

**CITY OF LAKE ELMO  
CITY COUNCIL MINUTES  
DECEMBER 15, 2015**

**CALL TO ORDER/PLEDGE OF ALLEGIANCE**

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

*Mayor Pearson, seconded by Councilmember Bloyer, moved TO SUSPEND THE MEETING UNTIL THE PARLIAMENTARIAN ARRIVES. Motion passed 3 – 2. (Pearson, Lundgren – nay)*

*Mayor Pearson called the meeting back to order at 7:17 pm.*

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

Staff present: Interim Administrator Schroeder, City Attorney Snyder, City Engineer Griffin, Finance Director Bendel, Fire Chief Malmquist, Planner Wensman and City Clerk Johnson.

**APPROVAL OF AGENDA**

Items 7 and 24 were removed from the agenda. Items 12 and 13 were moved to the Regular Agenda. Item 25 was moved to the Consent Agenda. Item 27 was moved to the beginning of the Regular Agenda. Agenda changes were adopted by consensus.

**COUNCIL REPORTS**

**Mayor Pearson:** Recommended the Council consider increasing the salary ceiling for the City Administrator search; reported on feedback received that was critical of the budget process and wants a better budget process next year. Reported Library Board Member Ann Bucheck and Parks Commissioner Sarah Heitpas have both resigned and thanked them for their service.

**Councilmember Lundgren:** Thanked Public Works for taking care of dead deer in the tri lakes area, noted lake levels are high due to rain and confirmed weirs are functioning properly.

**Councilmember Bloyer:** Received comments from citizens regarding the budget process, noted that the Arts Center was written about in the Pioneer Press in November and still has not been cleaned up. Expressed sadness that Interim Administrator Schroeder is not applying for the City Administrator position and stated that the City needs stability.

**Councilmember Smith:** Explained that she had to leave the previous meeting abruptly due to a family emergency.

**Councilmember Fliflet:** Finance Committee met and made a recommendation to reduce water rates, attended Library Board Meeting, spoke with residents.

**PUBLIC COMMENTS/INQUIRIES**

Virginia Pleban, 8245 59<sup>th</sup> Street North, stated that the Council meetings are argumentative and take too long. Ms. Pleban encouraged the Council to listen to each other and seek consensus.

Dale Dorschner, 3150 Lake Elmo Avenue, stated that the decisions being made are putting the City at risk and asked that a copy of the budget for last three years be sent to him at his address.

**PRESENTATIONS**

None

**CONSENT AGENDA**

1. Approve Payment of Disbursements
2. Authorize Certification to the Washington County Auditor – Unpaid Water Utility Bills – *Resolution 2015-86*
3. Accept November 2015 Financial Statements
4. Approve 2016 Liquor License Renewals: Prom Management & Elmo Liquor
5. Accept November 2015 Assessor Report
6. Accept November 2015 Building Department Report
8. Approve Eagle Point Boulevard Street Improvements – Pay Request No. 4
9. Approve CUP Amendment for Oakdale Gun Club
10. Approve 3M Tolling Agreement
11. Approve Office Administrative Assistant Hiring
14. Approve Joint Powers Agreement for Use of East Metro Public Safety Training Facility

Consent Agenda adopted by consensus.

**REGULAR AGENDA**

**ITEM 12: Approve Public Works Hiring**

Interim Administrator Schroeder explained the request to upgrade one current position from part time to full time and hire an additional full time streets worker.

***Mayor Pearson, seconded by Councilmember Fliflet, moved TO APPROVE HIRING OF JOE EFFINGER FULL TIME AND UPGRADE OF MIKE CORNELL FROM PART TIME TO FULL TIME. Motion passed 5 – 0.***

**ITEM 13: Approve Reider Preliminary Plat Extension**

Interim Administrator Schroeder reviewed the request for a one year extension to allow additional time for the property owner to market to developers. Discussion held concerning water and sewer connection fees and property taxes the development would generate.

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO EXTEND THE REIDER PRELIMINARY PLAT APPROVAL BY ONE YEAR. Motion passed 3 – 2 (Fliflet, Lundgren – nay)***

Councilmember Smith stated that although she voted against the original plat approval, she felt obligated to the property owner to extend the plat now that the property is platted.

