

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, NOVEMBER 24, 2014 - 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The City Council of Inver Grove Heights met in regular session on Monday, November 24, 2014, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Bartholomew, Madden, Mueller and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, Community Development Director Link, Finance Director Smith, Chief Stanger, Chief Thill, Public Works Director Thureen, and Deputy Clerk Kennedy

3. PRESENTATIONS:

A. Presentation of CAFR Award

Ms. Smith stated the Certificate of Achievement for Excellence in Financial Reporting was awarded to the City by the Government Finance Officers Association. She explained the Certificate of Achievement was the highest form of recognition in the area of governmental accounting and financial reporting. She noted this was the 28th consecutive year the City had received the award. She recognized the staff from the Finance department for their work including Carrie Isaacson, Terri O'Conner, Bill Schroepfer, Shannon Battles, Cora Bauer, Angela Freier, and Jenny Blackbird.

4. CONSENT AGENDA:

Citizen Allan Cederberg requested that Items 4E, 4H, 4I, 4J, 4M, and 4U be pulled from the Consent Agenda.

- A. i) Minutes – October 27, 2014 Regular City Council Meeting
- ii) Minutes – November 7, 2014 Special City Council Meeting
- iii) Minutes – November 10, 2014 Regular City Council Meeting
- B. Resolution No. 14-195** Approving Disbursements for Period Ending November 19, 2014
- C.** Approve Appointment of Auditors for the Year Ending December 31, 2014
- D. Resolution No. 14-196** Approving Transfers to Economic Development Authority
- F.** Approve Letter of Support for Regional Solicitation Grant Application
- G. Resolution Nos. 14-197** Authorizing City Attorney Professional Services and Authorizing Staff to Procure Appraisal Services for 2015 Pavement Management Program, City Project No. 2015-09E, 47th Street Neighborhood Street Reconstruction
- K. Resolution No. 14-201** Authorizing the Application for 2015 Funding from Dakota County for Waste Abatement Activities
- L. Resolution No. 14-202** Approving a Donation of Land to the City of Inver Grove Heights by Arlen C. Anderson for Property Identified as Dakota County Tax Identification No. 20-03100-56-130 pursuant to Minnesota Statutes 465.03
- N.** Resolution No. 14-203 Providing for the Sale of Unclaimed Property to a Local Non-Profit Organization
- O.** Approve 2015 City Council Meeting Schedule
- P.** Approve 2015 Meeting Schedules for Advisory Commissions
- Q. Resolution No. 14-204** Renewing Joint Powers Agreement with Dakota County Drug Task Force
- R.** Approve Update of the Emergency Operation Plan
- S. Resolution No. 14-205** Denying Application of Caroline Nyakundi dba Yuroca's Caring Hands for a Therapeutic Massage Business License and an Individual Therapeutic Massage License for property located at 5874 Blackshire Path
- T.** Personnel Actions

Motion by Madden, second by Bartholomew, to approve the Consent Agenda**Ayes: 5****Nays: 0 Motion carried.**

- E.** Approve Pay Voucher No. 5 for City Project No. 2014-09D, College Trail Street Reconstruction and Barbara Avenue Partial Street Reconstruction and 2014-06, Blaine Avenue Retaining Wall Replacement Improvements

Allan Cederberg, 1162 E. 82nd St., questioned if the assessments had been levied for the project.

Mr. Thureen stated the assessment hearing was held and the final assessment roll was adopted by the City Council.

- H. Resolution 14-198** Receiving the Final Feasibility Report for City Project No. 2014-13, Northwest Area Trunk Utilities, Argenta District
- I. Resolution 14-199** Authorizing Preparation of Addendum No. 1 to the November 24, 2014 Feasibility Study by Bolton & Menk, Inc. for City Project No. 2014-13, Northwest Area Trunk Utilities, Argenta District and Establish City Project No. 2015-10, Northwest Area Utility Improvements Argenta District (Alverno Trail to Blackstone Vista)
- J. Resolution 14-200** Authorizing Preparation of Addendum No. 2 to the November 24, 2014 Feasibility Study by Bolton & Menk, Inc. for City Project No. 2014-13, Northwest Area Trunk Utilities, Argenta District and Establish City Project No. 2015-11, Northwest Area 70th Street Lift Station – Argenta District
- U. Resolution 14-206** Authorizing Staff to Enter into Agreements and Procure a Right-of-Way and Easement Acquisition Team for Northwest Area – Argenta Trail District, City Project No. 2014-13, Northwest Area Trunk Utilities, Argenta District

Allan Cederberg, 1162 E. 82nd St., stated he did not understand the project and questioned what the proposed action entailed.

