

**CITY OF LAKE ELMO
CITY COUNCIL MINUTES
DECEMBER 20, 2016**

CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

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

Staff present: Administrator Handt, City Attorney Sonsalla, City Engineer Griffin, Finance Director Bendel, Planning Director Wensman, and City Clerk Johnson.

APPROVAL OF AGENDA

Councilmember Smith, seconded by Councilmember Lundgren moved TO APPROVE THE AGENDA.

Councilmember Bloyer, seconded by Mayor Pearson, moved TO AMEND THE PRIMARY MOTION BY POSTPONING ITEM 18, "APPROVE EMPLOYEE BENEFIT EMPLOYER/EMPLOYEE COST SHARE POLICY," TO A FUTURE MEETING. Motion passed 3 – 2. (Fliflet, Smith – nay)

Mayor Pearson, seconded by Councilmember Bloyer, moved TO AMEND THE PRIMARY MOTION BY POSTPONING ITEM 30, "EMPLOYEE HANDBOOK," TO A FUTURE AGENDA.

Primary motion to approve the agenda as amended passed 5 – 0.

ACCEPT MINUTES

Minutes of the November 15, 2016 Regular Meeting were accepted as presented.

PUBLIC COMMENTS/INQUIRIES

Dave Moore, 8680 Stillwater Boulevard N., questioned why the Maintenance Advisory Committee was not asked to review the plow truck purchase and commented on the parking lot access at Fire Station 1.

Barry Weeks, 3647 Lake Elmo Avenue, commented on the length of the Council Meeting Agenda and noted that in past years the agendas were not as long.

PRESENTATIONS

Finance Director Bendel presented the Comprehensive Annual Financial Report award, noting this was the third time the City received the award.

City Administrator Handt presented a Certificate of Appreciation to Councilmember Anne Smith for her 12 years of service on the City Council.

CONSENT AGENDA

2. Approve Payment of Disbursements
3. Accept November 2016 Financial Statements
4. Accept November 2016 Assessor's Report
5. Accept November 2016 Building Department Report
6. Accept November 2016 Fire Department Report
7. Accept November 2016 Public Works Department Report
8. Authorize Certification to the WA Cty Auditor – Delinquent Water Bills – *Resolution 2016-109*
9. Termination of Existing Contract and Approve New Contract with Washington County Sheriff's Office
10. Adopt Employee Recognition Policy
11. Approve 2017 Meeting Schedule
12. Private Development Projects – Approve Security Reduction
13. CSAH 15 & 10th Street Intersection – Approve Cooperative Agreement Payment No. 5 (FINAL)
14. Inwood Booster Station – Approve Change Order No. 3
15. Inwood Booster Station – Approve Pay Request No. 7
16. Inwood Water Tower (No. 4) – Approve Pay Request No. 7
17. Approve Boulder Ponds 2nd Addition Final Plat and PUD Extension – *Resolution 2016-110*
- ~~18. Approve Employee Benefit Employer/Employee Cost Share Policy~~
19. Accept Village Area AUAR Update
20. Approve Open Gov

Councilmember Smith, seconded by Councilmember Lundgren, moved TO APPROVE THE CONSENT AGENDA AS PRESENTED. Motion passed 5-0.

ITEM 21: Approve Diedrich Property Zoning Map Amendment

Planning Director Wensman reviewed the background and location of the parcels to be rezoned to be consistent with the Comprehensive Plan and the preliminary plat.

Mayor Pearson, seconded by Councilmember Lundgren, moved TO APPROVE ORDINANCE 08-159 APPROVING A ZONING MAP AMENDMENT FOR THE PROPERTY KNOWN AS DIEDRICH PROPERTY PRELIMINARY PLAT, PID# 36.029.21.32.0002 FROM RURAL DEVELOPMENT TRANSITIONAL TO URBAN MEDIUM DENSITY RESIDENTIAL AND PID# 36.029.21.32.0034 FROM URBAN LIMITED DENSITY RESIDENTIAL TO URBAN MEDIUM DENSITY RESIDENTIAL. Motion passed 5 – 0.

Planning Director Wensman also noted that the applicant requested a waiver of the fees for the rezoning. Council consensus was not in favor of the request.