**ITEM 27: Draft Agreement for Library Services**

Mayor Pearson stated he is suggesting a proposal for Lake Elmo to seek to reestablish library services with Washington County. Mayor Pearson presented a brief review of the history of the library transition from the county system to becoming a city library and added that this agreement would go to the Library Board for discussion after Council approval.

Jean Olinger, 9057 Lake Jane Trail, strongly urged the Council to re-enter the county library system as soon as possible and related her experience with challenges and restrictions when using her library card at other libraries.

Paul Pallmeyer, 8989 Lake Jane Trail, stated he was opposed to leaving the county system and noted limitations of the Lake Elmo Library card and expressed frustration.

Barbara Miller, 9240 55<sup>th</sup> Street North, strongly urged the Council to take action to get back to a full member of the Washington County Library system, stating that electronic borrowing limitations are very frustrating.

Parliamentarian Wendt read a statement submitted by Stephanie Larkin, 9280 55<sup>th</sup> Street North, in favor of rejoining the county system.

County Commissioner Gary Kriesel commented on the criteria for attaining associate library status and stated that the county would likely welcome the Lake Elmo Library back into the system but not as an associate library.

***Mayor Pearson, seconded by Councilmember Bloyer, moved THAT THE LAKE ELMO CITY COUNCIL DIRECTS THIS DRAFT AGREEMENT BE SENT TO THE LAKE ELMO LIBRARY BOARD IN ORDER THAT THE BOARD WILL OFFER THE COUNCIL INPUT THAT ALIGNS WITH THE LELB'S MISSION STATEMENT: "THE MISSION OF THE LELB IS TO ENHANCE ACCESS TO LIBRARY SERVICES, INFORMATION AND RESOURCES FOR LAKE ELMO RESIDENTS"***

***Councilmember Fliflet, seconded by Councilmember Smith, moved to amend the primary motion by substitution with a motion TO SUPPORT LIBRARY BOARD EFFORTS TO REENTER THE COUNTY AND MELSA SYSTEMS AND THE CITY COUNCIL SUPPORTS THE WORK THE LIBRARY BOARD HAS BEEN DOING ALL YEAR TO ACHIEVE ASSOCIATE STATUS.***

Councilmember Fliflet stated that she supports the work the library staff and Board have been doing all year to support reentry into the county system as an associate library as soon as possible.

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO ADD "WITHIN THE NEXT SIX MONTHS" TO THE MOTION TO SUBSTITUTE. Motion failed (Fliflet, Lundgren, Smith – nay).***

Sarah Linder, 11108 12<sup>th</sup> Street North, spoke as current Vice President of the Library Board, state that there is a long checklist for what needs to be done to become an associate library and the Library Board would like to continue on with the process.

**Motion to substitute the primary motion passed 3 – 2 (Pearson, Bloyer – nay). Substitute motion passed 3 – 1 – 1 (Pearson – nay, Bloyer – abstain).**

Councilmember Bloyer stated he would not support the motion and stated the City should take direction from the county to avoid wasting taxpayer money pursuing associate status. Mayor Pearson stated he would not support the motion and encouraged citizens to read the Library Board minutes and Strategic Plan.

#### **ITEM 15: Single Fire Station**

Fire Chief Malmquist presented a follow up to his October presentation and reviewed Public Safety Committee recommendations, study findings and cost for construction of fire stations in neighboring communities. Chief Malmquist also reported on staffing challenges and reviewed a financial comparison of one and two station models.

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO DIRECT THE LAKE ELMO FIRE DEPARTMENT TO MAKE PREPARATIONS AND DESIGNS TO MOVE TO ONE CENTRALIZED FIRE STATION, IDENTIFY AND SECURE AN APPROPRIATE SITE FOR A FUTURE FIRE STATION/PUBLIC SAFETY BUILDING.***

Potential costs for a new fire station and acquiring land were discussed. Cost for needed maintenance and updates at the current fire stations was also discussed. Councilmember Smith stated she was not ready to move forward with this proposal due to current infrastructure commitments.

***Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO AMEND THE PRIMARY MOTION BY STRIKING THE MOTION AND INSERTING “MAKE PREPARATIONS TO MOVE TO A SINGLE FIRE STATION AND IDENTIFY AN APPROPRIATE SITE. Motion failed 2 – 2 – 1 (Pearson, Bloyer – nay. Smith – abstain).***

***Councilmember Smith, seconded by Councilmember Fliflet, moved TO AMEND THE PRIMARY MOTION TO REMOVE THE LANGUAGE AFTER “STATION”. Motion failed 2 – 3 (Pearson, Bloyer, Lundgren – nay).***

**Primary motion failed 2 – 3 (Fliflet, Lundgren, Smith – nay).**

#### **ITEM 16: Northland Securities – Approve Proforma Services**

Administrator Schroeder presented information on the cost for Northland Securities to produce a proforma model for the City to analyzing Enterprise Funds.

***Mayor Pearson, seconded by Councilmember Lundgren, moved TO POSTPONE FURTHER DISCUSSION TO A COUNCIL WORKSHOP WITH THE FINANCE COMMITTEE AND TAMMY OMDAHL. Motion passed 4 – 1 (Fliflet – nay).***

**ITEM 17: Cost of Service Study for Water and Sanitary Sewer Utilities – Approve Authorization for TKDA**

***Councilmember Fliflet, seconded by Councilmember Smith, moved TO REMOVE ITEM 17 FROM THE AGENDA. Motion failed 3 – 2 (Pearson, Bloyer – nay).***

City Engineer Griffin presented the proposal for TKDA to conduct a cost of service study that could be used by the City's Finance Department for the purpose of projecting cash flows, bonding needs and evaluating user rates and charges.

***Councilmember Fliflet, seconded by Councilmember Smith, moved TO POSTPONE ITEM 17 TO THE SAME COUNCIL WORKSHOP AS ITEM 16. Motion passed 3 – 2 (Pearson, Bloyer – nay).***

**ITEM 22: Ordinance Amendments to Article IX of the Zoning Ordinance – Rural Districts as it Pertains to Permitted, Conditional and Interim Uses**

City Planner Wensman presented the Planning Commission recommendation for changes to Article IX of the Zoning Ordinance as it pertains to secondary dwellings, cemetery, commercial stable, golf courses, restricted recreation, and agricultural sales business uses in the rural districts.

Yvette Oldendorf, 5418 Lake Elmo Avenue North, asked questions about the status of the definitions, if they can be revised, and who is the arbiter. City Attorney Snyder stated that the City Council is the arbiter and if there is ambiguity in the definitions, the decision goes against the City.

Councilmember Fliflet stated she was in favor of removing all the uses added in October 2013 as the discussion was not held at the Council level at that time when adding them.

***Councilmember Fliflet, seconded by Councilmember Smith, moved TO APPROVE AN ORDINANCE AMENDMENT, AMENDING ARTICLE IX OF THE ZONING ORDINANCE REMOVING SECONDARY DWELLINGS, CEMETERY, COMMERCIAL KENNEL, COMMERCIAL STABLE, GOLF COURSE AND AGRICULTURAL SALES AS ALLOWABLE USES IN THE RURAL DISTRICTS.***

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO REFER THIS ISSUE BACK TO THE PLANNING COMMISSION. Motion failed 2 – 3 (Fliflet, Lundgren, Smith – nay).***

**Primary motion passed 3 – 1 – 1 (Pearson – nay, Bloyer – abstain).**

**ITEM 21: Decrease in Letter of Credit Policy**

Interim Administrator Schroeder reviewed the proposed policy and discussed anticipated circumstances when the policy would be used, noting that some other cities surveyed allowed staff to make determinations on security reductions.

***Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO AUTHORIZE STAFF TO APPLY THE AMENDED PROVISIONS TO THE ACTIVE DEVELOPMENT PROJECTS IN THE CITY, THEREBY ALLOWING FOR SECURITY REDUCTIONS TO BE PROCESSED FOR COUNCIL APPROVAL IN ADVANCE OF WHAT IS CURRENTLY ALLOWED IN THE RESPECTIVE SIGNED DEVELOPMENT AGREEMENTS AND APPLY THEM TO AGENDA ITEMS 21a, b, c and d.***

***Motion to amend the primary motion TO REMOVE ITEMS 21A, B, C AND D passed by consensus. Primary motion passed 5 – 0.***

Richard Smith stated he lives north of the Wildflower development that is not complying with the intentions of the previous security agreement. Mr. Smith stated that the promise of a new access has not been met and his driveway has been in very poor condition due to construction traffic. Bob Engstrom, Wildflower developer, addressed Mr. Smith's concerns and assured Mr. Smith and the City Council that he would rectify the situation right away.