Mr. Thureen stated Items 4H, 4I, 4J, and 4U were all related to the trunk utilities project for the Argenta District. He explained Item 4H involved receiving the feasibility report for the overall project. He stated the developer involved with the Blackstone project expressed a desire to construct portions of the trunk line under the terms of a development contract. Items 4I and 4J recognized that fact and separated the two (2) components of the project that would be publically constructed, the first segment of the trunk utility starting in Argenta Hills and ending at the first property controlled by the developer (Jim Deanovic) and the 70th Street lift station. Item 4U authorized staff to begin assembling the team of consultants needed to start the easement acquisition process.

Mr. Cederberg questioned if the City had plans to take any property to construct the trunk line.

Mr. Thureen stated the details were not known at this point in time. He explained staff was prepared to go through the easement acquisition and negotiation process to try to work with the property owners involved.

Mr. Cederberg opined that a lot of people were upset that the trunk line was going to be run through their property and he questioned if that was still going to happen.

Councilmember Piekarski Krech stated the 69th Street alternative alignment was removed from consideration by the Council at the last regular meeting.

Mayor Tourville stated the alignment had not been finalized and the City still had to go through the easement acquisition and negotiation process.

Motion by Mueller, second by Piekarski Krech, to approve Items 4E, 4H, 4I, 4J, and 4U**Ayes: 5****Nays: 0 Motion carried.**

- M.** Approve 2015 Park and Recreation Fees

Allan Cederberg, 1162 E. 82nd St., questioned why the same cost was proposed for disc golf daily and annual passes.

Mr. Carlson stated there was an error on the spreadsheet. The correct fee for a disc golf daily pass was \$5 for residents and \$7 for nonresidents. He noted the fee for use of a neighborhood park school athletic field should be corrected to \$35 for residents and \$45 for nonresidents.

Motion by Piekarski Krech, second by Mueller, to approve 2015 Park and Recreation Fees with the corrections as noted

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC COMMENT:

Marley Danner stated he requested that an item be placed on the Council agenda for discussion.

Mr. Lynch explained he informed Mr. Danner that he could address the Council under the public comment portion of the meeting. He stated the Council was aware of Mr. Danner's situation and had received all of the correspondence and information pertaining to the issue.

Mayor Tourville stated the Council would not take action under public comment.

Mr. Lynch explained there was no specific action to be taken. He stated the Council understood the position of staff and Mr. Danner disagreed with that position and was asking for additional consideration. He noted the project in question had already been awarded and Mr. Danner was aware of the contract obligations outlined in the development agreement. He explained staff informed Mr. Danner that the obligations of the development agreement had not been met, the reasons for that determination, and what needed to be done in order to meet the contractual obligations of the agreement.

Mayor Tourville stated the Council had received the information but did not bring it with them because they did not know it was going to be discussed at the meeting.

Mr. Danner explained his situation and stated he did not understand why the City was still holding \$50,000 in escrow for the project in addition to a letter of credit in the amount of \$120,000. He opined the project was overdone and the engineering department would not release the money being held until all of the lots were built on. He questioned how the City could force him to build on all of the lots before releasing the escrow money and letter of credit. He stated the required vegetation had been established and two (2) trees had been planted per lot. He opined his money was being tied up because of two (2) rain gardens that he had to maintain for a period of five (5) years before turning them over to the City. He questioned what purpose was being served by holding the money.

Mr. Thureen stated most of the requirements stemmed from the development contract in terms of the escrow for the project and outstanding items that needed to be completed by the developer.

Mr. Danner stated he wanted the Council to review the development contract and determine if what he was being asked to do was correct.

Councilmember Piekarski Krech questioned if staff had a breakdown of the outstanding items to be completed to justify why the \$170,000 was being withheld.

Mr. Danner stated the engineering staff told him that 10% of the total was being withheld until the project was completed. He noted the project would not technically be completed for another five (5) years because the City would not accept the rain gardens until then.

Mayor Tourville stated the Council needed to review the information and development contract further before making any decisions.

Councilmember Bartholomew suggested that the item be added to a future agenda for further discussion.

The Council directed staff to place the item on the agenda for the January 12, 2015 meeting.

Allan Cederberg, 1162 E. 82nd St., stated the preliminary tax statement he received from the County

reflected a 6% tax increase and he questioned if that amount could change before December.

Councilmember Bartholomew stated that the City’s tax rate was proposed to increase 3.8%.

