

CITY OF LAKE ELMO
CITY COUNCIL MINUTES
APRIL 15, 2014

Mayor Pearson called the meeting to order at 7:00 pm.

PRESENT: Mayor Mike Pearson and Council Members Wally Nelson, Anne Smith, Justin Bloyer, and Mike Reeves.

Staff present: City Administrator Zuleger, City Attorney Snyder, Community Development Director Klatt, City Engineer Griffin, Finance Director Bendel, and City Clerk Bell.

A moment of silence was held to honor the passing of Planner Nick Johnson's mother.

PLEDGE OF ALLIGENCE

APPROVAL OF AGENDA

MOTION: Council Member Smith moved **TO APPROVE THE APRIL 15, 2014 CITY COUNCIL AGENDA AS AMENDED.** Council Member Nelson seconded the motion. **MOTION PASSED 5-0.**

ITEM 1: ACCEPT MINUTES

THE APRIL 1, 2014 CITY COUNCIL MINUTES WERE APPROVED AS PRESENTED BY CONSENSUS OF THE CITY COUNCIL.

COUNCIL REPORTS:

Mayor Pearson: responded to resident inquiries; tabled finance committee appointment to conduct interview.

Council Member Bloyer: noted call for sprinklers in residential homes and banning lawn fertilizers. He refuted assertion that this current council has increased costs to residents for compliance with VBWD rules. City Engineer Griffin explained that it was actually a reduction in cost by streamlining rules and eliminating redundancy.

Council Member Reeves: attended task force on JPA meeting. He hopes that the item will be revisited.

Council Member Smith: no report.

Council Member Nelson: attended finance committee and JPA task force meeting.

City Attorney Snyder asked that an executive session be added to agenda.

MOTION: Mayor Pearson moved **TO ADD EXECUTIVE SESSION TO THE AGENDA** Council Member Nelson seconded the motion. **MOTION PASSED 5-0.**

Council Member Bloyer commented on the accusations of non-transparency. He requested that the library board record via video and audio all future meetings. Mayor Pearson said he would bring that request to the board.

Mayor Pearson noted that the Planning Commission Chair has asked that the meeting minutes be shortened. The Mayor asked that the minutes still contain the relevant points and debate. City Administrator Zuleger urged a balance to retain the legislative history. The council consensus is that the council minutes are good and that the Commission minutes be similarly balanced.

Speak Your Peace – Mike Reeves

Council Member Reeves spoke on the Speak Your Peace tenet of constructive criticism. He offered that perhaps the Council did not do a good job of adhering to the Speak Your Peace principles at the last meeting. He urged the Council to keep Speak Your Peace in mind during discussion.

PUBLIC COMMENTS

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Mark Citsay, 12108 Marquess Lane North. Representing the Carriage Station Homeowner Association, he spoke about the recent parking issues in the neighborhood. It has become a safety issue. He asked the Council for guidance. Clerk Bell explained the current parking ordinance. Vehicles are only required to be moved every 48 hours. City Attorney Snyder recommended that a staff member or council liaison can provide information to the association on how to address the issue as the first step before taking any more severe action.

Library Director Linda Orsted spoke on library activities: Upcoming Library volunteer reception; e-book service use is growing; card issuance is increasing; many electronic resources that are no longer available from the county are available on the city library website; just completed the first Speak Your Peace discussion on book *Civility*.

PROCLAMATION – Arbor Day Proclamation

Mayor Pearson read the proclamation proclaiming April 25th, 2014, as Arbor Day.

PRESENTATION

Paul Burns gave presentation on Met Co Livable Communities Program. The Livable Communities Act (MS § 473.25) provides grants for compliance with set standards. Mr. Burns explained the process and requirements to participate. Mr. Burns stated that the City has already met with many of the requirements. Mr. Burns presented several examples of surrounding development projects that received grants. The source of the grant funding was also explained.

