay Request to Geislinger and Sons for Hamel Road Reconstruction

C. Approve Memorandum of Understanding with Minnehaha Creek Watershed District

D. Approve Easement Agreement by and between Helen Bachtold, as Personal Representative of the Estate of Caroline Brede

E. Approve Sewer Cleaning and Televising Services Agreement with Infratech Infrastructure Technologies, Inc.

F. Close City Hall on October 8, 2010 from Noon to 4:30 p.m. for Staff Training Session

G. Resolution Granting Extension of Time to File Final Plat for Hamel Commons Amending Resolution 2009-43

Moved by Smith, seconded by Siitari, to approve the consent agenda. Motion passed unanimously.

VI. COMMENTS

A. Comments from Citizens on Items not on the Agenda

Dr. Elizabeth Lavange, Orono, stated that she is an owner of two gravesites at the German Liberal Cemetery and is also a professional grief counselor. She commented on the Council's decision to take ownership of the cemetery and the proposed policy on decoration. She explained the importance of decoration for family members and friends and the connection between that act and the grief process. She stated that if the Council is not willing to support the needs of the bereaved the City should not take ownership of the cemetery.

Adams commented that the German Liberal Association is meeting tonight to further discuss the policies, including decoration. He noted that this item would come back before the Council at the next September meeting.

Ann Sarhan-White stated that she is also an owner of three plots at the German Liberal Cemetery and thought it was important to speak to the Council while the policy is being developed. She stated that her son had cancer, was interred at German Liberal Cemetery, and this plot of land is the first she had purchased. She believed that it is important for her family and her other children to be able to leave mementos at the gravesite, and was upset that decorations left had been removed prior to Father's Day of this year. She advised that many families are interested in volunteering their services to keep up the cemetery, but stressed the importance of allowing decorations at the gravesites. She advised that the reason her family chose German Liberal Cemetery was because it was close to home, had a homey feeling, and allowed decorations to be left.

Crosby advised that this issue would be open for public discussion at the next two Council meetings. He suggested that interested parties come back to the Council meeting when the item is on the agenda to provide input.

B. Park Commission

Scherer provided an update and advised that the crossing at 101 and the shoreline restoration projects are nearing completion.

C. Planning Commission

Planning Commissioner Kent Williams noted that the Commission had not met since the previous August meeting, for which an update had already been provided. He advised that the Commission would discuss a potential lot split as well as proposed technical amendments to the conservation design process at their next meeting.

VII. NEW BUSINESS

A. 2011 Preliminary Budget and Tax Levy

Adams confirmed that this item was previously discussed tonight at the budget open house and provided background information regarding the tax levy process. He explained that the City is required to establish a proposed budget and tax levy that must be certified to the County by September 15th. He advised that, once set, the proposed levy could be lowered from the established rate but could not be raised. He summarized the history of market value in the community and provided examples of taxes payable, explaining that market value is not the only variable used to set the City budget and tax levy. He reviewed the major issues that have impacted the budget during 2010 and would continue into 2011, as well as mandates and legislative changes for 2011. He summarized the strategies used for the 2011 budget, and reviewed the proposed 2011 budget and tax levy, noting a proposed two percentage increase in the levy for the general fund. He proposed a special levy increase of 1.42 percent reflecting bonds sold for the road improvement program and equipment certificates resulting in a total tax levy of 3.42 percentage points. He explained how the proposed budget would affect the expenditures, ranging from roads to staff resources, and employee compensation. He reviewed options for further revision to the budget including Municipal State Aid, street light utility, and additional deferrals in staff re-hiring, city hall repairs, or other line items.

Crosby advised that the surplus noted in 2009 went into the reserve fund and noted that the City reserve is within the suggested guidelines. He stated that he would not like a material increase in the typical tax for a Medina resident.

Smith stated that she was not convinced that the budget could not be cut further to further match the previous tax rate of approximately 18 percent.

Johnson explained that this is a simple policy decision and advised that the City does not have control over the assessed value. He explained that the budget can be adjusted but the tax rate is determined by the assessed valuations and the budget amount. He stated that he would like the Council to attempt to not increase City taxes for the residents in this economy, but was unsure that the residents of Medina would be happy if City services were cut further.

Smith stated that she would not be in favor of an increase larger than a one percent levy increase and believed that further cuts could be made to the budget. She believed that staff should not receive a salary increase and should be satisfied to simply have jobs at this time. She stated that cuts should be made across the board and additional items could be postponed.

Crosby questioned the monetary amount for the one percent and step increases for staff.

Day reported that the non-union step increases would total \$17,948 and the one percent increase would account for approximately \$10,000.

Adams advised that other County and City agencies have not implemented as strict a policy as Medina for staff increases and noted that some cities are in a more dire state than the City of Medina. He advised that if the budget is cut further there may be a direct effect on the quality of services provided to residents and more discussion should

be conducted on the level of services desired to be reduced. He noted, to the Council's credit, that residents have been notified several times in the past few years that the tax rate and tax payments would be increasing slowly over the next 15 years to account for road bonding.

