

**CITY OF LAKE ELMO
CITY COUNCIL MINUTES
JUNE 9, 2015**

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

PRESENT: Mayor Mike Pearson and Council Members Julie Fliflet, Anne Smith, Justin Boyer, and Jill Lundgren.

Staff present: City Attorney Snyder, City Engineer Griffin, Assistant City Engineer Stempski, Finance Director Bendel, and City Clerk Bell.

PLEDGE OF ALLIGENCE

APPROVAL OF AGENDA

Staff requested item 7 be postponed and Tony Manzara presentation removed at his request for additional time to prepare information. Item 5 was moved to the regular agenda by Mayor Pearson. Councilmember Bloyers moved item 19 to before item 13 and removed item 21.

MOTION: Council Member Lundgren moved **TO APPROVE THE JUNE 2, 2015 CITY COUNCIL AGENDA AS AMENDED.** Council Member Fliflet seconded the motion. **MOTION PASSED 5-0**

COUNCIL REPORTS:

Mayor Pearson: No report.

Council Member Lundgren: spoke to some residents about some recent issues; AEDs are in. they will be installed in city hall and the library. Farmer's Market on Saturday from 10am-1pm.

Council Member Boyer: Visited site of proposed wedding venue.

Council Member Smith: No report.

Council Member Fliflet: No report.

PUBLIC COMMENTS/INQUIRIES

Nathan Deprey, Library Director; summer reading program started day before over 50 sign-ups so far. Circulation is continuing to increase at high rate. Spoke about events coming up.

Susan Dunn, spoke about Flag Day events; thanked Nathan and congratulated the library; thanked staff and Council for lowering the Metro Council numbers; spoke about the current status of politics in Lake Elmo. Hopes that the behavior improves and people start to be treated better.

Barry Weeks, spoke about Wedding Barns and the traffic on 50th St.; complimented administrator and staff. Has been very impressed with them and is sad to see them go. Concerned about taxpayers getting their monies worth regarding staffing. Wants to see City Hall better staffed and people to stop leaving. Wants tax dollars to be spent on services instead of streetscaping.

Dick Wier, 3635 Laverne spoke about his concern for downtown assessments. Spoke about his frustration when the meetings are moved. Does not want the meetings moved when Council Members are on vacation. He questioned the changing the timing of Council pay. Questioned the need for another review of the City Administrator.

Brian Butler 3316 Laverne spoke about the cost of the assessments for the downtown projects.

PROCLAMATION

Mayor Pearson read the Huff n' Puff Days proclamation. Jaycees President Mike Slobodnik thanked the Council for the time and support.

FINANCE CONSENT AGENDA

2. Approve Payment of Disbursements
3. Accept Assessors Report dated April 30, 2015
4. Approve Tax Abatement Payment for Valley Cartage
5. ~~Approval of Fund Transfers for 2014; Resolution No. 2015-48~~

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

OTHER CONSENT AGENDA

6. 39th Street N: Street & Sanitary Sewer Improvements – Pay Request No. 5.
7. ~~Pumphouse No. 4 Improvements – Pay Request No. 8 (FINAL). Postponed~~
8. Section 34 Pressure Reduction Valve Station Pay Request No. 2
9. Encroachment Agreement – 12409 Marquess Way N
10. Approve Temporary Liquor License for Jaycees – Huff ‘n Puff Days

MOTION: No formal motion for approval made. Mayor called for “all those in favor.” MOTION PASSED 5-0.

REGULAR AGENDA

ITEM 5: APPROVAL OF FUND TRANSFERS FOR 2014; RESOLUTION NO. 2015-48

The Village Fund transfer was clarified. Finance Director Bendel explained it was an internal loan and the last payment is scheduled for 2015.

MOTION: Mayor Pearson moved TO APPROVE RESOLUTION NO. 2015-48, AUTHORIZING THE BALANCE TRANSFERS BETWEEN FUNDS AS PROPOSED AND BUDGETED FOR 2014. Council Member Lundgren seconded the motion. MOTION PASSED 5-0.

ITEM 11: 2015 CAPITAL IMPROVEMENT FINANCING PLAN; APPROVAL OF THE ISSUANCE OF G.O. BONDS SERIES 2015A; RESOLUTION NO. 2015-49

Finance Director Bendel stated that the City needs to bond approximately \$2.8M for capital improvements. Tammy Omdahl from Northland Securities presented the bond sale plan, noting that a 2.3% interest rate with July 7th sale date is expected.

MOTION: Council Member Bloyer moved TO APPROVE RESOLUTION NO. 2015-49 AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2015A IN THE AMOUNT OF \$2,815,000. Council Member Lundgren seconded the motion. MOTION PASSED 5-0.

ITEM 12: COOPERATIVE AGREEMENT WITH WASHINGTON COUNTY FOR DOWNTOWN STREET AND UTILITY PROJECT

City Administrator Zuleger presented the proposed cooperative agreement and the payment schedule.