CONSENT AGENDA

2. Approve Payment of Disbursements and Payroll
3. Accept Financial Report dated March 31, 2014
4. Accept Building Report dated March 31, 2014
5. Accept City Assessor report dated March 31, 2014
6. ~~Approve City Facility Use Policy~~

Council Member Bloyer pulled Item 6 for discussion.

MOTION: Council Member Smith moved TO APPROVE THE CONSENT AGENDA AS AMENDED. Council Member Reeves seconded the motion. MOTION PASSED 5-0.

Council Member Nelson noted that the new assessor has submitted some of his resident responses to the finance committee. He is very pleased with the choice so far.

ITEM 6:

City Clerk Bell explained that the city facilities use policy had not been updated since 1982. Due to the recent attempt to use city hall for unauthorized commercial use by a third party, it is appropriate to approve a new and updated policy for staff to follow. He noted that there are private facilities in the city that are better suited for commercial events. Council Member Reeves asked how often the city facilities are reserved by outside groups. Clerk Bell stated that about 5-6 reservations are made per month.

Mayor Pearson commended staff for handling the recent issue quickly and appropriately.

MOTION: Council Member Smith moved TO APPROVE THE CITY FACILITIES USE POLICY. Council Member Bloyer seconded the motion. MOTION PASSED 5-0.

OLD BUSINESS

ITEM 7: 2014 SEAL COAT PROJECT – APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE AD FOR BIDS; RESOLUTION NO. 2014-20

City Engineer Griffin explained the background and provided an update on the need of the higher amount than initially budgeted. Going forward the city will plan on a \$160,000 annual average cost. City

Administrator Zuleger noted that the budget will now include a specific line for Seal Coat project. It was noted that the Finance Committee did review this item and recommend approval.

MOTION: Council Member Bloyer moved TO APPROVE RESOLUTION NO. 2014-20, THEREBY APPROVING THE PLANS AND SPECIFICATIONS AND ORDERING THE ADVERTISEMENT FOR BIDS FOR THE 2014 SEAL COAT PROJECT. Council Member Smith seconded the motion. MOTION PASSED 5-0.

REGULAR AGENDA

ITEM 8: INFRASTRUCTURE ASSET MANAGEMENT

City Engineer Griffin provided an overview of the Beehive software. It will aide in a more efficient management of city infrastructure assets. Mr. Griffin explained the cost of \$13,098 per year. That price is locked in for three years and includes all maintenance and other support. All information regarding infrastructure will be available in a central location. The various benefits and features were explained. The software is also very user friendly.

Council Member Reeves is very supportive of utilizing this type of software. He asked about security of the data. Mr. Griffin stated that the data is encrypted and various permissions are used to access and view and edit the data.

Council Member Smith asked if other cities are using this. Mr. Griffin stated that there are a lot of programs out there and many cities use the various programs. After researching the many options available, staff thinks Beehive meets the needs of our city best.

Council Member Nelson asked about who will be primarily responsible to maintain and use software. Planner Johnson, Planning Program Assistant Ziertman, Public Works Operator Duddeck, and Assistant City Engineer Stempski will be the primary users. Finance Director Bendel explained how the item will be funded.

MOTION: Council Member Nelson moved TO APPROVE THE PURCHASE OF INFRASTRUCTURE ASSET MANAGEMENT SOFTWARE INCLUDING BEEHIVE INDUSTRIES SOFTWARE MODULES FOR ROADS, WATER, WASTEWATER AND STORM IN THE AMOUNT OF \$13,098 AND FOR A 36 MONTH TERM. Council Member Smith seconded the motion.

The Council consensus was that this will improve staff efficiency. Council Member Nelson pointed out that this will improve efficiencies across the departments. Mayor Pearson asked that staff provide an update to Council about 6 months after being implemented.

City Administrator Zuleger mentioned that there is also a park module that will be brought to the Parks Commission and potentially brought back to Council to be added. That module costs will come out of the Park Land Dedication.

MOTION PASSED 5-0.

