

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, SEPTEMBER 23, 2014 – 7:30PM

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 7:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

4. ROLL CALL

PRESENT: Mayor Johnson, and Councilors Betts, Fisher, Wenck, and Spencer

ABSENT: None

STAFF: City Administrator Hirsch, City Planner Kaltsas, City CPA Steve McDonald, and City Attorney Vose

VISITORS: Gary Schroeder, Lance Gyllenblad, Dawn Mooney, LuAnn Brenno, Lynda Franklin, Paul Otto, Brian Schroeder, Doug Hoskins

4. CONSENT AGENDA

- a. All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
- Approval of the City Council minutes of September 9, 2014
 - Approval of the Accounts Payable/Receivables ending September 18, 2014.
 - Approval of Ordinance No. 2014-02, Amending City Code Sections 915.17 and 915.19 regarding Slow No Wake Zone On Lake Independence.

Motion by Betts, second by Fisher to approve the Consent Agenda. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

Spencer would like to add information regarding I and I problems with the city sewer, the Lake Sarah No Wake Zone ordinances, the Lindgren Lane septic mound, and the Vinland Center's sewer system.

Hirsch stated the Event Center applicant requested to delay his request, until the October 28th City Council Meeting.

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF.

Spencer attended the following meetings:

- Meeting with the Public Works Director, Larry Ende and Toni Hirsch

Wenck attended the following meetings:

- None

Fisher attended the following meetings:

- Planning Commission Meeting

Betts attended the following meetings:

- Police Commission Meeting
- Police Ride Along

Johnson attended the following meetings:

- NW League of Minnesota Cities meeting
- Police Commission Meeting
- Community Action Partnership for Suburban Hennepin Finance Committee Meeting
- Delano Fire Commission Meeting
- Land Use Advisory Committee Meeting for Metropolitan Council
- Orono School Board Meeting
- Orono Homecoming Game
- Policy Meeting for Improving Local Economies for the League of Minnesota Cities

Hirsch attended the following meetings:

- FEMA meeting with, Public Safety Direct, Kroells in Medina.
- Police Commission Meeting
- Meeting with Steve McDonald and Dan Gerdes from Abdo, Eick & Meyers regarding bonding and the budget

7. DIRECTOR OF PUBLIC SAFETY, GARY KROELLS – ACTIVITY REPORT FOR THE MONTHS OF JULY AND AUGUST, 2014

Kroells explained the July and August 2014 reports. He stated for the year through the end of July WHPS handled 4,090 incidents, 2,383 of these were from Independence. Independence had just slightly more incidents this month versus last year. He stated over all the yearly incidents are down.

Kroells described a few incidents in July including a car rollover, property damage, DWI's, narcotics, felony damage at Pioneer Creek Park, burglary, disorderly conduct, felony warrant arrests, motorcycle crash, domestic assaults, and trespassing.

Kroells stated in the month of August WHPS handled 432 incidents in Independence and 238 incidents in Maple Plain. The two cities combined equals roughly 23 to 25 incidents per day. He spoke about the cities of Independence and Delano, the State, and law enforcement working together to help make the intersection of Highway 12 and County Road 92 safer, as well as Highway 12 and County Road 90. He discussed the Departments arrest of a one of the top 10 Hennepin County offenders. Kroells stated the department had a great time attending 11 different Night to Unite parties in Maple Plain and Independence.

Kroells discussed the Maple Plain Days event. He thought it went very well, and it was well attended. There was 135 hours of police coverage for the event, and with some rearranging they were able to do this with only 14 hours of overtime. He thanked everyone who was involved with it.

Kroells further described August incidents including some DWI's, texting while driving, suicide attempt, felony domestic assault arrest, felony warrant arrest, and the HAWK cross signal violation.

Johnson asked if WHPS was involved with the motorcycle death on Ingerson Road. He stated they did, and they were the first on the scene.

8. APPROVAL FOR AN EXTENSION TO A PREVIOUSLY GRANTED VARIANCE FROM THE SIDE YARD SETBACK FOR THE PROPERTY LOCATED AT 4618 SOUTH LAKE SARAH DRIVE

Johnson inquired about the delay after this variance had been approved. Hirsch stated the previous owners never got around to using it and have since sold the property. The new owners would now like to use the variance. Kaltsas stated in 2008 the city granted a variance for a side yard setback to allow an addition to be added on to the home. However, one condition of the approval was that it expired in one year, if not used. That applicant/owner has sold the property and the new owners have asked the city if they would still grant this same variance and extending the expiration. The neighboring property gave a written approval of granting this extension.