ITEM 22: Revise Comprehensive Plan to Meet Population Targets and Growth Plan

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Planning Director Wensman reviewed the Met Council forecasts and the City's MUSA sewer areas. Wensman reported that Councilmember Fliflet requested the Council discuss revising the City's Comprehensive Plan to meet the 2015 population targets and growth targets.

Councilmember Bloyer, seconded by Councilmember Lundgren, moved TO REFER THIS ISSUE TO THE PLANNING COMMISSION FOR DISCUSSION.

Councilmember Fliflet, seconded by Councilmember Smith, moved TO AMEND THE PRIMARY MOTION TO REFER THE ITEM TO THE PLANNING COMMISSION AND INCORPORATE THE REVISED POPULATION TARGETS AND TIMELINE AS ESTABLISHED BY THE MET COUNCIL. Motion passed 5 – 0.

Primary motion as amended passed 5 – 0.

ITEM 23: 2017-2021 Capital Improvement Plan

Councilmember Bloyer moved TO MOVE ITEM 23 TO THE END OF THE AGENDA. Motion died – no second.

Councilmember Smith, seconded by Councilmember Lundgren, moved TO APPROVE THE CAPITAL IMPROVEMENT PLAN AS RECOMMENDED BY THE FINANCE COMMITTEE. Motion passed 3 – 2. (Pearson, Bloyer – nay)

ITEM 24: Old Village Phase 3 Street and Utility Improvements – Public Hearing; Order Preparation of Plans and Specs

City Engineer Griffin reviewed the scope of the project, assessment methodology, and typical estimated sewer cost for a residential property. Griffin reported on the neighborhood meeting held and provided a summary of comments and questions from those in attendance. Griffin reviewed two options for the Laverne Avenue area and project findings and recommendations.

Mayor Pearson, seconded by Councilmember Smith, moved TO OPEN THE PUBLIC HEARING. Motion passed 5 – 0.

No comments were presented.

Councilmember Lundgren, seconded by Councilmember Smith, moved TO CLOSE THE PUBLIC HEARING. Motion passed 5 – 0.

Councilmember Smith, seconded by Councilmember Lundgren, moved TO ADOPT RESOLUTION 2016-111 ORDERING THE OLD VILLAGE PHASE 3: STREET, DRAINAGE AND UTILITY IMPROVEMENTS AND THE PREPARATION OF PLANS AND SPECIFICATIONS AND INCLUDE DESIGN/BIDDING FOR THE EXTENSION OF MUNICIPAL WATER SERVICES TO 3825 LAKE ELMO AVENUE FOR FUTURE

CONSIDERATION TO BE AWARDED WITH THE CONSTRUCTION CONTRACT FOR THE PROJECT. Motion passed 4 – 1. (Bloyer –nay)

Councilmember Smith, seconded by Mayor Pearson, moved TO APPROVE A PROFESSIONAL ENGINEERING DESIGN AND CONSTRUCTION SUPPORT SERVICES CONTRACT TO SEH, INC. IN THE NOT TO EXCEED AMOUNT OF \$119,500 FOR OPTION 1 AND APPROVE A GEOTECHNICAL SERVICES BUDGET IN THE NOT TO EXCEED AMOUNT OF \$15,000. Motion passed 5 – 0.

ITEM 25: Moratorium

City Attorney Sonsalla reviewed the history of the moratoria and presented a draft ordinance terminating the moratoria. Discussion held.

Dale Dorschner, 3150 Lake Elmo Avenue North, questioned the timing of this item on the agenda.

Councilmember Lundgren, seconded by Councilmember Fliflet, moved TO ADOPT ORDINANCE 08-160 AN ORDINANCE TERMINATING THE MORATORIA DECLARED BY ORDINANCES NOS 08-123 (EXTENDED BY ORDINANCE 08-146) AND 08-156 THAT IMPOSED MORATORIA ON CERTAIN DEVELOPMENT ACTIVITY WITHIN THE CITY. Roll call vote taken. Motion passed 5 – 0.

ITEM 26: Water Rates

Finance Director Bendel presented information on the current position of the existing water fund balance and future funding requirements. Tammy Omdahl, Northland Securities, reviewed water fund projections and assumptions.