The timing of the bonding was explained, and the timing of future bonding would be adjusted for the project schedule. It was asked how the initial idea of the 5-year funding plan came about and why it was no longer an option. Frank Ticknor from Washington County explained that the County’s capital limitations played a part. Mr. Zuleger explained that the 5 year plan looked too much like a loan to the County Attorney’s office. It was explained that had the project not been moved up in the County’s schedule, the 5 year finance plan would still not be an option.

MOTION: Council Member Bloyer moved TO APPROVE THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF LAKE ELMO AND WASHINGTON COUNTY. Council Member Smith seconded the motion. MOTION PASSED 5-0.

ITEM 19: DISCUSSION OF THE SALE OF THE CITY'S PROPERTIES IN THE DOWNTOWN AREA

Councilmember Bloyer presented the background of the proposal. Finance Director Bendel presented the detailed list of properties that are municipally owned. A workshop to further discuss was proposed.

ITEM 13: DOWNTOWN STREET, DRAINAGE AND UTILITY IMPROVEMENTS – IMPROVEMENT HEARING; ORDER IMPROVEMENTS; CONSENT TO AWARD CONTRACT; RESOLUTION NO. 2015-50

City Engineer Griffin presented the overview and scope of the improvement project Phase I. He provided a status update on the project schedule. The assessment methodology was explained. The received bids and the impact on the assessments were explained. Street, drainage, and street/landscape improvements are \$9,200 per unit post-bid. The 2016 improvements were also noted. The regional stormwater costs were presented. The stormwater financing with 20 year bonding was discussed.

***MOTION:** Council Member Smith moved **TO OPEN PUBLIC HEARING.** Mayor Pearson seconded the motion. **MOTION PASSED 5-0.** Public hearing opened at 8:52pm*

Stewart Johnson 3603 Lake Elmo Avenue asked about doing 20 yr bonds for all assessments. Omdahl explained that it can be done and that some cities do it. The city can also do 20 year assessments and 10 year bonding. It can affect the bond rating.

Jerry Kromschroeder, business owner, stated that it is very difficult for a small business to generate enough additional income to pay large assessments.

Molly Brendmoen, 3631 Laverne Avenue, asked that the council include the residents in discussing.

Barry Weeks spoke about his personal sewer connection costs and other additional costs.

***MOTION:** Council Member Smith moved **TO CLOSE PUBLIC HEARING.** Mayor Pearson seconded the motion. **MOTION PASSED 5-0.** Public hearing closed at 8:56pm.*

Councilmember Fliflet requested clarification on elements and amenities included in Phase I. Engineer Griffin explained that the final assessment hearing will be held in 2016.

MOTION:** Council Member Lundgren moved **TO ADOPT RESOLUTION NO. 2015-50, ORDERING THE IMPROVEMENT FOR THE OLD VILLAGE PHASE 1 STREET AND UTILITY IMPROVEMENTS AND PROVIDING MUNICIPAL CONCURRENCE FOR WASHINGTON COUNTY TO AWARD A CONTRACT.** Council Member Smith seconded the motion. **MOTION PASSED 5-0.

Council discussed elements that are additional aesthetic features such as landscaping and could be removed from the final project.

Meeting recessed at 9:16pm. Reconvened at 9:25pm.

ITEM 14: MN-DEED GRANT PROGRAM – RESOLUTION ACCEPTING THE DEED INWOOD WATER SYSTEM GRANT; RESOLUTION NO. 2015-51

MOTION:** Council Member Fliflet moved **TO APPROVE RESOLUTION NO. 2015-51 ACCEPTING THE INWOOD AVENUE WATER SYSTEM INFRASTRUCTURE GRANT FROM THE

STATE OF MINNESOTA CAPITAL INVESTMENT APPROPRIATIONS. *Council Member Smith seconded the motion. MOTION PASSED 5-0.*

ITEM 15: WATER TOWER #4 -APPROVE LAND PURCHASE AGREEMENT

City Administrator Zuleger and City Engineer Griffin explained the proposal and background. Griffin reviewed the agreement that has been reached with the landowner for purchase of land and easements. Griffin also explained how the site was chosen and outlined the benefits of the location.

MOTION: *Council Member Lundgren moved TO APPROVE THE WATER TOWER NO. 4 LAND PURCHASE AGREEMENT WITH 711 LAND HOLDINGS, LLC. Mayor Pearson seconded the motion.*

Council Member Smith stated that she is not in favor of locating the water tower in the selected location due to the residential

MOTION PASSED 4-1 (SMITH – NAY).

ITEM 16: EAST VILLAGE TRUNK SEWER AGREEMENT; RESOLUTION NO. 2015-52

Griffin explained that the proposed agreement separates the water and sewer improvements from the development agreement to allow infrastructure work to commence prior to the residential development.

MOTION: *Council Member Bloyer moved TO ADOPT RESOLUTION NO. 2015-52 APPROVING THE DEVELOPER’S AGREEMENT FOR THE EASTERN VILLAGE TRUNK SEWER PROJECT. Council Member Lundgren seconded the motion. MOTION PASSED 5-0.*

ITEM 17: AMENDMENT OF EASTON VILLAGE DEVELOPMENT AGREEMENT

Griffin explained that the proposed agreement represents the remainder of the agreement after the water and sewer portion was removed.