Motion by Spencer second by Betts to approve Resolution 08-0122-01. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. DISCUSSION – HILLTOP FARMS, INC. - REQUEST FOR A CONCEPT PLAN REVIEW FOR A RESIDENTIAL SUBDIVISION TO BE LOCATED ON THE PROPERTY AT 1235 COUNTY ROAD 90

Johnson stated, as part owner of this property, he requested to step down and place Councilor Lynn Betts in charge of this part of the meeting. He stated the polo grounds requested to purchase this property from his family, but other than that he is not involved with this development.

Kaltsas explained the request from Doug Hoskins, the applicant. He stated Hoskins has not formally submitted an application, but is looking for feedback on his concept plan; which includes two polo fields and 27 residential lots. He stated neighbors received written notification and this concept plan was reviewed by the Planning Commission.

Kaltsas stated the lots are located along the West side of County Road 90 on either side of Quaas Cutoff. The lots are zoned Agriculture and guided agriculture preserve. A portion of the property is guided longer term as Rural Residential. Polo Fields are allowed with a Conditional Use Permit in Agriculture zones; however they are requesting to place the polo fields in the long term guided Rural Residential. The placement is due mainly to the topography and extensive grading needed on the Agriculture zoned portion of the property. He explained this would mean they would swap the zoning on one side of the property with the other side of the property. He stated the applicant would need a Comprehensive Plan Amendment, rezoning of the property, Conditional Use Permit for cluster development, Preliminary and Final Plat, and Conditional Use Permits for polo fields. If the applicant just developed the east side of the lots, without a Comprehensive Plan Amendment, the guided Rural Residential portion, they would yeild about 15 lots with a cluster development. The Agriculture zoned, west side of the lot, they would be able to develop 2 more lots for a total of 17 lots. He explained with the applicant's scenario would yield a total 27 lots with a cluster development. The cluster development requires 50% to be preserved as open space and 50% of that space must be useable upland space.

Kaltsas explained the rest of the applicants request including paving roads around the development. The polo fields would include a clubhouse; which would be accessible to the homes in the development. These polo fields would be of higher quality and both fields accessed off of Quaas Cutoff. These games would be played on Sundays.

Kaltsas stated the Planning Commission reviewed and discussed the concept and some residents came to speak about this. Their concerns were about traffic, noises, and types of activities. A Conditional Use Permit with restrictions is still required to allow the use of polo. The applicant's main concern is if there are comments about the concept and the Comprehensive Plan Amendment.

Wenck inquired about the cluster development lot allowance. Kaltsas explained the 1 to 4 ratio verses the 1 to 5 ratio. Wenck also questioned why this would be allowed for this applicant, as other residents that live along the border of a rural residential zone would want to do the same thing. Betts inquired if this would be a Commercial based tax. Hoskins stated it is now taxed at agriculture. He explained the field does not make much money. He discussed the polo field in Watertown as an example and this field is also taxed as agriculture.

Spencer questioned about the density swap. Kaltsas stated the 30 acres of Polo Fields would swap for the lots developed on the west side. He spoke with Met Council to discuss the 1 in 10 density. Betts inquired about a mitigation swap. Vose stated this plan is not possible without a Comprehensive Plan amendment under the current city ordinance. He stated this would be more of a policy change, and this scenario would apply only to a select few properties. Fisher asked what the applicant wants to do. Hoskins stated he is planning to develop these lots, but his goal is to help keep the Polo thriving. He is asking the City to work with him and wants to know if an application and money should be spent on this idea, or if he should just develop it into housing without Polo Fields. Betts inquired who owns the current polo field. Hoskins described the situation and that it is owned by two partners and leased by the polo club. He stated these new fields would be owned by the club and has long term goals.

LuAnn Brenno, a concerned resident that also attended the Planning Commission meeting, stated she was torn as she does not want to see it rezoned, but in this instance the use in terms of the swap does make sense.

Kroells stated from a police perspective they don't have much of an issue with practices or matches. He did request, if the fields get to the worldwide level, that proper notice be given to the police when matches are held, so there is the support if needed.

Paul Otto, Otto and Associates, explained they are not asking for the maximum lot development. This plan utilizes just about the best scenario for the property, considering all the wetland.