Smith explained the budgeting process for Anoka County.

Adams advised that five years ago the budgeting process began in June and explained that now the budgeting process is essentially discussed and worked on year round. He advised that it had been decided that new staff would not be hired and instead the City would take care of the existing staff as staff would take on additional tasks. He explained that Medina is not in the same situation that some other communities are and suggested that the focus stay on Medina's needs and services rather than other government agencies.

Johnson explained that although property values have decreased similar to what the value may have been in 2004, the property tax amount will most likely be substantially higher than what the property tax was in 2004, with Medina only being a small portion of that cost. He stressed the importance of some City services, such as fire and police, and advised that he did not believe a delay in road repairs would have the same impact.

Siitari stated that he would like to see a zero percent increase in the tax amount to resident's properties. He advised that he has also been a government employee and agreed that the cost of living increase for other government agencies has remained at zero in the current economy. He noted that the City provides excellent health benefits to employees.

Johnson advised that the one percent cost of living increase to staff is spread over two years.

Adams explained that the proposed tax levy could be lowered once set and advised that if the intention is to reach a zero net increase, the proposed or even reduced number would provide a window of flexibility.

Crosby questioned if the residents in attendance at the meeting would be satisfied with the Council stating that the attempt is to reach an average zero dollar net increase on the City's portion of tax payments.

Bob Franklin, 2819 Lakeshore Ave., stated that he believed most residents would be more than happy with that statement and agreed that the Council should provide for some flexibility.

It was the consensus of the Council to work toward the goal of a zero dollar increase for the City's portion of taxes to Medina residents prior to finalizing the tax levy and budget in December.

Adams advised that if the Council wanted to be conservative the levy could be set at 2.92 percent, rather than 3.42 percent, which would still leave flexibility to bring the levy down by the end of the year. He added the 2.92 percent would result in an average net increase when property owners receive their Truth in Taxation statement.

Day stated that dropping the tax levy increase from 3.42 percent to 2.92 percent, would result in about a \$15,000 decrease.

Adams stated that the \$15,000 decrease is more than sufficient as flexibility to ultimately get to a no typical tax increase to Medina residents and advised the Council could go down to 2.5 percent, which will still show a tax increase to residents on their Truth in Taxation statements.

1. Resolution Approving 2011 Preliminary Tax Levy

*Moved by Johnson, seconded by Smith, to adopt the resolution approving the 2011 preliminary tax levy increase of 2.5 percent. **Motion passed unanimously.***

Crosby briefly adjourned the meeting at 8:36 p.m.

Crosby reconvened the meeting at 8:43 p.m.

2. Resolution Approving 2011 Preliminary General Fund Budget

*Moved by Johnson, seconded by Siitari, to adopt the resolution approving the 2011 preliminary general fund budget at \$3,792,175. **Motion passed 3-1 (opposed Smith).***

3. Establish Public Discussion Date for Final 2011 Tax Levy and Budget

*Moved by Smith, seconded by Siitari, to establish the 2011 final tax levy and budget discussion for December 7, 2010 at 7:00 p.m. in City Hall. **Motion passed unanimously.***

B. Zoning Map Amendments Affecting Various City Parcels

Finke provided general information regarding the intent to match the zoning districts to the uses and objectives specified in the comprehensive plan. He advised that decisions about uses and timing of development had already been made through the comprehensive plan and the rezoning of the property is required to be consistent with the plan. He reviewed the business zoning districts, explaining the type of property that would fit within each zone and displaying the proposed changes via list and map. He submitted written comments from Loram and S. Todd Rapp in regard to the business districts.

1. Ordinance Rezoning Various Properties to the Business (B), Industrial Park (IP), or Rural Business Holding (RBH) Zoning Districts

*Moved by Siitari, seconded by Smith, to approve the ordinance rezoning various properties to the business, industrial park, or rural business holding zoning districts. **Motion passed unanimously.***

Finke reviewed the commercial zoning districts, explaining the type of property that would fit within each zoning district and displaying the proposed changes via list and map. He submitted written comments from Three Rivers Park District and Bluewater Partners in regard to the commercial zoning districts.

2. Ordinance Rezoning Various Properties to Commercial-Highway (CH), Commercial Highway-Railroad (CH-RR), Commercial-General (CG) or Rural Commercial Holding (RCH) Zoning Districts

*Moved by Smith, seconded by Johnson, to approve the ordinance rezoning various properties to the commercial highway, commercial highway railroad, commercial general, or rural commercial holding zoning districts. **Motion passed unanimously.***

Finke reviewed the Uptown Hamel zoning districts and explained the difference between the two zoning districts which is that residential development is required under Uptown Hamel 1, while Uptown Hamel 2 allows, but does not require residential. He advised that no formal public comments were received in regard to these zoning districts.