Councilmember Piekarski Krech stated Mr. Cederberg’s property value may have increased as well.

Mayor Tourville encouraged Mr. Cederberg to attend the truth in taxation hearing at the first regular meeting in December.

Mr. Cederberg discussed the cost of the City’s investments and referenced correspondence from the Finance Director dated October 8, 2014. He stated as of December 31, 2013 the City had paid \$761,293.65 in premiums related to the purchase of bonds. He opined that the City should no longer pay for premiums.

Ms. Smith explained if the City did not pay the premiums on bonds the City would not be allowed to purchase municipal bonds and would limit the City’s investment options. The investments purchased by the City are regulated by State statute. She explained the City paid a higher purchase price for the bond to get a higher interest rate and increase the rate of return on the investment.

Mayor Tourville clarified the City did not have an option to forego paying premiums if it was going to continue to purchase municipal bonds.

Ms. Smith stated the other investment opportunities that would be available to the City would have a lower rate of return than the municipal bonds at premium prices.

Councilmember Bartholomew stated the City’s Finance Director, financial advisor, and auditor all felt it was a sound investment practice. He noted if the City did not purchase municipal bonds at the premium price the rate of return would be so small that the investment would not be worthwhile.

6. PUBLIC HEARINGS:

A. CITY OF INVER GROVE HEIGHTS: Consider Approval of Liquor License Renewal Applications for 2015 Calendar Year

Ms. Kennedy stated 28 liquor license applications were proposed to be considered for renewal for the 2015 calendar year. She explained the Police Department completed the required background investigations and found no information that would warrant denial of any of the renewal applications. She noted the licensees had submitted the requisite license fees, proof of liability insurance, and alcohol server training information.

Allan Cederberg, 1162 E. 82nd St., questioned why a public hearing was not held to consider renewal of the Optional 2:00 AM Closing license held by the King of Diamonds.

Ms. Kennedy explained the City was not the issuing authority for the Optional 2:00 AM license and a public hearing before the Council was not required. She stated the State of Minnesota was the issuing authority for the optional closing license.

Motion by Piekarski Krech, second by Madden, to close the public hearing

Ayes: 5

Nays: 0 Motion carried.

Motion by Madden, second by Piekarski Krech, to approve liquor license renewal applications for the 2015 calendar year

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR AGENDA:

FINANCE:

A. CITY OF INVER GROVE HEIGHTS: Resolution Authorizing an Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 5-1

Ms. Smith stated the Economic Development Authority was researching the viability of creating a TIF district. She explained in order to pay for the costs associated with the creation of a new district an interfund loan must be approved so future TIF dollars, if the district was created, could be used to pay those costs.

Councilmember Bartholomew clarified that the funds would be taken from the Host Community Fund.

Ms. Smith replied in the affirmative.

Motion by Piekarski Krech, second by Mueller, to adopt Resolution No. 14-207 authorizing and interfund loan for advance of certain costs in connection with Tax Increment Financing District No. 5-1

Ayes: 5

Nays: 0 Motion carried.

B. CITY OF INVER GROVE HEIGHTS: Consider the Second Reading of an Ordinance Amending City Code Title 3, Chapter 4, Sections 3-4-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2015

Ms. Smith stated no substantive changes had been made since the first reading. The proposed fees were rounded to the nearest \$5 increment. A copy of the proposed ordinance was sent to the Chamber of Commerce for review and comment.

Motion by Bartholomew, second by Madden, to approve the second reading of an Ordinance amending City Code Title 3, Chapter 4, Sections 3-4-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2015

Ayes: 5

Nays: 0 Motion carried.

ADMINISTRATION:

C. CITY OF INVER GROVE HEIGHTS: Consider Recommendation for Human Resources Manager Position

Mr. Lynch provided an overview of the process that was followed to fill the position. He recommended that Janet Shefchick be appointed to the position of Human Resources Manager. He noted Ms. Shefchick would start at Step 3 of the pay scale and would not be eligible for any salary adjustments until after the successful completion of one (1) year.

Motion by Piekarski Krech, second by Madden, to approve the appointment of Janet Shefchick to the position of Human Resources Manager

Ayes: 5

Nays: 0 Motion carried.

8. MAYOR & COUNCIL COMMENTS:

Mayor Tourville announced the activities scheduled for Holiday on Main Street on December 13th from 2-5 pm at the Veterans Memorial Community Center.

9. ADJOURN: Motion by Mueller, second by Madden, to adjourn. The meeting was adjourned by a unanimous vote at 8:15 pm