ITEM 9: 39TH STREET N: STREET & SANITARY SEWER IMPROVEMENTS – APPROVE REPORT AND ORDER PUBLIC HEARING; RES. NO. 2014-24

City Engineer Griffin explained the background and presented the feasibility report. Project is part of a 429 Petition. Project will include reconstruction of 39th Street North from State Highway 5 to CSAH 17. Alternate options are to add 8-foot bituminous trail and 6-foot sidewalk in order to match the extension of proposed future Village Parkway. Also proposed is the replacement of existing storm sewer conveyance system along 39th Street North and extension of trunk sanitary sewer in connection with the Village East Trunk Sanitary Sewer extension. The total estimated project cost is \$1,247,000. The street and storm sewer improvement portion is \$641,000, the sanitary sewer improvement is \$425,000, the sidewalk improvement is \$113,000, and the trail improvement is \$68,000.

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Council Member Smith noted her concern with committing to the sewer without further development on the eastern village.

Council discussed the sufficiency of the sewer pipe size. It was explained how this sewer will also provide the option for potential relief for septic failures.

The council discussed how the city would fund the City portion if the City chooses to contribute.

Ms. Smith asked about the assessment if the development does not happen as quickly as expected. It was explained that that the assessments happen regardless.

MOTION: Council Member Reeves moved TO ADOPT RESOLUTION NO. 2014-24, RECEIVING THE FEASIBILITY REPORT AND CALLING HEARING FOR THE 39TH STREET NORTH: STREET AND SANITARY SEWER IMPROVEMENTS. Council Member Nelson seconded the motion.

Council Member Nelson is in favor of the city contributing to the street as they have already been assessed in the past for streets.

Mayor Pearson asked if the appeals could be separated. Attorney Snyder explained that the court would look at the entire assessment and whether the benefit afforded outweighs the assessment.

The Council discussed the proposed sidewalk, trail, and related assessments, along with what portion, if any, the city should contribute to those items. It was agreed that the trail costs should come out of park dedication.

MOTION PASSED 5-0.

Council Member Smith requested a point of privilege at 9:24 pm. Council reconvened at 9:29 pm.

ITEM 10: LAKE ELMO AVENUE TRUNK WATERMAIN IMPROVEMENTS – APPROVE PLANS AND SPECIFICATIONS AND ORDER ADVERTISEMENT FOR BIDS; RES. NO. 2014-25

City Engineer Griffin provided overview of the project. It includes installation of watermain along Lake Elmo Avenue. Total estimated cost is \$2,894,000. Post-design construction costs are estimated at \$2,325,000. The project will be paid through a combination of funds as follows: 1. Special Assessments – \$185,600; 2. Water Enterprise Fund – \$2,708,400. City Administrator Zuleger has negotiated secured funding for the project. Mr. Zuleger explained the status of the secured funding. Mr. Griffin explained the proposed project schedule.

Mayor Pearson asked how long the project cash-flows. It is unknown at this time.

Council Member Reeves asked why the funding has been secured for Lake Elmo Avenue but not for Inwood Avenue. Mr. Griffin explained the timing considerations involving the placement of the booster station and there is already temporary water provided by the City of Oakdale.

Council Member Nelson asked about the property service costs. Mr Griffin said that the bids will include that item, and the city will know at that point.

MOTION: Council Member Smith moved TO DENY RESOLUTION 2014-25. No second. MOTION FAILED FOR LACK OF A SECOND.

Council Member Smith stated that she needs more information. She wants the finances worked out before approval.

MOTION: Mayor Pearson moved TO APPROVE RESOLUTION NO. 2014-25, APPROVING THE PLANS AND SPECIFICATIONS AND ORDERING THE ADVERTISEMENT FOR BIDS FOR THE LAKE ELMO AVENUE TRUNK WATERMAIN IMPROVEMENTS. Council Member Nelson seconded the motion.

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Council Member Bloyer stated that he needs more information as well. He is not prepared to approve the awarding of the project, but will vote to move it forward. Council Member Nelson pointed out that there is still opportunity to stop the project if the cash flow needs are not met. Council Member Smith would like the Finance Committee to discuss it at the next finance meeting scheduled in three days. The Council discussed the impact of postponing the project. It could impact the system operational date. The Mayor believes that the amount of pre-work done by staff has been aggressive and adequate.