Mayor Pearson, seconded by Councilmember Bloyer, moved TO TABLE THIS ITEM TO THE JANUARY WORKSHOP. Motion failed 2 – 3. (Fliflet, Lundgren, Smith – nay)

Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO APPROVE THE REDUCTION OF THE TIERED WATER RATES EFFECTIVE 1/1/2017 AS PROPOSED. Motion passed 3 – 1 – 1. (Pearson – nay; Bloyer – present/not voting)

ITEM 27: 2016 Year End Recommendations Related to Excess General Fund Balance

Finance Director Bendel presented recommendations from the Finance Committee to create a new legal reserve fund to cover the increased insurance deductible.

Dale Dorschner, 3150 Lake Elmo Avenue, posed questions regarding the City's legal fees.

Councilmember Fliflet, seconded by Councilmember Smith, moved TO ADOPT RESOLUTION 2016-112 AUTHORIZING THE INITIALIZATION OF A NEW LEGAL

RESERVE FUND EFFECTIVE 12/31/2016 IN THE AMOUNT OF \$200,000 SPECIFICALLY TO BE USED TO PAY INSURANCE DEDUCTIBLE PAYOUTS. Motion passed 3 – 2. (Pearson, Bloyer – nay)

ITEM 28: Low Impact Development Standards

City Administrator Handt reported on recommendations from the Environmental Committee to refer Low Impact Development Standards to the Planning Commission for review. Discussion held concerning current standards and potential impact to developers.

Councilmember Fliflet, seconded by Councilmember Lundgren, moved TO REFER LOW IMPACT DEVELOPMENT STANDARDS TO THE PLANNING COMMISSION FOR REVIEW AND RECOMMENDATION. Motion passed 3 – 2. (Pearson, Bloyer – nay)

ITEM 29: Noise Ordinance

Planning Director Wensman reviewed the current ordinance and proposed changes.

Councilmember Lundgren, seconded by Mayor Pearson, moved TO APPROVE ORDINANCE 08-161 AMENDING CHAPTER 130: NOISE CONTROL. Motion failed 2 – 2 – 1. (Bloyer, Lundgren – nay; Smith – present/not voting)

ITEM 30: Employee Handbook

City Administrator Handt reported that the Human Resources Committee has been working on a revised Employee Handbook in 2016. Councilmember Fliflet added that the revised Handbook would be reviewed further by staff and legal counsel after City Council approval.

Councilmember Smith, seconded by Councilmember Lundgren, moved TO APPROVE THE REVISED EMPLOYEE HANDBOOK SUBJECT TO LEGAL REVIEW AND MINOR REVISIONS BY STAFF. Motion failed 2 – 3. (Pearson, Bloyer, Lundgren – nay)

Councilmember Fliflet, seconded by Councilmember Smith, moved TO DIRECT STAFF TO BRING A CORRECTED VERSION OF THE EMPLOYEE HANDBOOK BACK TO THE NEXT COUNCIL MEETING. Motion failed 2 – 3. (Pearson, Bloyer, Lundgren – nay)

COUNCIL REPORTS

Mayor Pearson: Thanked Pam Hartley for her service on the Parks Commission.

Councilmember Fliflet: Thanked Councilmember Smith for her service to the City and acknowledged people serving on committees she works with.

Councilmember Smith: No report.

Councilmember Lundgren: Thanked Councilmember Smith for her service to the City.

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Councilmember Bloyer: No report.

STAFF REPORTS AND ANNOUNCEMENTS

Administrator Handt: Announced that the City is accepting applications for Planning Commission, Parks Commission and Library Board.

City Clerk Johnson: Provided information on City Hall holiday closures.

Finance Director Bendel: Attended Finance Committee and a water workshop. Working on insurance renewals, assessments, and audit.

City Attorney Sonsalla: Working with the Building Official on code enforcement; working with planning staff on Royal Golf EAW and noise ordinance.

Planning Director Wensman: Reported on Shoreland Ordinance.

City Engineer Griffin: Held neighborhood meetings for Old Village Phase 3 residents and working on a feasibility report to present in February.

Meeting adjourned at 11:15 pm.

LAKE ELMO CITY COUNCIL

ATTEST:

Mike Pearson, Mayor

Julie Johnson, City Clerk