3. Ordinance Rezoning Various Properties to Uptown Hamel 1 (UH-1) Or Uptown Hamel 2 (UH-2) Zoning Districts

*Moved by Johnson, seconded by Siitari, to approve the ordinance rezoning various properties to the uptown Hamel 1 or uptown Hamel 2 zoning districts. **Motion passed unanimously.***

Finke reviewed the residential and mixed use zoning districts, explaining the type of property that would fit within each zoning district and displaying the proposed changes via list and map. He submitted written comments from Three Rivers Park District, Jim Jurmu, and Joe Cavanaugh in regard to these zoning districts. He explained that during the comprehensive plan the City identified the property on parcel 43 as mixed-used, but advised since that time the property has been split into two parcels. He advised that Mr. Cavanaugh is requesting that the southern portion of the property be zoned into commercial highway while the northern portion be zoned to R-2. He noted that after much discussion the Planning Commission and staff recommend that the parcels be left as rural residential-urban reserve until development is actually requested.

Planning Commissioner Kent Williams advised that the Commission had three issues with the rezoning request in that not all parties were present at the public hearing, all required parties were not notified of the possible zoning change, and the requested rezoning by Mr. Cavanaugh may not fit with the comprehensive plan. He advised that the Commission preferred that adequate notice be given to the requested rezoning and that the formal process be followed by the landowner.

Crosby questioned if the neighboring property owner to the west would agree with the proposed changes.

Jeff Pederson, an owner of PID 02-118-23-33-0003 which is to the west, advised that he agreed with the zoning changes proposed by Mr. Cavanaugh and stated that he believed the northern portion of his property should also be rezoned as similar residential to provide consistency.

Finke provided options for PIDs 02-118-23-34-0002 and 02-118-23-34-0003, as they are now two separate properties instead of one parcel as was the case when the comprehensive plan was completed.

Joe Cavanaugh, 275 Lakeview Road, believed that what he is proposing is going to provide the City with more residential than what was originally proposed by the City. He commented that the southern portion of the property is actually the only property north of 55 of substantial size which could be developed as commercial.

Crosby agreed with the comments made by Mr. Cavanaugh. He believed that additional options could be provided to the property owners by zoning the property RR-UR.

Finke explained that the recommendation from staff is to rezone the property which currently does not have sewer and water into the holding district until the time which development occurs. He advised that if the Council does not wish to go that route, staff would need to notify property owners again to the proposed rezoning district prior to making this change.

It was the consensus of the Council that the southern portion of the property be rezoned as commercial highway and the northern portion of the property be rezoned as a form of residential zoning.

Batty questioned if the comprehensive plan would need to be changed to match the desire of the Council.

Finke confirmed that option may come into play in order to match the desire of the Council.

Batty confirmed that in order to reach the desire of the Council the process would need to begin again including notices, a public hearing, as well as a possible amendment to the comprehensive plan.

It was the consensus of the Council to direct staff to prepare a comprehensive plan amendment to guide the portion of PID 02-118-23-33-0003 north of Meander Road as residential, to guide PID 02-118-23-34-0002 as residential, and to guide PID 02-118-23-34-0003 as commercial. This amendment would only be completed if all of the property owners provide written confirmation of their request.

4. Ordinance Rezoning Various Properties to the Mixed Use (MU), Rural Residential-Urban Reserve (RR-UR) or Rural Residential (RR) Zoning Districts

*Moved by Smith, seconded by Johnson, to approve the ordinance rezoning various properties to mixed use, rural-residential urban reserve or rural residential zoning districts, excluding PIDs 02-118-23-34-0002, 02-118-23-34-0003 and the portion of 02-118-23-33-0003 north of Meander Road. **Motion passed unanimously.***

Crosby thanked Commissioner Williams and the Planning Commission for their hard work on this issue, as well as the hard work of staff.

1. Resolution to Publish the Ordinances by Title and Summary

*Moved by Smith, seconded by Johnson, to approve the resolution authorizing publication of the ordinances by title and summary. **Motion passed unanimously.***

VIII. CITY ADMINISTRATOR REPORT

A. City Brush Pile

Adams questioned if the Council is still of the position that the City brush pile not be available to other municipalities considering the site constraints the City is currently experiencing.

It was the consensus of the Council to keep the same position and prohibit non-resident use of the brush pile and monitor the facility more closely in the future.

Scherer provided an update on the situation.

XI. MAYOR & CITY COUNCIL REPORTS

Smith advised of an upcoming workshop.

XII. APPROVAL TO PAY THE BILLS

Moved by Smith, seconded by Johnson, to approve the bills, EFT 000805-000826 for \$60,257.47 and order check numbers 035900-035969 for \$544,830.63, and payroll checks 020238-020255 for \$3,013.35 and payroll EFT 502954-503009 for \$88,107.13.

Motion passed unanimously.

XIII. ADJOURN

*Moved by Johnson, seconded by Siitari, to adjourn the meeting at 9:58 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator-Clerk