Council Member Reeves wants to keep the project moving, but wants more assurance on the financial scenarios. The potential activity for the area was discussed. Mr. Bloyer asked about the Dan Regan security. City Administrator Zuleger explained it was a drawable Letter of Credit and would not be impacted if the TIF District was not provided.

Mr. Nelson wants to move it forward, but will not be voting for the project if it is not financially viable. Mr. Nelson wants the residents who want water to be charged the stub assessments, but if they do not want water, no stub. Mr. Griffin noted that that approach poses challenges and the County will not want the road torn up after they redo it.

The Council discussed the applicable lateral benefit charge and whether there is an actual benefit. Council Members Bloyer and Nelson want the residents to have the option to not connect and then pay full amount later. Council Member Smith wants to have the benefit charge policy discussion separately.

MOTION: Council Member Nelson moved TO AMEND MOTION TO REQUIRE EVERY PARCEL RECEIVE A STUB AND CHARGE EACH PARCEL \$2,900 LATERAL BENEFIT CHARGE. Mayor Pearson seconded the motion.

The Council discussed the amendment. It was noted that the lateral benefit charge policy will need to be changed if the motion to amend passes.

Mr. Nelson withdrew his amendment.

ORIGINAL MOTION PASSED 3-2 (Smith and Bloyer – Nay).

Council Member Bloyer will not support project if residents not given option to install stub. Council Member Smith reiterated that she wants the financial information resolved.

Council Member Smith left room at 10:28 pm.

Council asked staff to place the lateral benefit charge discussion on the next meeting agenda.

ITEM 11: INWOOD TRUNK WATERMAIN IMPROVEMENTS – APPROVE PLANS AND SPECIFICATIONS AND ORDER ADVERTISEMENT FOR BIDS. RES. NO. 2014-26

City Engineer Griffin provided overview of the project. Includes installation of watermain along Inwood Avenue connecting. Will serve new development in the I94 Corridor through connections to the Eagle Point Business Park watermain system and a future 5th Street extension. Project does not include water service to the Parkview Estates neighborhood. The Inwood Booster station is being done as a separate project.

Total estimated project costs: \$2,200,000. Estimated Post-design construction cost is \$1,800,000. The project will be paid through a combination of funds as follows: 1. Special Assessments – \$11,600; 2. Water Enterprise Fund – \$2,188,400. Staff recommending project be placed on hold and bid date be delayed until City Administrator has determined project funding. State bonding is the funding source.

It was explained that if the bonding is awarded the project can be amended and Parkview Estates can be added back in.

MOTION: Council Member Bloyer moved TO APPROVE RESOLUTION NO. 2014-26, APPROVING THE PLANS AND SPECIFICATIONS AND ORDERING THE ADVERTISEMENT FOR BIDS FOR THE INWOOD TRUNK WATERMAIN IMPROVEMENTS AS DIRECTED BY THE CITY ADMINISTRATOR. Council Member Reeves seconded the motion. MOTION PASSED 5-0.

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Summary reports and announcements were skipped.

ITEM 12: EXECUTIVE SESSION

MOTION:** Council Member Bloyer moved **TO ENTER EXECUTIVE SESSION.** Council Member Nelson seconded the motion. **MOTION PASSED 5-0.

Adjourn to Closed Session per MN State Statute 13D.05, Subd. 3(b) Attorney- Client Privilege regarding threatened litigation against the City of Lake Elmo

Mayor Pearson adjourned to closed session at 10:38 pm.

MOTION:** Council Member Nelson moved **TO RECONVENE OPEN SESSION.** Council Member Bloyer seconded the motion. **MOTION PASSED 5-0.

Mayor Pearson reported that Council received report from Attorney, and no formal action taken or directed.

Mayor Pearson adjourned meeting at 12:12 am.

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ATTEST:

Mike Pearson, Mayor

Adam R. Bell, City Clerk