Brian Schroeder, 1044 Polo Club Road, stated the northern proposed property was the dumping field for the Highway 12 construction and thinks that septic systems will be difficult to install. He also feels there is a conflict of interest with the Mayor owning the land. Betts and Fisher stated these are good points, but there is this not a public hearing and there is nothing we can do tonight. Betts stated these things will be checked prior to the development. Vose stated there is a conflict of interest with the Mayor, but it has been exposed and he dismissed himself from discussing this item.

Wenck stated he would be willing to look at doing 17 lots verses the 27 lots. He stated he would be open to swapping the zoning, but locking them into the allowable lot development as it is zoned now with 17 lots. Hoskins stated perc tests would need to be done. He also wanted to clear the air that there is no special deal being set between him and the Mayor. The swap is based on the landscape and location. If he was only allowed to do the 17 lots, he stated he would need to see if he could still afford to do the development and re-evaluate the deal.

Gary Schroeder, 5922 County Road 6, stated they want the swap because the land where the polo field would be located is not suitable for building. He stated he was also concerned about the traffic at County Road 90 and Highway 12.

Betts stated they would leave it up to the staff and the applicant to decide what to do.

10. REVIEW, DISCUSSION AND APPROVAL OF THE 2015 PRELIMINARY BUDGET AND TAX LEVY, RESOLUTION NO. 14-0923-01.

Johnsons asked about the quarterly financial report. Steve McDonald, City CPA, stated so far it looks like things are tracking the way they would expect. Johnson inquired if the Councilors could review a report showing where things are over and under budget for the year. McDonald stated the third quarter reporting should be done by mid-October. He stated they would flag anything that looks significantly out of line.

Johnson inquired about the inner government revenue. Hirsch stated generally we do not budget for this, as we cannot predict what this will total. McDonald also stated these generally fluctuate and cannot be predicted.

McDonald stated what is being presented is the maximum levy, but it can be reduced from these numbers for the final certification in December. He stated they have reviewed the revenue and expenses.

McDonald stated overall the city's levy increase is at 7.74%, as it stands now. He pointed out some of the reasons for this including: the police budget increase of \$100,000, increase road maintenance by \$37,000, and the accounting position. He stated with the assistance of the Public Works Director, Ende, we now have a great inventory of what is needed over the next five years.

McDonald described some of the legislative changes including: minimum wage changes, PERA contribution increases, sales tax exemptions in 2014 and 2015, no maximum levy limit about, and the certification day moving from September 15 to September 30. He discussed each section of the budgets increase or decrease. He stated if bonding is allowed by City Council it will help offset the dropping off of some of the levies in the future. McDonald also discussed the Pioneer-Sarah Creek Watershed Taxing District which has a 6.67% increase. He stated 75% of the budget increase comes from two items, police budget and road budget.

McDonald further discussed some of the past levies. He stated tax capacity increased 5.2% which is driven by residential values. This is consistent with other Hennepin County cities. He discussed other cities for comparison. McDonald then recapped the total report expenditures and revenues and stated further details are available in the report. He stated what he was looking for from the City Council is approval of the preliminary levy at the current amount.

Johnson inquired about the 5.23% increase of tax capacity. McDonald further explained the calculation. Johnson stated part of the problem is catching up from road maintenance over last few years. He stated public safety also includes the fire departments. In the past, reserve money has been used to keep a balanced budget. McDonald stated this was a common practice for many small cities. Johnson inquired about the percentage balance to budget at 48%. McDonald further explained and stated this is partially due to expenditures increasing a bit. He stated this level is still considered adequate. He stated the City's budget is running pretty lean. He predicted at the end of 2014 it would balance to roughly 51%.

Johnson inquired about fiscal disparities. McDonald stated he was not aware of any large fluctuations that would affect the drivers. He stated the fiscal disparities should be about the same year to year.

Johnson inquired about the bond payments increasing. McDonald stated there will be fluctuations in the principal, interest, and delinquencies. He stated this payment is following the levy that was established issuing the bonds.

Johnson asked McDonald for the overall figure for valuation increase. McDonald stated he would get that figure for the City Council. He stated the tax capacity drives the tax figures.

Johnson inquired about the Pioneer Sarah Creek Watershed District budget and if this was the presented budget. Spencer stated that budget included some capital improvement funds and some outlet projects. He stated this number looks correct. Johnson asked if the Minnehaha Creek Watershed District could also be calculated and compared.