MOTION: *Council Member Bloyer moved TO AMEND THE DEVELOPER’S AGREEMENT FOR EASTON VILLAGE AS DRAFTED AND DOCUMENTED IN THE ATTACHED AMENDED DEVELOPMENT AGREEMENT. Council Member Lundgren seconded the motion. MOTION PASSED 5-0.*

ITEM 18: ZONING TEXT AMENDMENT – FREEWAY SIGNS FINDINGS FOR DENIAL; RESOLUTION NO. 2015-53

City Attorney Snyder presented Findings for Denial that were prepared in response to a request for a zoning amendment to allow installation of freeway sign larger than what is allowed.

MOTION: *Council Member smith moved TO ADOPT RESOLUTION NO. 2015-53, DENYING THE REQUEST TO AMEND THE CITY’S SIGN ORDINANCE TO ALLOW FREEWAY SIGNS ON COMMERCIAL PROPERTIES WITHIN CLOSE PROXIMITY TO I-94 CORRIDOR. Council Member Lundgren seconded the motion.*

Mayor Pearson explained that he would vote against the motion for the reasons he stated during the previous meeting. The Planning Commission unanimously recommended approval and the applicant is aware of the BRT potential in the future.

MOTION PASSED 3-2 (Pearson, Bloyer - NAY)

ITEM 20: PLACEMENT OF CITY COUNCIL REPORTS

Councilmember Lundgren gave her rationale for suggesting the council reports being at the end. She believes it will reduce grandstanding. It was noted that the reports have been in the back at times. Councilmember Fliflet also thinks it will improve council working together. Councilmember Bloyer concerned about having his issues ignored or removed from the agenda. Mayor Pearson is also concerned about preventing council members from voicing concerns.

Lundgren asked for commitment to abide by council decorum rules, then the reports can be at the end.

MOTION: Council Member Fliflet moved **TO USE COUNCIL REPORTS FOR ACTIVITIES AND THANKS AND ITEMS OF THAT NATURE.** Council Member Smith seconded the motion.

MOTION PASSED 5-0

~~**ITEM 21: AUTHORIZE INDEPENDENT COUNSEL TO INVESTIGATE CLAIMS OF HOSTILE WORKPLACE**~~

Item removed from agenda.

ITEM 22: COUNCIL MEETING DECORUM

Councilmember Fliflet asked the council for input on proposed decorum policy as a result of discussions at the Council driven workshop. Council provided input and Councilmember Fliflet indicated she would continue to work on a decorum policy for future Council review.

ITEM 23: DISCUSSION OF CITY CLERK REPLACEMENT POSITION

Councilmember Lundgren requested an update on the status of the City Clerk replacement. Administrator Zuleger reported that the position has been posted and applications have been received.

ITEM 24: DISCUSS SEPARATION AGREEMENT FOR CITY ADMINISTRATOR

Attorney Snyder presented the proposed separation agreement. Administrator Zuleger thanked the members of the community for their support.

Pam Hartley, 10010 Tapestry Road, asked that council set joint parks/council workshop date. Thanked staff for their work, especially Mr. Zuleger and his leadership. He has displayed invaluable commitment. Concerned about staff departures. Suggested that the Council stay out of staffing decisions and leave it to the Administrator.

MOTION: Council Member Bloyer moved **TO DIRECT CITY ATTORNEY SNYDER TO EXECUTE THE SEPARATION AGREEMENT AND AUTHORIZE THE ATTORNEY TO MAKE NON SUBSTANTIVE MODIFICATIONS.** Mayor Pearson seconded the motion.

Fliflet suggested that Zuleger has been seeking other employment since prior to the election. Attorney Snyder cautioned the Council against discussing employee matters in an open meeting.

Recessed 10:15pm. Reconvened at 10:20pm.

City Attorney Snyder reported on the length of time covered in the proposed Separation Agreement and stated that it provides the City some continuity during the transition.

Councilmember Fliflet stated opposition to the terms of the agreement.

MOTION: Councilmember Lundgren moved **TO RECESS TO EXECUTIVE SESSION.** Councilmember Fliflet seconded the motion. **MOTION PASSED 4 – 1. (Pearson – NAY)**

Council adjourned to executive session at 10:33pm pursuant to MN Stat. § 13D.05(3)(b) to discuss employment matters.

Fliflet/smith 5-0

Return to open session at 11:00pm

City Attorney Snyder summarized the closed session discussions, noting that the Agreement provides continuity for the city and continuation of salary to the Administrator following notice period for 6 months. Snyder also thanked the Council for their input.

MOTION PASSED 5-0

STAFF REPORTS & ANNOUNCEMENTS:

No reports due to the length of the meeting.

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Mayor Pearson Adjourned the meeting at 11:03 pm.

LAKE ELMO CITY COUNCIL

ATTEST:

Julie Johnson, City Clerk

Mike Pearson, Mayor