***Councilmember Smith, seconded by Councilmember Lundgren, moved TO APPROVE A REDUCTION OF THE LETTER OF CREDIT FOR THE WILDFLOWER AT LAKE ELMO 1<sup>ST</sup> ADDITION FROM \$3,440,831 DOWN TO \$2,310,740 WITH A REQUIREMENT THAT MR. SMITH BE PROVIDED WITH PASSABLE INGRESS AND EGRESS. Motion passed 5 – 0.***

**Items 21a, 21b and 21d approved by consensus.**

**ITEM 18: Proposal to Reduce Water Rates**

Finance Director Bendel reviewed the City's current water rates, noting they are high compared to neighboring communities. Bendel reported on the current number of users in the system and outlined the number of users in each rate tier, projected new users and projected volume.

***Councilmember Smith, seconded by Councilmember Lundgren, moved TO APPROVE TIER MODIFICATIONS PRESENTED RELATED TO RESIDENTIAL WATER RATES FOR ADOPTION WITH THE 2016 FEE SCHEDULE.***

***Councilmember Bloyer, seconded by Mayor Pearson, moved to amend the motion to add "CONTINGENT UPON WRITTEN RECOMMENDATION BY THE FINANCE DIRECTOR AND CITY ADMINISTRATOR". Motion failed 2 – 3 (Fliflet, Lundgren, Smith – nay).***

**Primary motion passed 5 – 0.**

**ITEM 19: Transfer Electrical Permit Inspecting to the State of MN**

Administrator Schroeder reported that the City retains 25% of the cost of electrical permits but may be losing money on the staff time for processing and tracking the permits.

***Councilmember Fliflet, seconded by Councilmember Smith, moved TO REPEAL ORDINANCE 08-093 WHICH ADOPTED THE CITY ELECTRICAL PERMITTING AND INSPECTIONS PROGRAM, TO REPEAL ORDINANCE 08-094 TO AMEND THE CITY'S***

***FEE SCHEUDLE TO INCORPORATE FEES RELATED TO THE CITY ELECTRICAL PERMITTING AND INSPECTIONS PROGRAM, AND TO DISCONTINUE THE ELECTRICAL INSPECTION SERVICES AGREEMENT WITH JOE WHEATON EFFECTIVE 1/1/2016. Motion passed 3 – 2 (Pearson, Bloyer – nay).***

**ITEM 20: Approve 2016 Fee Schedule**

Item 20 approved by consensus

**ITEM 23: Village Mixed Use Zoning Discussion**

Councilmember Bloyer stated he would like the Planning Commission to review and possibly amend the VMX ordinance. Bloyer added that the adoption of the ordinance, the 2012 Comprehensive Plan and densities allowed in the Old Village should be reviewed.

***Mayor Pearson, seconded by Councilmember Bloyer, moved TO DIRECT THE PLANNING COMMISSION TO REVIEW THE VILLAGE MIXED USE ZONING IN THE DOWNTOWN ZONE. Motion failed 2 – 3 (Fliflet, Lundgren, Smith – nay).***

**ITEM 26: Discussion of Meeting Minutes Content**

***Councilmember Fliflet, seconded by Mayor Pearson, moved THAT THE CITY COUNCIL MEETING MINUTES PROVIDE A SUMMARY OF PROCEEDINGS AND ONLY ERRORS BE BROUGHT TO THE CITY CLERK FOR CORRECTION. Motion passed 4 – 0 – 1 (Bloyer – abstain).***

**ITEM 28: Purchase of Public Works Truck**

Administrator Schroeder asked to delay discussion; this purchase was intended to be a pre-purchase for 2016 to utilize excess budget funds. **Item tabled by consensus.**

**STAFF REPORTS AND ANNOUNCEMENTS**

**Interim City Administrator Schroeder:** Reported on status of the City's video recording equipment, attended developer meetings and Washington County City Administrators meeting.

**Finance Director Bendel:** Reported levy proceeds have been received, a refund from LMC has been received, working on insurance renewal, preliminary audit scheduled for next week, preparing to send out utility bills and preparing for the January Finance Committee meeting.

Meeting adjourned at 1:02 a.m.

**LAKE ELMO CITY COUNCIL**

ATTEST:

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Mike Pearson, Mayor

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Julie Johnson, City Clerk