Motion by Betts second by Spencer to adopt Resolution No. 14-0923-03 the 2015 Preliminary Budget and Tax Levy. Ayes: Johnson, Betts, Fisher, Wenck, and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

11. SET THE TRUTH IN TAXATION BUDGET MEETING IN DECEMBER, 2014.

The Councilors and Hirsch discussed having just one meeting in December. The Truth in Taxation meeting could be held just before the City Council Meeting. One suggestion was to hold this on, Tuesday, December 16th. It was discussed to be held at 6:45 p.m.

Motion by Wenck second by Spencer to hold the Truth in Taxation Hearing on, Tuesday, December 16th at 6:45 p.m. and cancel the City Council meetings on December 9th and 23rd and hold that meeting on December 16th. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

12. DISCUSSION REGARDING THE PROPOSED CREATION OF A HIGHWAY 12 SAFETY COALITION, APPROVAL OF THE PROPOSED BYLAWS, AND DIRECTION TO STAFF TO BRING BACK A RESOLUTION SUPPORTING THE ABOVE REQUEST.

Johnson discussed communities meeting together in Delano regarding Highway 12 safety. He stated he currently is a member of the Highway 55 Coalition. He feels it is important to set up the same thing for Highway 12. Johnson found some corrections and made some suggestions for the Resolution.

Motion by Betts second by Fisher to join the Highway 12 Safety Coalition and create a resolution. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

13. NOVEMBERS COUNCIL MEETINGS – CANCEL AND/OR RESCHEDULE REGULAR MEETINGS DATE TUESDAY, NOVEMBER 11 (VETERANS DAY) AND TUESDAY, NOVEMBER 25, (THANKSGIVING WEEK) TO?

Johnson stated the City is not permitted to have a City Council meeting on a Holiday. The Councilors discussed holding the meeting Monday, November 17th.

Motion by Betts second by Spencer to hold the November City Council meeting on, Monday, November 17th and cancel the City Council meetings on November 11th and 25th. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

14. MISC./OPEN.

Spencer discussed his meeting with Public Works Director, Larry Ende. He stated Ende had a meeting with Met Council regarding the sewer I and I issues. This has become a big issue and could result in fines of \$17,000 per year effective immediately. The city is not confident in the lift station readings. The City needs to act immediately in order to get a possible exemption from this fine. One lift station that is causing the most issues is the lift station on Perkinsville Road. This is also one area that did not have sump pump inspections. If the inspection process is approved then the City can notify Met Council. There are also some meter issues that need to be checked. This area would include homes on South Lakeshore Road and Perkinsville Road.

Wenck inquired about costs. Spencer stated the City Building Inspector would inspect these and any minor charges would be paid out of the sewer fund. The entire job could take up to three months inspect. Johnson inquired about manholes. Spencer stated there are several manholes, and those would also be inspected. He stated Public Works is also going to camera the lines.

Motion by Wenck second by Spencer to move forward with the sump pump inspections. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Spencer stated the DNR asked for a language amendment to the Lake Sarah No Wake Ordinance similar to the Lake Independence No Wake Ordinance. The Lake Sarah No Wake Ordinance also has some language corrections. The City Administrators from Greenfield and Independence will need to meet to discuss this so both ordinance read the same.

Motion by Johnson second by Spencer to establish a revised Lake Sarah No Wake Ordinance with the City of Greenfield. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Spencer discussed the Lindgren Lane mound system, which has not been used for a long enough period that the site could have the materials stripped, removed, and graded. Currently, it is being used as a yard waste dump. The materials could be used to fill potholes. The first bid to do the entire job was \$12,000 or \$6,000 if the City trucks are used to haul away.

Motion by Betts second by Spencer to remove the materials in the mound system on Lindgren Lane with Public Works assistance. Ayes: Johnson, Betts, Spencer, Wenck, and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Spencer discussed problems with the Vinland Center sewer. The City is finding rags, toweletts, and mop heads in the pumps. A solution is needed to fix this issue. Spencer stated a tank may need to be installed at their expense if this cannot be managed. The Council discussed an assessment for the tile work needed to the road.

15. ADJOURN.

Motion by Betts second by Wenck to adjourn the City Council Meeting at 9:23 p.m. Ayes: Johnson, Betts, and Spencer. Nays: None. Absent: Wenck and Fisher. MOTION DECLARED CARRIED.

Respectfully submitted,

Jolene Nelson, Recording Secretary